

LOAN AGREEMENT BETWEEN COUNTY OF SAN MATEO
AND THE KINGS MOUNTAIN VOLUNTEER FIRE BRIGADE FOR
PURCHASE OF A FIRE ENGINE

This Loan Agreement is entered into this ____ day of _____, 2018, by and between the County of San Mateo (“County”) and the Kings Mountain Volunteer Fire Brigade, Inc. (“Brigade”), as follows:

RECITALS

1. The Brigade is a volunteer fire company, which is included within the San Mateo County Fire Protection System, through which it receives support and assistance from the County for the provision of fire protection services in the Kings Mountain area.
2. The Brigade currently owns a twenty-year-old fire engine, commonly known as Engine No. 56, which provides fire protection support for the area served by the Brigade.
3. The Brigade desires to replace Engine No. 56 with a new fire engine.
4. Based on its due diligence, the Brigade expects that the total price for the replacement fire engine will be \$665,572.84. The Brigade currently intends to cover \$265,572.84 of the costs with Brigade funds, and seeks to borrow \$400,000 from the County to cover the remaining costs.

NOW, THEREFORE, in consideration of the mutual promises set forth in this agreement, the parties hereto agree as follows:

1. The Brigade represents that it has entered into a contract dated May 8, 2018, to purchase a new fire engine (the “Replacement Engine”) from Hi-Tech Emergency Vehicle Service, Inc., located in Oakdale, CA. A true and correct copy of the Brigade’s May 8, 2018, contract is attached hereto as Attachment A. Specifically, the Replacement Engine will be a Hi-Tech/Spartan Metro Star MFD/450 HP 1500 GPM Pumper. The pre-sales tax cost of the Replacement Engine will be \$612,021.00. Including 8.75% sales tax of \$53,551.84, the total cost will be \$665,572.84. To pay for the Replacement Engine, the Brigade shall pay \$265,572.84 from its own funds and desires to borrow \$400,000.00 from the County.
2. The County shall loan the Brigade the sum of \$400,000.00 (the “Loan Principal”) to pay for the Replacement Engine referenced in Section 1 above. The Brigade agrees that it shall repay the Loan Principal to the County in twenty (20) annual installments of \$20,000.00. The Brigade agrees that payment of the first annual installment shall be made on or before December 1, 2019, with each annual installment thereafter to be made on or before December 1st of the ensuing year. The Brigade further agrees that each annual installment shall be paid by check made payable to the County of

San Mateo, and shall be paid to County at the Office of the County Manager, County of San Mateo, 400 County Center, First Floor, Redwood City, CA 94063, or at such other place as County may from time to time designate in writing.

3. The Brigade represents that it has sufficient funds, or will have sufficient funds, to make the annual installment payments referenced in Section 2 above, including, but not limited to, funds available through its savings accounts and ongoing support from the Kings Mountain Art Fair.

4. The Brigade agrees that it has the sole responsibility for the ownership and operation of the Replacement Engine which shall be registered in the name of the Brigade. The Brigade further agrees that, if the County desires, the Brigade will take all necessary for the County to effectuate, register, or otherwise document a security interest in the Replacement Engine. If the Brigade fails to pay any of the annual installments when due and owing to the County, or if at any time the Brigade ceases to operate as a volunteer fire company, the Brigade agrees to cooperate with the County should the County deem it necessary to perfect the above-referenced security interest.

5. The Brigade shall indemnify and hold harmless the County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from the operation, use, or ownership of the Replacement Engine, or on account of, any of the following:

- (A) injuries to or death of any person, including the Brigade's employees, officers, and agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging; or
- (C) any other loss or cost, including but not limited to any losses or costs allegedly caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants.

6. The Brigade shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect the Brigade and all of its employees/officers/agents while operating, using, or owning performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Comprehensive General Liability \$2,000,000

Motor Vehicle Liability Insurance \$2,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement.

7. The rights and obligations of the Brigade as set forth in this Agreement may not be assigned to a successor entity or organization without the written consent of the County, which consent shall not be unreasonably withheld.

8. This Agreement constitutes the sole Agreement of the parties with respect to the matters referenced herein and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

9. The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

10. Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of the County, to:

Name/Title: Robert Manchia

Address: 400 County Center Redwood City, CA 94063

Telephone: 650-363-4597
Facsimile:
Email: rmanchia@smcgov.org

In the case of the Brigade, to:
Name/Title: Jon Fredrikson, President
Address: 13889 Skyline Blvd., Woodside, CA 94062
Telephone: 650 851-8897
Facsimile: n/a
Email: Fredrikson@comcast.net

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

Dated: _____, 2018

COUNTY OF SAN MATEO

By: _____
John L. Maltbie, County Manager

Dated: _____, 2018

KINGS MOUNTAIN VOLUNTEER
FIRE BRIGADE

By: _____