


TO: James L. App, City Manager  
FROM: Mike Compton, Director of Administrative Services   
SUBJECT: Budget Appropriation for 911 Emergency Phone Ssystem Acquisition  
DATE: March 7, 2000

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Needs: For the City Council to consider adoption of a resolution appropriating funds for the lease purchase acquisition of a 911 emergency phone system.

Facts:

1. The State accumulates funds through a surcharge on regular phone services in California for 911 emergency phone systems.
2. The age and condition of the City's 911 emergency phone system qualified the City for receipt of funding for its replacement.
3. The Council previously authorized the 911 emergency phone system replacement and awarded a bid to Motorola.
4. The 911 emergency phone system has been installed and is operational.
5. The State required the acquisition to be undertaken by a lease purchase contract.
6. While the acquisition and resulting lease purchase contract is solely an arrangement between the City and Motorola, the State will make the lease purchase payments on the behalf of the City.
7. Due to Governmental Accounting and Auditing Practices (GAAP), the City must "book" both the acquisition and subsequent lease purchase payments upon the general ledger of the City in spite of the fact that the State is making the lease purchase payments on the City's behalf.

Analysis  
and  
Conclusion:

The City has entered into a formal lease purchase contract with Motorola for the acquisition of the 911 emergency phone system. The lease purchase contract, as written and approved, does not contain any reference to the fact that the State will be making the lease purchase payments on behalf of the City. It simply establishes the City's sole responsibility for the making the lease purchase payments. The City must record an expenditure for the monthly lease purchase payments even though the City is not writing a check for the payment. The payment made by the State is recorded as grant revenue. While the net impact of these two tranactions upon the City's fund balance is zero it must be recorded as presented herein.

Thus, in spite of the fact that the City is not out any "net" cash resources, given the contractual obligation established by the lease purchase contract, the City must record these financial tranactions in its General Ledger. This requirement is in accordance with Governmental Accounting and Auditing Practices (GAAP). It also provides "full disclosue" in accordance with Council policy relating to City finances.

In order to eliminate the negative budgetary impact upon the Police Department budget for both the acquisition and subsequent lease purchase payments, additional budget appropriations are needed.

Fiscal  
Impact:

None. The expenditures for the 911 emergency phone system acquisition and lease purchase payments are offset by revenues recorded in accordance with GAAP. However, budget appropriations should be adopted in order to eliminate negative budget implications upon the Police Department budget..

The cost of the 911 emergency phone system was \$193,570.76 and the monthly payments are \$3,828.44 beginning 12/1/99.

Options:

- a. That the Council adopt the attached resolution approving various budget appropriations for the lease purchase financing of the 911 emergency phone system; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 00-

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES  
APPROVING BUDGET APPROPRIATIONS FOR THE  
ACQUISITION OF A 911 EMERGENCY RESPONSE SYSTEM

WHEREAS, the City Council previously authorized the acquisition of a 911 emergency phone system; and

WHEREAS, the 911 emergency phone system was acquired via lease purchase financing; and

WHEREAS, even though the State of California will be making the monthly lease purchase payments, it is the City's contractual obligation to do so; and

WHEREAS, General accounting and auditing procedures require the City to record both the acquisition and subsequent monthly lease purchase payments on the financial records of the City; and

WHEREAS, in order to eliminate the negative budgetary impact of the recording of these financial transactions upon the Police Department budget it is highly desirable for the Council to approve budget appropriations; and

WHEREAS, neither the financial transactions nor budget appropriations will have a net budgetary impact upon the General Fund of the City.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles does authorize the following budget appropriations:

911 Emergency Phone System Acquisition	100-210-5454-140	\$ 193,600
(revenue)	100-000-4511-000	(193,600)
Fiscal Year 2000 Lease Purchase Payments	100-210-5340-140	19,300
	100-210-5341-140	7,500
(revenue)	100-000-47xx-000	(26,800)
Fiscal Year 2001 Lease Purchase Payments	100-210-5340-140	34,900
	100-210-5341-140	11,000
(revenue)	100-000-47xx-000	(45,900)

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7<sup>th</sup> day of March 2000 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Duane Picanco, Mayor

ATTEST:

\_\_\_\_\_  
Sharilyn M. Ryan, Deputy City Clerk

# EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease Number: 21068

**LESSEE:**

**CITY OF PASO ROBLES**  
840 10<sup>th</sup> Street  
Paso Robles CA 93446

**LESSOR:**

**Motorola, Inc.**  
1301 East Algonquin Rd  
Schaumburg, IL 60196

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the Equipment described in any Schedule A now or hereafter attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

**1. TERM.** This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A and unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

**2. RENT.** Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion, in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Lease Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Lessee's intent to make Lease Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

**3. DELIVERY AND ACCEPTANCE.** Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor.

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate.

**4. REPRESENTATIONS AND WARRANTIES.** Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Lessor pursuant to the contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

**5. NON-APPROPRIATION OF FUNDS:** Notwithstanding anything contained in this Lease to the contrary, in the event the funds appropriated by Lessee's governing body or otherwise available by any means whatsoever in any fiscal period of Lessee for Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Notwithstanding the foregoing, Lessee agrees (i) that it will not cancel this Lease under the provisions of this Section if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment or other equipment performing functions similar to the Equipment for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter, and (ii) that it will not during the Lease Term give priority in the application of funds to any other functionally similar equipment or services. This Section will not be construed so as to permit Lessee to terminate this Lease in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the same application for which the Equipment is intended.

**6. LESSEE CERTIFICATION.** Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excluded from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payments to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all public bidding and Bond Commission requirements (as defined in the Code) where necessary and by due notification presented this Lease for approval and adoption as a valid obligation on its part, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

**7. TITLE TO EQUIPMENT; SECURITY INTEREST.** Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

**8. USE; REPAIRS.** Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor.

**9. ALTERATIONS.** Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

**10. LOCATION; INSPECTION.** The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

**11. LIENS AND TAXES.** Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

**12. RISK OF LOSS: DAMAGE; DESTRUCTION.** Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of: (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Concluding Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

**13. INSURANCE.** Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Concluding Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or its Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

**14. INDEMNIFICATION.** Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

**15. ASSIGNMENT.** Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

**16. EVENT OF DEFAULT.** The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

**17. REMEDIES.** Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the Fiscal Year in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; and (iv) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

**18. PURCHASE OPTION.** Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Concluding Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

**19. NOTICES.** All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

**20. SECTION HEADINGS.** All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

**21. GOVERNING LAW.** This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

**22. DELIVERY OF RELATED DOCUMENTS.** Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.



**23. ENTIRE AGREEMENT; WAIVER.** This Lease, together with the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

**24. EXECUTION IN COUNTERPARTS.** This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

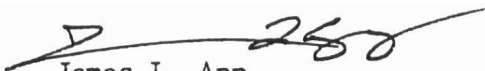
IN WITNESS WHEREOF, the parties have executed this Agreement as of the 20th day of August, 1999.

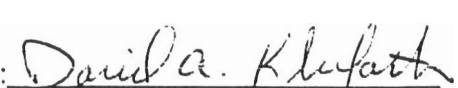
**LESSEE:**

**LESSOR:**

**CITY OF PASO ROBLES**

**MOTOROLA, INC.**

By:   
James L. App

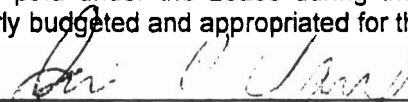
By: 

Title: City Manager

Title: ASSISTANT SECRETARY

**OPINION OF COUNSEL**

With respect to that certain Equipment Lease-Purchase Agreement dated 8/23/99 by and between Motorola, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (iii) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law.



Attorney for **CITY OF PASO ROBLES**

**SCHEDULE A  
EQUIPMENT LEASE-PURCHASE AGREEMENT**

**Schedule A                    21068  
Lease Number:**

This Equipment Schedule dated as of 8/20/99 is being executed by MOTOROLA, INC. ("Lessor") and CITY OF PASO ROBLES (Lessee"), as a supplement to, and is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number 21068 dated as of 8/20/99 ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.
<b>Equipment Location:</b>	

**Initial Term: 60 MONTHS                    Commencement Date:            11/1/99**  
**First Payment Due Date            12/1/99**

**60 Monthly Payments of \$3,828.44** as outlined in the attached Schedule B, plus Sales/Use Tax of \$0.00, payable on the Lease Payment Dates set forth in Schedule B.

EXECUTED as of the date first herein set forth.

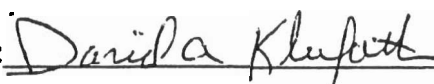
LESSEE:

LESSOR:

**CITY OF PASO ROBLES**

**Motorola, Inc.**

By: James L. App 

By: David A. Kluefitt 

Title: City Manager

Title: ASSISTANT SECRETARY



**MOTOROLA**

1301 Algonquin Road  
Schaumburg, IL 60196

**Proposal**

**Customer**

Name	Paso Robles Police Department	Date	7/22/99
Address	Equipment List	Sales	
Cty, St, Zip		Engineer	
Phone		Specialist	

Qty	Model	Description	Unit Price	TOTAL
1	DQ2/3POS-ANI	Centralink 2000 ANI Controller		
1	DQ2/3 POS-ALI	Centralink 2000 ALI Controller		
2	DQCA-1-IWS	Centralink 2000 CallTaker Positions		

14-11

## City of Paso Robles (Schedule B)

Compound Period ..... : Monthly

Nominal Annual Rate .... : 6.951 %  
 Effective Annual Rate ... : 7.177 %  
 Periodic Rate ..... : 0.5792 %  
 Daily Rate ..... : 0.01904 %

## CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Loan	11/01/1999	193,570.76	1	
2 Payment	12/01/1999	3,828.44	60 Monthly	11/01/2004

## AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 11/01/1999				193,570.76
1 12/01/1999	3,828.44	1,121.22	2,707.22	190,863.54
1999 Totals	3,828.44	1,121.22	2,707.22	
2 01/01/2000	3,828.44	1,105.54	2,722.90	188,140.64
3 02/01/2000	3,828.44	1,089.77	2,738.67	185,401.97
4 03/01/2000	3,828.44	1,073.91	2,754.53	182,647.44
5 04/01/2000	3,828.44	1,057.95	2,770.49	179,876.95
6 05/01/2000	3,828.44	1,041.91	2,786.53	177,090.42
7 06/01/2000	3,828.44	1,025.76	2,802.68	174,287.74
8 07/01/2000	3,828.44	1,009.53	2,818.91	171,468.83
9 08/01/2000	3,828.44	993.20	2,835.24	168,633.59
10 09/01/2000	3,828.44	976.78	2,851.66	165,781.93
11 10/01/2000	3,828.44	960.26	2,868.18	162,913.75
12 11/01/2000	3,828.44	943.65	2,884.79	160,028.96
13 12/01/2000	3,828.44	926.94	2,901.50	157,127.46
2000 Totals	45,941.28	12,205.20	33,736.08	
14 01/01/2001	3,828.44	910.13	2,918.31	154,209.15
15 02/01/2001	3,828.44	893.23	2,935.21	151,273.94
16 03/01/2001	3,828.44	876.23	2,952.21	148,321.73
17 04/01/2001	3,828.44	859.13	2,969.31	145,352.42
18 05/01/2001	3,828.44	841.93	2,986.51	142,365.91
19 06/01/2001	3,828.44	824.63	3,003.81	139,362.10
20 07/01/2001	3,828.44	807.23	3,021.21	136,340.89
21 08/01/2001	3,828.44	789.73	3,038.71	133,302.18
22 09/01/2001	3,828.44	772.13	3,056.31	130,245.87
23 10/01/2001	3,828.44	754.43	3,074.01	127,171.86
24 11/01/2001	3,828.44	736.62	3,091.82	124,080.04
25 12/01/2001	3,828.44	718.71	3,109.73	120,970.31
2001 Totals	45,941.28	9,784.13	36,157.15	

## City of Paso Robles (Schedule B)

Date	Payment	Interest	Principal	Balance
26 01/01/2002	3,828.44	700.70	3,127.74	117,842.57
27 02/01/2002	3,828.44	682.58	3,145.86	114,696.71
28 03/01/2002	3,828.44	664.36	3,164.08	111,532.63
29 04/01/2002	3,828.44	646.03	3,182.41	108,350.22
30 05/01/2002	3,828.44	627.60	3,200.84	105,149.38
31 06/01/2002	3,828.44	609.06	3,219.38	101,930.00
32 07/01/2002	3,828.44	590.41	3,238.03	98,691.97
33 08/01/2002	3,828.44	571.66	3,256.78	95,435.19
34 09/01/2002	3,828.44	552.79	3,275.65	92,159.54
35 10/01/2002	3,828.44	533.82	3,294.62	88,864.92
36 11/01/2002	3,828.44	514.73	3,313.71	85,551.21
37 12/01/2002	3,828.44	495.54	3,332.90	82,218.31
2002 Totals	45,941.28	7,189.28	38,752.00	
38 01/01/2003	3,828.44	476.23	3,352.21	78,866.10
39 02/01/2003	3,828.44	456.82	3,371.62	75,494.48
40 03/01/2003	3,828.44	437.29	3,391.15	72,103.33
41 04/01/2003	3,828.44	417.65	3,410.79	68,692.54
42 05/01/2003	3,828.44	397.89	3,430.55	65,261.99
43 06/01/2003	3,828.44	378.02	3,450.42	61,811.57
44 07/01/2003	3,828.44	358.03	3,470.41	58,341.16
45 08/01/2003	3,828.44	337.93	3,490.51	54,850.65
46 09/01/2003	3,828.44	317.71	3,510.73	51,339.92
47 10/01/2003	3,828.44	297.38	3,531.06	47,808.86
48 11/01/2003	3,828.44	276.92	3,551.52	44,257.34
49 12/01/2003	3,828.44	256.35	3,572.09	40,685.25
2003 Totals	45,941.28	4,408.22	41,533.06	
50 01/01/2004	3,828.44	235.66	3,592.78	37,092.47
51 02/01/2004	3,828.44	214.85	3,613.59	33,478.88
52 03/01/2004	3,828.44	193.92	3,634.52	29,844.36
53 04/01/2004	3,828.44	172.87	3,655.57	26,188.79
54 05/01/2004	3,828.44	151.69	3,676.75	22,512.04
55 06/01/2004	3,828.44	130.40	3,698.04	18,814.00
56 07/01/2004	3,828.44	108.98	3,719.46	15,094.54
57 08/01/2004	3,828.44	87.43	3,741.01	11,353.53
58 09/01/2004	3,828.44	65.76	3,762.68	7,590.85
59 10/01/2004	3,828.44	43.97	3,784.47	3,806.38
60 11/01/2004	3,828.44	22.06	3,806.38	0.00
2004 Totals	42,112.84	1,427.59	40,685.25	
Grand Totals	229,706.40	36,135.64	193,570.76	

City of Paso Robles (Schedule B)

Last interest amount increased by 0.01 due to rounding.

INITIAL INSURANCE REQUIREMENT: \$193,570.76

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

LESSEE:  
CITY OF PASO ROBLES

LESSOR:  
Motorola, Inc.

By: James L. App  
Title: City Manager  
Date: August 20, 1999

By: David A. Klufad  
Title: ASSISTANT SECRETARY  
Date: 12-29-99