

RESOLUTION NO. 10-1-98R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WESTON, COLLIN COUNTY, TEXAS, AUTHORIZING THE PURCHASE OF A FIRE TRUCK AND THE FINANCING OF SAID PURCHASE.

WHEREAS, the Fire Department's pumper truck has suffered unforeseen damage or reliability problems;

WHEREAS, the need to purchase a reliable pumper truck requires an immediate action to preserve or protect the public health or safety of the citizens of Weston; and

WHEREAS, the Weston City Council finds the proposed transaction is exempt from the requirements of Section 252.021 of the Local Government Code pursuant to one or more sections of Section 252.022 of the Local Government Code.

NOW, THEREFORE, BE IT RESOLVED that pursuant to Local Government Code Section 252.022 (a) (2) and (3) the Weston City Council hereby approves the purchase of a 1998 Freightliner Pumper for \$151,132.00.

BE IT FURTHER RESOLVED that pursuant to the Texas Public Property Finance Act (Chapter 271 of the Local Government Code) that \$131,000.00 of the purchase price will be financed for ten (10) years by and through a Municipal Lease Purchase Agreement with Emergency One.

BE IT FURTHER RESOLVED that the Mayor of Weston, the Honorable Kenneth Cowan, is authorized to act on the behalf of the City of Weston, in his capacity as the duly elected Mayor of Weston, to execute all documents related to this transaction in order that fire protection be preserved in the City of Weston.

ADOPTED by the Weston City Council this 22 day of Oct, 1998.

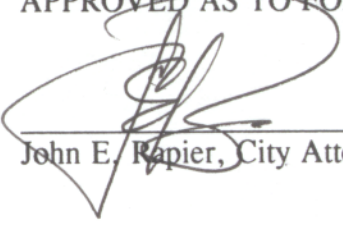
APPROVED:

by: Kay Hodges
KAY HODGES, Mayor Protem

ATTEST:

Gayle Poer, City Secretary

APPROVED AS TO FORM:



John E. Rapier, City Attorney

RESOLUTION
WESTON VOLUNTEER FIRE DEPARTMENT

WHEREAS, the Weston Volunteer Fire Department is a duly formed Texas non-profit corporation;

WHEREAS, the Weston Volunteer Fire Department requires certain fire-fighting equipment in order to effectively carry out the purposes for which it was created;

WHEREAS, the Board of Directors of the Weston Volunteer Fire Department have determined that a certain firetruck, more particularly known as the E-1 Pumper Mounted on a Freightliner FL80 4-Door Chassis, will best serve the requirements of the Fire Department;

WHEREAS, the City of Weston has agreed to assist the Weston Volunteer Fire Department by providing for lease of such a fire truck to the Weston Volunteer Fire Department, such lease to commence on delivery of the fire truck to the Weston Volunteer Fire Department, the terms of such lease as are set forth more particularly in the Commercial Equipment Lease Agreement between the City of Weston and the Weston Volunteer Fire Department, attached hereto; and

WHEREAS, the Board of Directors of the Weston Volunteer Fire Department has duly reviewed the Commercial Equipment Lease Agreement, as well as the finances of the Weston Volunteer Fire Department of the firetruck, and the Board of Directors approves of the purposes and terms of the lease.

NOW, THEREFORE, -BE IT RESOLVED BY THE WESTON VOLUNTEER FIRE DEPARTMENT, THAT:

Section 1. The Board of Directors of the Weston Volunteer Fire Department authorizes and approves the terms of the Commercial Equipment Lease Agreement and further authorizes, jointly and severally, the Fire Chief and his or her designees to execute and deliver the Commercial Equipment Lease Agreement and any and all other such instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purpose of this resolution.

Section 2. This resolution was approved by the Board of Directors of the Weston Volunteer Fire Department, Weston, Texas on _____, 1998, at which meeting a quorum was present and voting.

ADOPTED BY THE BOARD OF DIRECTORS, WESTON VOLUNTEER FIRE DEPARTMENT of WESTON, TEXAS, ON THE _____ DAY OF _____, 1998

APPROVED:

_____, FIRE CHIEF
WESTON VOLUNTEER FIRE DEPARTMENT

ATTEST:

_____, SECRETARY
WESTON VOLUNTEER FIRE DEPARTMENT

COMMERCIAL EQUIPMENT LEASE AGREEMENT

Dated as of

_____, 1998

between

CITY OF WESTON,
Lessor

and

WESTON VOLUNTEER FIRE DEPARTMENT,
Lessee

Equipment Description

Emergency One Pumper Mounted on a Freightliner FL80 4-Door Chassis

1. LEASE. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all machinery, equipment and other property (collectively the "Equipment" and individually an "Item," or "Item of Equipment") described in (a) the schedule executed by the parties concurrently herewith and made a part hereof, and (b) any schedule or schedules hereinafter executed by the parties hereto and made a part hereof (collectively the "Schedules" and individually, a "Schedule").

Each of Lessee and Lessor are public bodies, corporate and politic, duly organized and existing under the Constitution and laws of the state of Texas and will do or cause to be done all things necessary to preserve and keep in full force and effect their existences as bodies corporate and politic.

Each of Lessee and Lessor have been duly authorized to execute, deliver and perform this Agreement under the Constitution and laws of the state of Texas and under the terms and provisions of the resolutions of each of their governing bodies, or by other appropriate official approvals. Lessee further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement.

2. TERM. The Original Term of this Lease shall commence on the date the Equipment is accepted by Lessee as indicated on the attached Schedule, such term to begin on the Commencement Date and to terminate the last day of Lessee's current fiscal year. For the duration of the Lease Term, this Agreement will be automatically renewed at the end of the Original Term and any Renewal Term unless the Lessee gives written notice to Lessor not less than ninety (90) days prior to the end of the Original Term or Renewal Term then in effect of Lessee's intention to terminate this Agreement by paying to Lessor the amounts specified in paragraph 15 hereto.

Each Renewal Term shall be the automatic renewal period specified earlier in this paragraph 2, each such Renewal Term having a duration of one (1) year coterminous with Lessee's fiscal year except the last of such automatic renewal periods which shall end on the anniversary of the Commencement Date. The terms and conditions during any Renewal Period shall be the same as the terms and conditions during the Original Term, except that the Rent Payments shall be as provided in the attached Schedule.

3. RENT. The rent for each Item of Equipment during the term (the "Rent") shall be that amount designated in the Schedule as Rent and shall be payable, in the amounts and at the times and place set forth in the Schedule, or to such other person, or at such other place as Lessor may from time to time designate in writing.

4. ADDITIONAL PAYMENT. Lessee shall pay, in addition to Rent, the amounts set forth in Schedule B hereto, if any, on the dates set forth in Schedule B.

5. NET LEASE, OBLIGATION TO PAY RENT UNCONDITIONAL. This is a net lease. All rent and other sums payable by Lessee including the payments due under Schedule B hereto, if any, shall be paid promptly when due without notice or demand of any character. Lessee's obligation for the payment of rent is and shall be absolute and unconditional and shall not be subject to any reduction, offset, counter-claim, abatement, suspension, deferment or diminution for any reason whatsoever, including without limitation any destruction or damage to the Equipment or any Item thereof, any limitation of or interference with the use or possession of the Equipment, or any Item or any component thereof (including any such limitation or interference arising out of any defect in Lessor's title to the Equipment), condemnation or requisition of the Equipment or any component thereof, any termination of this lease prior to the expiration of the term, or any other occurrence or circumstance (whether similar or dissimilar to those enumerated) which prevents Lessee from using, possessing or enjoying the Equipment. Lessee waives (a) any and all existing and future claims and offsets against Rent or other payments due to Lessor under this Lease (b) all rights now or hereafter conferred by statute or otherwise to terminate or surrender this Lease or the Equipment or any component of the Equipment, and (c) any abatement, suspension, deferment, diminution or reduction of any Rent or other sums payable hereunder on account of any such occurrence.

6. LESSEE'S INSPECTION: CONCLUSIVE PRESUMPTIONS. Lessee shall inspect each Item of Equipment within forty-eight (48) hours after receipt thereof. Unless within such period of time Lessee gives written notice to Lessor specifying any defect in or any other proper objection to the Equipment, Lessee agrees that it shall be conclusively presumed, as between lessor and Lessee, that Lessee has fully inspected and acknowledged that the Equipment is in good condition and repair, and that Lessee is satisfied with and has accepted the Equipment in such good condition and repair and as satisfactory in all respects for the purposes of this Lease.

7. USES AND LOCATIONS. (a) Lessee shall use the Equipment in a careful and proper manner, only in the normal and ordinary course of Lessee's business, and Lessee shall comply with, and shall use the Equipment in accordance with, (1) all state, federal, and local laws, rules, regulations, statutes and ordinances applicable to Lessor relating to the use, possession, operation, licensing, registration, maintenance or inspection of the Equipment, (2) any insurance policies in effect with respect to the Equipment, (3) any warranties of any manufacturer with respect to the Equipment or any component thereof, and (4) the operating instructions furnished by manufacturers or other suppliers of the Equipment.

(b) Lessor shall have the right to inspect the Equipment and observe its use during normal business hours and any other reasonable time and to enter into and upon the premises where the Equipment may be located for such purpose. Lessee shall maintain possession of each Item of Equipment at, and shall not remove any Item of Equipment from, its location as shown on the Schedule without Lessor's prior written consent. Lessee shall give Lessor immediate notice of any attachment or other judicial process affecting any Item of Equipment and whenever requested by Lessor, shall advise Lessor of the exact location of each Item of Equipment.

8. TITLE AND RETURN. (a) The Equipment is, and at all times shall remain, the sole and exclusive property of Lessor, and the delivery of the Equipment to Lessee and Lessee's possession thereof shall constitute a bailment. Lessee shall have no right, title or interest or to the Equipment except as expressly set forth in this Lease.

(b) Upon expiration or earlier termination of this Lease with respect to each Item of Equipment, less there has been a Casualty Occurrence (as defined in paragraph 14 below) to such Item, Lessee shall return such Item of Equipment to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, by delivery of the Equipment to any destination specified by Lessor which is located in the continental United States.

9. MARKING. If at any time Lessor supplies Lessee with labels, plates or other markings, stating that the Equipment is owned by Lessor, Lessee shall affix such markings to and keep them on a permanent and prominent place on the Equipment. Lessee shall not allow the name of any person, association or corporation to be placed on any Item of Equipment as designation that might be interpreted as a claim of ownership, provided that Lessee may cause any Item of Equipment to be lettered with its corporate name and/or corporate symbol as an appropriate and convenient way to identify Lessee's interests under this Lease.

10. MAINTENANCE AND REPAIRS. Lessee, at its own cost and expense, shall (a) maintain and keep the Equipment and all components thereof in good repair, condition and working order and in good condition as to appearance and mechanical performance, ordinary wear and tear from authorized use excepted, (b) make all reasonable and necessary repairs, (c) purchase replacements for and replace worn or defective components of the Equipment, so as to keep the Equipment in good mechanical and working order, and (d) cause the Equipment and all components thereof to meet the applicable standards of any applicable governmental agency with jurisdiction over Lessor, Lessee or the Equipment whether or not such requirements, by their terms, are normally imposed upon Lessee. Lessee shall pay for any and all replacement parts and components required by this section, and all such replacement parts and components shall be free and clear of all liens and encumbrances. Title to all such replacement parts and components shall immediately pass to Lessor upon installation thereof.

11. ALTERATIONS. Without the prior written consent of Lessor, Lessee shall not make any alterations, additions or improvements to the Equipment except that Lessee shall make any alteration or

addition to the Equipment which is required by any governmental authority having relevant jurisdiction, if such alteration or addition is required to comply with health, safety or environmental standards. All additions and improvements of whatsoever kind or nature made to the Equipment shall belong to and become the property of Lessor upon the expiration, or earlier termination of this Lease.

12. NO WARRANTIES BY LESSOR. LESSEE HAS SELECTED BOTH (A) THE EQUIPMENT AND (B) THE MANUFACTURER OR OTHER SUPPLIER FROM WHOM LESSOR IS TO PURCHASE IT. LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION THE DESIGN OR THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, AND, AS TO LESSOR, LESSEE LEASES THE EQUIPMENT "AS IS." LESSOR HAS ONLY THE TITLE TO THE EQUIPMENT THAT WAS CONVEYED TO LESSOR BY LESSOR'S PREDECESSOR IN TITLE, AND THAT TITLE IS FREE FROM LIENS AND ENCUMBRANCES CREATED BY LESSOR. LESSOR MAKES NO OTHER WARRANTY WITH RESPECT TO TITLE TO THE EQUIPMENT. If any Item of Equipment or all of the Equipment is not properly installed, does not operate as represented or warranted by its manufacturer, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof directly against such manufacturer and shall, nevertheless, pay Lessor all rents payable under this Lease. Lessor hereby agrees to assign to Lessee, solely for the purpose of making and prosecuting any such claim, all of the rights which Lessor has against such Manufacturer for breach of warranty or other representation representing the Equipment. LESSOR SHALL NOT BE LIABLE FOR ANY DIRECT TO CONSEQUENTIAL DAMAGES INCURRED BY LESSEE AS A RESULT OF ANY BREACH OF WARRANTY OR REPRESENTATION WITH RESPECT TO THE EQUIPMENT AND LESSOR SHALL NOT BE LIABLE TO LESSEE FOR LOSS OF USE OF THE EQUIPMENT, OR FOR ANY INTERRUPTION IN LESSEE'S BUSINESS OCCASIONED BY LESSEE'S INABILITY TO USE THE EQUIPMENT, FOR ANY REASON WHATSOEVER. The provisions of this paragraph are intended to be a complete exclusion and negation of any express or implied warranties by Lessor with respect to the Equipment, whether arising under the Uniform Commercial Code or under any other law now or hereafter in effect, or otherwise.

13. INSURANCE. ^{Lessor} Lessee shall provide, maintain and pay for (a) insurance against the loss or theft or damage to the Equipment, for the amount of the applicable Casualty Payment from time to time, naming Lessor as a loss-payee or mortgagee, and (b) public liability and property damage insurance, naming ^{Lessee} Lessor as an additional insured. All such insurance shall be in form and amount and with companies satisfactory to Lessor. Lessee shall deliver the policies of insurance or duplicates thereof or certificate of insurance to Lessor. All insurance which Lessee is required by this Lease to maintain shall provide that any loss thereunder shall be payable notwithstanding any action, inaction, breach or warranty or condition, breach of declarations, misrepresentation or negligence of Lessee, its employees or agents. Each such policy shall contain an agreement by the insurer that, notwithstanding lapse of any policy for any reason, or right of cancellation by the insurer or any cancellation by Lessee, such policy shall continue in full force for the benefit of Lessor, for at least thirty (30) days after written notice thereof to Lessor, and no alteration in any such policy shall be made except upon thirty (30) days written notice of such proposed alternation to Lessor and written approval by Lessor. If Lessee fails to acquire any policy of insurance required to be maintained pursuant to this paragraph, or fails to renew or replace any such policy at least twenty (20) days prior to the expiration thereof, or fails to keep any such policy in full force and effect. Lessor shall have the option (but not the obligation) to pay the premiums on any such policy of insurance or to procure new insurance in an amount, type, coverage and terms satisfactory to Lessor. Any amounts paid therefore by Lessor shall be immediately due and payable to Lessor by Lessee upon demand by Lessor. No exercise by Lessor of such option shall in any way affect the provisions of this Lease, including the provisions that failure by Lessee to maintain the prescribed insurance shall constitute an Event of Default. Lessee hereby assigns to Lessor all sums which become payable under any insurance covering the Equipment, directs any insurer to pay any and all such proceeds to Lessor, and authorizes the Lessor to act as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for loss or damage under any such Insurance Policy. The proceeds of such insurance, at the option of the Lessor, shall be applied (1) toward the replacement, restoration or repair of the Equipment or (2) toward payment of the obligations of Lessee hereunder.

14. CASUALTY. For purposes of this Lease, "Casualty Occurrence" shall mean any of the following events:

(a) The Equipment or any Item of Equipment no longer operates in the manner and for the purposes originally contemplated, for any reason, and it is not made so to operate by repairs or installation of replacement parts in accordance with paragraph 10 of this Lease within sixty (60) days from the time its ceased sold to operate.

(b) Any Item of Equipment is requisitioned, condemned or taken over by any governmental authority under the power of eminent domain or otherwise for a definite period which exceeds the then remaining term of this Lease, or for an indefinite period of time.

(c) Any Item of Equipment suffers any damage which, in the good faith judgment of the Lessor would require the expenditure of an amount equal to or greater than fifty percent (50%) of equipment cost for that Item of Equipment (as shown on the Schedule) to repair or restore it to its condition and operating capacity immediately prior to suffering such damage.

(d) Any Item of Equipment is lost, stolen or commandeered.

15. CASUALTY PAYMENT. If any Item of Equipment shall suffer a Casualty Occurrence, lessee shall promptly and fully inform Lessor with respect thereto. Lessee shall pay to Lessor, on the first date that any installment of rent becomes due after the giving of such notice, an amount (a "Casualty Payment") equal to the sum of (a) the stipulated loss value stated on the schedule for that Item of Equipment, computed as of the date the Casualty Payment is due, and (b) all installments of rent then due, and (c) all of the other payments due to Lessor under the Lease as of such date, including but not limited to, amounts due pursuant to paragraphs 4 and 18 hereof. Upon tender of the Casualty Payment this Lease shall terminate with respect to the Item of Equipment for which the Casualty Payment was made, and Lessee there upon shall become entitled to such Item of Equipment, AS-IS-WHERE-IS, WITHOUT WARRANTY, EXPRESS OR IMPLIED.

16. TAXES AND GENERAL COVENANTS.

(a) Lessee agrees to pay when due, all sales, use property, excise, license and registration, duties, ad valorem and assessments charges or fees of any nature whatsoever (except for any taxes based upon Lessors net income) however designated, now or hereafter imposed by any governmental entity, whether based upon the rent or the Equipment or the purchase delivery, ownership, leasing, use, possession or return thereof. Any fees, taxes or other charges paid by Lessor upon failure of Lessee to make such payments shall at Lessor's demand become immediately due from Lessee to Lessor. Lessor shall not be obligated to transfer title to the Equipment until proof has been provided by lessee that such fees, taxes or other charges have been paid.

Lessor reserves the right, upon notice to Lessee, to pay property taxes imposed on Equipment which is leased pursuant to a fair market value "true lease." If so paid, Lessor will bill Lessee for the tax which shall become an obligation of Lessee under this lease.

(b) Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances. Upon Lessor's request, Lessee shall execute, acknowledge and deliver in recordable form any documents or other instruments with respect to the Equipment or this Lease as the Lessor may consider necessary or desirable to comply with the filing or recording requirements of any jurisdiction.

17. REPRESENTATION AND WARRANTIES OF THE LESSEE. The Lessee represents and warrants as follows:

(a) If Lessee is a corporation, it is duly incorporated, validly existing, and in good standing under the laws of the state of its incorporation. If Lessee is a partnership, it is a general or limited partnership duly organized and validly existing under the laws of the state of its organization. Lessee is duly qualified to do business in, and, if necessary, is in good standing under the laws of the state where the Equipment will be located, as indicated in the Schedule.

(b) Lessee has full right, power and authority to carry on its business as now conducted and to hold property under lease and to enter into and perform its obligations under this Lease.

(c) The Lease has been duly authorized, executed, and delivered by the Lessee, and is a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms.

(d) Lessee's execution and delivery of this Lease and its performance of its obligations hereunder (1) will not be inconsistent with the Lessee's partnership certificate or articles of incorporation by bylaws (as the

case may be), (2) do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Lessee, and (3) do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which lessee is a part or which it is bound.

(e) Neither the consent or approval of, nor the giving of notice to, registration with or taking of any action in respect of or by any federal, state or local governmental agency or instrumentality is required with respect to the Lessee's execution, delivery and performance of this Lease.

(f) Lessee has disclosed to Lessor all actions, suits, litigations, investigation or proceedings of or before any court, arbitrator or governmental authority that is pending or, to the knowledge of Lessee, asserted which would have a material affect on the business operations, financial conditions, properties or assets of Lessee.

18. INDEMNITY.

(a) Lessee shall indemnify Lessor against and hold Lessor harmless from any and claims, actions, damages (including reasonable attorney's fees), obligations, liabilities and liens (including any of the foregoing arising or imposed without Lessor's fault or negligence, or in connection with latent or other defects or under the doctrine of "strict liability"), imposed or incurred by or asserted against Lessor or its successors or assigns, arising out of the manufacture, purchase, lease, possession, operation, condition return or use of the Equipment, or by operation of law. Lessee shall give Lessor prompt written notice of any matter hereby indemnified against and agrees that upon written notice by Lessor of the assertion of such a claim, action, damage, obligation, liability or lien, Lessee shall assume full responsibility for the defense thereof. This paragraph 18 shall survive the expiration or other termination of this Lease.

19. EVENT OF DEFAULT. The occurrence of any of the following events (each of them an "event of Default") shall constitute a default under this Lease:

(a) Failure of Lessee to pay any installment of Rent or any other sum required by this Lease to be paid by Lessee within ten (10) consecutive calendar days after such payment first became due.

(b) Failure of Lessee to observe, perform or comply with any term, obligation, covenant or condition contained in this Lease or any Schedule (other than the obligation referred to in subparagraph (a) above within fifteen (15) calendar days after the failure.

(c) Any attempted sale or encumbrance by Lessee of the Equipment or any Item of Equipment.

(d) Failure of Lessee to contest a lien or encumbrance known to Lessee and asserted against the Equipment or any Item of Equipment.

(e) Failure to maintain any insurance required under paragraph 13 of this Lease.

(f) Lessee ceases to operate for the purposes it now exists to serve.

(g) Lessee shall (1) be generally not paying Lessee's debt, either in that its liabilities exceed its assets, or in that it is unable to pay its debts as they become due, (2) admit its inability to pay its debts generally as they become due, (3) be insolvent, either in that its liabilities exceed its assets, or in that it is unable to pay its debts as they become due, (4) make a general assignment for the benefit of creditors, (5) file a petition in bankruptcy, or admit (by answer, default or otherwise) the material allegations of any petition in bankruptcy filed against it under the Federal Bankruptcy Laws (as in effect of the date of this Lease or as they may be amended from time to time), or under any other law for the relief of debtors or for the discharge, arrangement or compromise of debtors' debts, or (6) consent to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequester or other official with similar powers of Lessee or a substantial part of its assets.

(h) A petition shall be filed against Lessee in proceedings under the Federal Bankruptcy Laws (as in effect at the date of the Lease, or as they be amended from time to time), or under any other laws for the relief of debtors or for the discharge, arrangement or compromise of debtors' debts, or any order shall be rendered by any court of competent jurisdiction appointing a receiver, trustee, or liquidator of Lessee or of all or part of Lessee's assets, and such petition or order is not dismissed or stayed within sixty (60) consecutive calendar days after entry thereof.

20. REMEDIES. Upon the occurrence of any Event of Default, and at any time thereafter, Lessor may at its option exercise any one or more of the following remedies:

(a) Declare the entire amount of all unpaid Rent under this Lease (including Installments of Rent which would otherwise have become due after the Event of Default) and the amounts set forth in Schedule B, if any, to be due and payable immediately.

(b) Terminate this Lease as to any or all Items of Equipment, whereupon all rights of Lessee to the use of that Equipment shall absolutely cease and terminate, but Lessee shall remain liable upon all of Lessee's obligations under this Lease. Any such termination shall occur only by written notice by Lessor to Lessee. Any such termination shall not impair Lessor's right to exercise the other remedies set out herein.

(c) Take possession of the Equipment after terminating this Lease as provided in subparagraph (b) of this paragraph, and for this purpose may enter upon any premises of Lessee without any liability for such entry.

(d) Sell the Equipment or any other Item of Equipment, with or without taking possession of it, at public auction or private sale at such time and upon such terms as Lessor may determine, free and clear of any rights of Lessee. In such case Lessor may recover from Lessee the difference between (1) the sum of (A) the present value of the rent required under this Lease after the Event of Default, (B) the present value of the fair market value which the Equipment would have had at the normal expiration of the Lease had there been no event of default (as determined by an independent appraiser acceptable to Lessor), and (C) all of the other payments due to Lessor under this Lease as of the date of sale, including, but not limited to amounts due pursuant to paragraph 18 of this Lease, and (2) the proceeds of any sale of such Equipment (which proceeds have been reduced by the reasonable expenses incurred by the Lessor in the retaking of preceding sentence, Lessee shall be entitled, in mitigation of damages, to the net proceeds of any such sale after deduction from such proceeds of all costs, charges, and expenses incurred by Lessor in the exercise of its remedies under this paragraph 20, up to the amount paid by Lessee under the preceding sentence.

(e) Lease the Equipment or any Item of Equipment, with or without taking possession of it, for such period and rental, to such persons as Lessor may elect. In such case, Lessor may recover from the Lessee the greater of:

(1) the aggregate of (A) the present value of the aggregate of the Rent required under this Lease for the term of this Lease remaining after the Event of Default, and (B) all of the other payments due to Lessor under this Lease as of the date of the new lease, including, but not limited to amounts due pursuant to paragraphs 4 and 18 of this Lease, less the present value of the contracted for rent for the Equipment to become due under the terms of the new lease for the period beginning on the date the event of default occurred and ending on the date the Term would have expired had there been no Event of Default, or

(2) the aggregate of (A) the present value of the aggregate of the rent required under this Lease for the term remaining after the Event of default, and (B) all of the other payments due to Lessor under this Lease as of the date of the new lease, including, but not limited to, amounts due pursuant to paragraphs 4 and 18 hereof, less the present value of the fair rental value (as determined by an independent appraiser acceptable to Lessor) of such Equipment for the period beginning on the date the Term would have expired if there had been an Event of Default.

To the extent that it does not duplicate amounts credited to Lessee and deducted from amounts Lessor may recover under subparagraphs (1) and (2) of this subparagraph (e), Lessee shall be entitled, in mitigation of damages, to the net present value of the contracted for rent under any new lease for the period beginning on the date the Event of Default occurred and ending on the date this Lease would have terminated had there been no Event of Default (discounted at the interest rate at which a new Lessee could borrow funds on a secured basis for a term equivalent to the term of the new lease), after deduction from such present value of all costs, charges and expenses, including attorneys' fees, incurred by Lessor in the exercise of Lessor's remedies under this paragraph 20, up to the amount paid by Lessee under this subparagraph (e).

(f) Pursue any other remedy at law or in equity.

21. PRESENT VALUES; REMEDIES NOT EXCLUSIVE. For purposes of subparagraphs (d) and (e) of paragraph 20 of this Lease, all present values shall be calculated on the basis of a discount at an annual rate of six percent (6%) compounded on the dates Rent would otherwise have been payable under this Lease.

No right or remedy conferred by this Lease is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time.

22. SECURITY. Lessee has deposited with Lessor the Deposit set forth in the Schedule as security for its payment of Rent and of the other amounts due hereunder, and performance of its other obligations under this Lease (if an amount is filled in the Schedule under "Deposit"). Lessor may, but shall not be obligated to, apply such deposit (or any part thereof) to cure any Event of Default hereunder, in which event Lessee shall promptly restore the deposit to the full amount originally deposited. The remaining balance of the deposit shall be returned to Lessee upon the termination hereof or the period set forth in Schedule B, if any, if no Event of Default has occurred.

23. LESSOR'S EXPENSES. Lessee shall pay Lessor all costs and expenses, including attorneys' fees and court costs, incurred by Lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provision hereof.

24. ASSIGNMENT. (a) Without Lessor's prior written consent, Lessee shall not (1) assign, transfer, pledge or hypothecate this Lease, the Equipment or any Items thereof, or any interest therein, or (2) sublet or lend the Equipment or any items thereof, or permit the Equipment or any items thereof to be used by anyone other than Lessee or Lessee's employees. Consent to any one of the foregoing acts applies only in the given instance and is not a consent to any subsequent like acts by Lessee or any other person.

(b) Lessee's interest herein may not be assigned or transferred by operation of Law.

(c) Lessor may assign this Lease or mortgage the Equipment or both in whole or in part, without notice to Lessee. If Lessee is given notice of such assignment, Lessee shall (if Lessor requests) acknowledge receipt thereof in writing. Each such assignee or mortgagee shall have all of the rights, BUT NONE OF THE OBLIGATIONS, of Lessor under this Lease. Lessee agrees that it shall not assert against an assignee and/or mortgagee any defense, counterclaim or offset that Lessee may have against Lessor. Lessee agrees and understands that the waiver of defenses provision contained in the next preceding sentence imposes upon Lessee all the risks that might be associated with any failure by Lessor to perform any obligation that it might have under this Lease, and obligates Lessee to pay to the assignee all Rent and other sums due under this Lease absolutely, unconditionally and in all events, despite any occurrence which might cause this Lease to be terminated (either as a matter of law or otherwise) or prevent Lessee from enjoying the use of any Item of Equipment or all of the Equipment, or reduce its value or utility to Lessee. Notwithstanding any such assignment, Lessor agrees that Lessee may quietly enjoy use of the Equipment subject to, and so long as Lessee complies with, all of the terms and conditions of this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

25. PERSONAL PROPERTY. The Equipment is, and at all times shall be and remain, personal property notwithstanding that the Equipment of any Item thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any improvement thereof, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise and notwithstanding the provisions of any lease, mortgage or other instrument affecting any such real property. At its own cost and expense, Lessee shall take all actions that may be necessary or desirable to cause the Equipment and each component thereof to retain its character as personal property.

26. LATE CHARGES. If Lessee fails to pay any installment or rent or any other sum to be paid by Lessee to Lessor within ten (10) days after the due date thereof, Lessee shall pay Lessor a late charge equal to interest on such unpaid installment or other amount at the rate of eighteen percent (18%) per annum or, if there is a maximum contract rate fixed by law, then at such rate, computed from the date the installment first came due until it is paid in full.

27. NON-WAIVER. No covenant or condition of this Lease can be waived except by the written consent of Lessor. Forbearance or indulgence by Lessor in any regard whatsoever, shall not constitute a waiver of the covenant or condition to be performed by Lessee to which such forbearances or indulgences may apply, and until complete performance by Lessee of such covenant or condition, lessor shall be entitled to invoke any remedy available to Lessor under this Lease or by law or in equity despite said forbearance or indulgence.

28. ENTIRE AGREEMENT. This instrument and the Schedules (including Schedule B, if any) constitute the entire agreement between Lessor and Lessee and shall not be amended, altered or changed except by written agreement signed by the parties.

29. NOTICES. Service of all notices under this Lease shall be sufficient if given personally or mailed to the party involved at its respective address set forth at the foot hereof, or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail, duly addressed and with first-class postage prepaid.

30. GENDER; NUMBER. Whenever the context of this Lease requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural; and whenever the word "Lessor" is used herein, it shall include all assignees of Lessor. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

31. TITLES. The titles to the paragraphs of this Lease are solely for the convenience of the parties, and are not an aid in the interpretation of the instrument.

32. TIME. Time is of the essence of this Lease and each and all of its provisions.

33. GOVERNING LAW. The validity, construction and performance of this Lease shall be governed by the laws (including the conflict of laws rules) of the State of Texas.

34. INCORPORATION BY REFERENCE. All Schedules, annexes or other attachments to this Lease are incorporated into this Lease as if set out in full at the first place in this Lease that references is made thereto.

35. FURTHER ASSURANCES. At Lessor's request, from time to time, Lessee shall sign financing assignments or other documents or instruments necessary to make public filings reflecting Lessor's ownership of and interest in the Equipment, and Lessee authorized Lessor to make any such filings that Lessor may deem appropriate. Such filings and this provision are precautionary only and do not evidence any intention that this Lease create a security interest. In addition to the foregoing, Lessee shall provide to Lessor any confirmation and/or reaffirmation of the representations and warranties contained in paragraphs 17 and 18 of this Lease from any legal counsel or certified public accountant acceptable to lessor as Lessor may required.

36. DOCUMENTATION FEE. Lessee agrees to pay Lessor Fifty Dollars (\$50.00) to offset Lessor's lease documentation processing costs at the time of the execution of this Lease.

37. PURCHASE OPTION. Provided the terms and conditions of this Lease have been duly met and fulfilled by the Lessee and no default or other breach exists, lessor hereby grants the following option to the Lessee at the timely expiration of this Lease.

(1) Lessor hereby grants to the Lessee the option to purchase the leased equipment as described herein, for the sum of One Hundred (\$100.00) at the expiration of the original lease term.

CITY OF WESTON, Lessor

WESTON VOLUNTEER FIRE
DEPARTMENT, Lessee

by: _____
Kenneth Cowan, Mayor

by: _____
_____, Fire Chief

SCHEDULE
COMMERCIAL EQUIPMENT LEASE AGREEMENT
CITY OF WESTON, Lessor
WESTON VOLUNTEER FIRE DEPARTMENT, Lessee

Lessee: Weston Volunteer Fire Department
Equipment: E-1 Pumper Mounted on a Freightliner FL80 4-Door Chassis
Lease No.: M-3216

Number and frequency of payments: 10 annual payments

ORIGINAL TERM COMMENCEMENT

		<u>Payment Amount</u>
Payment	1	17,437.88
Payment	2	17,437.88
Payment	3	17,437.88
Payment	4	17,437.88
Payment	5	17,437.88
Payment	6	17,437.88
Payment	7	17,437.88
Payment	8	17,437.88
Payment	9	17,437.88
Payment	10	17,437.88

Balances not paid when due shall be subject to past due interest at the rate of 18% per year or the highest rate permitted by law, whichever is less.

Interest accrues daily, at the rate indicated above, on the outstanding principal balance (listed in "Purchase price" column).

WESTON VOLUNTEER FIRE
DEPARTMENT, Lessee

CITY OF WESTON, Lessor

by: _____
_____, Fire Chief

by: _____
Kenneth Cowan, Mayor



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
JOHN SHARP • COMPTROLLER • AUSTIN, TEXAS 78774

CERTIFICATION OF ACCOUNT STATUS

THE STATE OF TEXAS

COUNTY OF TRAVIS

I, John Sharp, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office,

WESTON VOLUNTEER FIRE DEPARTMENT INC

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time.

This certificate is valid through the date that the next franchise tax report
will be due, May 17, 1999.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law.

This certificate is not valid for the purpose of dissolution, merger, or
withdrawal.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 17th day of
October, 1998 A.D.

A handwritten signature in cursive script that reads "John Sharp".

JOHN SHARP
Comptroller of Public Accounts

Charter/C.O.A. number: 014103444-1



COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774

SHERMAN ENFORCEMENT OFFICE
1800 TEAGUE DRIVE, STE. 102
SHERMAN, TEXAS 75090-2640

October 19, 1998

Texas Secretary of State
Corporation Section

To whom it may concern:

WESTON VOLUNTEER FIRE DEPARTMENT, INC., 014103444-1 has paid all franchise taxes through December 31, 1998, and is eligible for reinstatement through MAY 17, 1999, the next franchise tax report due date.

If you have any questions, feel free to call me at 903/893-0692.

Sincerely,

SUSAN THOMSON
Enforcement Officer

Charter Number: 014103444-1

a. T Code ■ 05870

Do not write in the space above

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

MUST be filed with your Corporation Franchise Tax Report

c. Taxpayer identification number ■ 30118889291	d. Report year ■ 1998
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Corporation name and address
 Weston Volunteer Fire Dept One
 PO Box 32
 Weston, Tx 75097

e. PIR / IND ■ <input type="checkbox"/> 1, 2, 3
Texas Charter Number or Certificate of Authority Number 9. ■
Item k on Franchise Tax Report form, Page 1 014103444

The following information MUST be provided for the Secretary of State by each corporation that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection.

- Check here if there are currently no officers or directors for this corporation.
- Check here if there are currently no changes to the officers or directors for this corporation.

"SECTION A" MUST BE COMPLETE AND ACCURATE. If preprinted information is not correct, please type or print the correct information.

Corporation's principal office
203 MAIN ST, WESTON TX 75097

Principal place of business in Texas
Same

SECTION A. Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

NAME KENNETH R COWAN	TITLE Chief	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS PO Box 32 Weston, TX 75097				
NAME GOM GRACY	TITLE CAPTAIN	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS PO Box 32 Weston, TX 75097				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				

SECTION B. List each corporation in which this reporting corporation owns an interest of ten percent (10%) or more. Enter the information requested for each corporation. If none, enter "NONE." Use additional sheets, if necessary.

Name of owned (subsidiary) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest
Name of owned (subsidiary) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest

SECTION C. List each corporation that owns an interest of ten percent (10%) or more in this reporting corporation. Enter the information requested for each corporation. If none, enter "NONE." Use additional sheets, if necessary.

Name of owning (parent) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest
Name of owning (parent) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest

Registered agent and registered office currently on file. (Changes must be filed separately with the Secretary of State.)

Agent: KENNETH R COWAN

Office: 203 MAIN ST
WESTON TX 75097

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or a related corporation.

sign here Tom Dea	Officer or director	Title Captain	Date 10.14.98	Daytime phone (Area code and number) 817 201 1111
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a. T Code ■ 05870

Do not write in the space above

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

MUST be filed with your Corporation Franchise Tax Report

c. Taxpayer identification number ■ 30118889291	d. Report year ■ 1997
--	--------------------------

Corporation name and address
 Weston Volunteer Fire Dept One
 PO Box 32
 Weston, Tx 75097

e. PIR / IND ■ <input type="checkbox"/> 1, 2, 3
Texas Charter Number or Certificate of Authority Number g. ■
Item k on Franchise Tax Report form, Page 1014103444 1

The following information MUST be provided for the Secretary of State by each corporation that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection.

- Check here if there are currently no officers or directors for this corporation.
- Check here if there are currently no changes to the officers or directors for this corporation.

"SECTION A" MUST BE COMPLETE AND ACCURATE. If preprinted information is not correct, please type or print the correct information.

Corporation's principal office
203 MAIN ST, WESTON TX 75097

Principal place of business in Texas
SAME

SECTION A. Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

NAME KENNETH R COWAN	TITLE CHIEF	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS PO BOX 32 WESTON TX 75097				
NAME GOM GRACY	TITLE CAPTAIN	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS PO BOX 32 WESTON TX 75097				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)	Expiration date (mm-dd-yy)
MAILING ADDRESS				

SECTION B. List each corporation in which this reporting corporation owns an interest of ten percent (10%) or more. Enter the information requested for each corporation. If none, enter "NONE." Use additional sheets, if necessary.

Name of owned (subsidiary) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest
Name of owned (subsidiary) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest

SECTION C. List each corporation that owns an interest of ten percent (10%) or more in this reporting corporation. Enter the information requested for each corporation. If none, enter "NONE." Use additional sheets, if necessary.

Name of owning (parent) corporation	State of incorporation	Charter or Texas COA No.	Percentage Interest
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Registered agent and registered office currently on file. (Changes must be filed separately with the Secretary of State.)

Agent: KENNETH R COWAN

Office: 203 MAIN ST
WESTON TX 75097

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or a related corporation.

sign here [Signature]	Officer or director Captain	Date 10-19-98	Daytime phone (Area code and number) 972-382-4028
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**TEXAS ANNUAL FRANCHISE
NO TAX DUE INFORMATION REPORT
- SHORT FORM -**

Please do not write in the space above

ATTENTION:

You must file a report even if your corporation is inactive, out of business or no tax is due. Failure to file a report will result in the loss of corporate privileges. To determine if you are eligible to use this report form, see information below.

a. ■ 05301
d. REPORT YEAR
■ 1998

PLEASE READ
INSTRUCTIONS
ON BACK.

101998

c. Taxpayer number ■ 3011888929
f. Due date 5-15-98
g. Privilege period covered by this report 1-1-98 through 12-31-98

i. Charter/COA number and type

■ 014103444-1

Mail to: COMPTROLLER OF PUBLIC ACCOUNTS
111 E. 17th STREET
AUSTIN, TX 78774-0100

Taxpayer name and mailing address:
Weston Volunteer Fire Dept Inc
PO Box 32
Weston, Tx 75097

1. Enter the ending date of your accounting period.
(See instructions for date to use)
■ 123197

YOU ARE ELIGIBLE TO USE THIS FORM TO FILE YOUR NO TAX DUE INFORMATION REPORT IF YOUR CORPORATION IS **NOT** THE SURVIVOR OF A MERGER, ALL OF YOUR INCOME IS UNITARY (See Item 24 of instructions, Form 05-364) **AND** FOR THE ACCOUNTING PERIOD ON WHICH THIS REPORT IS BASED (see franchise tax instructions, Form 05-364, Items 2 and 13).

• your corporation had no gross receipts in Texas.

OR

• your corporation's total taxable capital is less than \$40,000 AND earned surplus (including officer and director compensation, if applicable) is less than \$2,222.00.

If you are eligible to use this form, enter your corporation's "Gross receipts everywhere," sign and return the form by the due date with your Franchise Tax Public Information Report, Form 05-102.

**FRANCHISE TAX QUESTION?
CALL US
1-800-252-1381**

2. Gross receipts everywhere _____ \$ ■

800

Print or type name (Officer, director, or duly authorized agent) Tom GRACY, CAPTAIN
Daytime phone (Area code & number) 972/382-4028
sign here Officer, director or duly authorized agent Tom Gracy Captain Date 10-19-98

To file your no tax due information report, detach and return top part only.

Keep a copy for your records.

✂ TO REQUEST AN EXTENSION TO FILE A RETURN, DETACH AND RETURN THE EXTENSION FORM BELOW ✂

TEXAS ANNUAL FRANCHISE NO TAX DUE INFORMATION REPORT - SHORT FORM -

Please do not write in the space above

ATTENTION:

You must file a report even if your corporation is inactive, out of business or no tax is due. Failure to file a report will result in the loss of corporate privileges. To determine if you are eligible to use this report form, see information below.

a. ■ 05301 d. REPORT YEAR ■ 1997

PLEASE READ INSTRUCTIONS ON BACK.

101998

c. Taxpayer number ■ 30118884291

f. Due date ■ 5-5-97

g. Privilege period covered by this report 1-1-97 through 12-31-98

i. Charter/COA number and type

■ 814103444-1

Taxpayer name and mailing address: Weston Volunteer Fire Dept Inc, PO Box, Weston, TX 75097

Mail to: COMPTROLLER OF PUBLIC ACCOUNTS, 111 E. 17th STREET, AUSTIN, TX 78774-0100

1. Enter the ending date of your accounting period. (See instructions for date to use) ■ 123194

YOU ARE ELIGIBLE TO USE THIS FORM TO FILE YOUR NO TAX DUE INFORMATION REPORT IF YOUR CORPORATION IS NOT THE SURVIVOR OF A MERGER, ALL OF YOUR INCOME IS UNITARY (See Item 24 of instructions, Form 05-364) AND FOR THE ACCOUNTING PERIOD ON WHICH THIS REPORT IS BASED (see franchise tax instructions, Form 05-364, Items 2 and 13).

• your corporation had no gross receipts in Texas.

OR

• your corporation's total taxable capital is less than \$40,000 AND earned surplus (including officer and director compensation, if applicable) is less than \$2,222.00.

If you are eligible to use this form, enter your corporation's "Gross receipts everywhere," sign and return the form by the due date with your Franchise Tax Public Information Report, Form 05-102.

FRANCHISE TAX QUESTION? CALL US 1-800-252-1381

2. Gross receipts everywhere \$ ■

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Print or type name (Officer, director or duly authorized agent): TOM GRACY, CAPTAIN; Daytime phone (Area code & number): 972-382-4008; Officer, director or duly authorized agent: Tom Gracy, Captain; Date: 10-19-98

To file your no tax due information report, detach and return top part only.

Keep a copy for your records.

TO REQUEST AN EXTENSION TO FILE A RETURN, DETACH AND RETURN THE EXTENSION FORM BELOW