

ORDINANCE NO: 2143 _

INTRODUCED BY: AMADOR, BULLOCK, CARSON, DIAZ, DOUGLAS, ELLIOTT, FORD, MCELLOWNEY, TETER

AN ORDINANCE AUTHORIZING THE LEASE OF VEHICLES AND THE EXECUTION BY THE CITY OF A MASTER EQUITY LEASE AGREEMENT WITH ENTERPRISE FM TRUST AND RELATED DOCUMENTS; AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED SCHEDULES; SETTING FORTH PARAMETERS AND RESTRICTIONS; AND PROVIDING FOR OTHER RELATED MATTERS.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO AS FOLLOWS:

SECTION 1. FINDINGS.

A. Pursuant to the Charter, the City of Commerce City (“City”) is authorized to enter into long term installment purchase contracts and rental or leasehold agreements to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes.

B. The City Council has determined that there exists a true and essential need to procure vehicles for use in the efficient and proper operation of the City;

C. The City Council has determined that, to obtain said vehicles, it is in the best interests of the City and its inhabitants to lease said vehicles pursuant through Enterprise FM Trust (“Enterprise”) through the Master Equity Lease Agreement, including the Amendment, attached as Exhibit A (“Agreement”), as set forth in Schedules executed in accordance with the Agreement consistent with this ordinance.

D. The City’s obligations under the Agreement shall be from year to year only; shall constitute a currently budgeted expenditure of the City; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year direct or indirect City debt or other financial obligation of the City within the meaning of any constitutional, statutory or Charter limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the City in any ensuing fiscal year beyond any fiscal year during which the Agreement shall be in effect.

SECTION 2. AUTHORIZATION & PARAMETERS

A. The Agreement, substantially in the form attached hereto in the opinion of the City Attorney, is hereby approved.

B. The City Manager is hereby authorized to execute, and the City Clerk to attest, on behalf of the City of Commerce City the Agreement and all other documents necessary to implement the Agreement. The City Manager is further authorized to negotiate and

approve such revisions to these documents as the City Manager determines to be necessary and appropriate for the protection of the City so long as the essential terms of the Agreement are not altered, in the opinion of the City Attorney.

C. After approval as to form by the City Attorney, the City Manager is authorized to approve Quotes as needed to obtain vehicles and related Service Agreements with Enterprise Fleet Management, Inc., consistent with the limitations of this ordinance, the City's Procurement Policy, and available appropriated funds. Without further approval of the City Council, the City Manager shall not authorize any Quote or Service Agreement, as reflected in Schedules, as defined in the Agreement, exceeding the maximum aggregate expenditure of \$3,548,125 for all Schedules.

SECTION 3. NO GENERAL OBLIGATION DEBT.

No provision of this ordinance, the Agreement, any Schedule, or any related document shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory or Charter provision, nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year. The City shall not have any obligation to make any payment with respect to the Agreement except those payments specifically required under the Agreement, which payments may be terminated by the City in accordance with the provisions of the Lease. Neither this ordinance, the Agreement, any Schedule, or any related document shall constitute a mandatory charge or requirement of the City in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. No provision of this ordinance, the Agreement, any Schedule, or any related document shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the State Constitution. Neither this ordinance, the Agreement, any Schedule, or any related document shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City's then current fiscal year.

SECTION 4. SEVERABILITY.

If any section, subsection, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining sections, subsections, paragraphs, clauses or provisions hereof.

SECTION 5. STATUTES SUPERSEDED.

Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this Ordinance are hereby superseded to the extent of any inconsistencies between the provisions of this Ordinance

and such statutes. Any such inconsistency is intended by the City Council and shall be deemed made pursuant to the Charter.

SECTION 6. REPEALER.

All ordinances, resolutions, bylaws, orders, and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaws, order, or other instrument, or part thereof, heretofore repealed.

INTRODUCED, PASSED ON FIRST READING AND PUBLIC NOTICE
ORDERED THIS 16th DAY OF OCTOBER 2017.

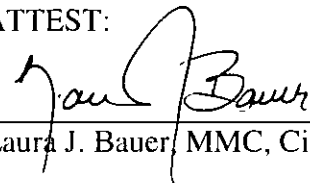
PASSED ON SECOND AND FINAL READING AND PUBLIC NOTICE
ORDERED THIS 6th DAY OF NOVEMBER, 2017.

CITY OF COMMERCE CITY,
COLORADO



Sean Ford, Mayor

ATTEST:



Laura J. Bauer, MMC, City Clerk

AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") dated this ____ day of October, 2017 is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT entered into on the ____ day of October, 2017 ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and City of Commerce City ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 1 of the Master Equity Lease Agreement is amended to read as follows:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. Each such Schedule shall contain the terms and vehicle detail previously approved by City Manager of Lessee or any other person designated by Lessee's City Council by ordinance to be binding on Lessee, in the Quote for said vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

Section 2 of the Master Equity Lease Agreement is amended to read as follows:

The term of this Agreement ("Term") shall commence on the Effective Date and shall continue for five (5) years or upon the lease settlement as defined in Section 3c of any remaining scheduled vehicles at that time. The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule; no Lease Term shall exceed five (5) years for any scheduled vehicle. The parties shall have the right, upon mutual written consent, to extend this Agreement, unless Lessee cancels this Agreement for any reason at all upon thirty (30) days prior written notice to Lessor. In the event of such termination, Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination in accordance with Section 3(b) and 3(c) of the Master Equity Lease Agreement. Additionally, termination should not affect Lessee's obligation to pay any amounts otherwise owed under this agreement.

Section 3(e) of the Master Equity Lease Agreement is amended to read as follows:

Any rental payment or other amount owed by Lessee to Lessor which is not paid within thirty (30) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

Section 4 of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. However, Lessee may from time to time transport hazardous substance that do not require posting of a placard. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such reasonable place in the Denver metropolitan area and by such reasonable means as

may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

Section 5 of the Master Equity Lease Agreement is amended to read as follows:

Lessee agrees to pay all costs, expenses, fees, charges, fines and tickets and penalties incurred by the Lessee, and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

Section 9(c) of the Master Equity Lease Agreement is amended with the additional paragraph which reads as follows:

In the event Lessee notifies Lessor of any claim or dispute under this Agreement, and/or any claim involving the Vehicle, Lessor will, in good faith, attempt to resolve the Lessee's claims in a manner satisfactory to all parties and Lessor will provide commercially reasonable assistance to Lessee in any communications and/or negotiations with the Vehicle's manufacturer with respect to claims relating to such Vehicle.

Section 11(a) of the Master Equity Lease Agreement is amended to read as follows:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

- (i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - \$200,000 deductible

- (ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$5,000 per occurrence - Collision and \$5,000 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will be by appropriate endorsement or otherwise name Lessor and any of its respective successors, designees or assigns as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled or materially modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor prompt written notice of such proposed cancellation or materially modification in accordance with provisions of the applicable insurance policy, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer,

any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

Section 12 of the Master Equity Lease Agreement is amended to read as follows:

To the extent permitted by Colorado state law, Lessee shall be responsible for any and all losses that Lessor incurs, or claims, demands, or rights of action that may be asserted at any time against Lessor, to the extent such losses, claims, demands, or rights of action result from (i) Lessee's breach of this Agreement; (ii) the use, operation or condition of any Vehicle after delivery of the vehicle to the Lessee and up until the delivery of the vehicle back to Lessor; or (iii) Lessee's lease of the Vehicles pursuant to this Agreement. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

Section 14 second paragraph of the Master Equity Lease Agreement is amended to read as follows:

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall upon ten (10) days prior written notice to Lessee and with an escort from Lessee during regular business hours have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any responsibilities pursuant to Section 12 under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

Section 17 of the Master Equity Lease Agreement is amended to read as follows:

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Colorado (determined without reference to conflict of law principles).

Section 19 of the Master Equity Lease Agreement is amended to read as follows:

Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the Colorado State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the City of Commerce City to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the City Council fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

Governmental Entity: The parties agree that the City of Commerce City is a governmental entity. The parties agree that the potential liability of any such governmental entity, and therefore Lessee, is controlled and limited by the provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.* Any provision of this Agreement, whether or not incorporated herein by reference, shall be controlled, limited, and otherwise modified so as to limit any liability of Lessee to the above-captioned laws.

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the ____ day of October, 2017.

City of Commerce City (Lessee)

Enterprise FM Trust (Lessor)
By: Enterprise Fleet Management, Inc., its attorney in fact

By _____

By _____

Title: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney