

CITY COUNCIL MEETING
NOVEMBER 5, 1986

39

APPROVAL OF LEASE/
PURCHASE AGREEMENT
FOR NEW STREET
SWEEPER

CC-20

Council approved and authorized the City Manager and City Clerk to execute a five-year lease purchase agreement for a 1986 FMC High Dump Street Sweeper.



CITY OF LODI
PUBLIC WORKS DEPARTMENT

COUNCIL COMMUNICATION

<p>TO: City Council</p> <p>FROM: City Manager</p> <p>MEETING DATE: November 5, 1986</p> <p>SUBJECT: Approval of Lease/Purchase Agreement for New Street Sweeper</p>	<p><u>Project Data</u></p> <p>Originally Budgeted: 1986/87</p> <p>Budgeted Fund: 12-Equip. Fund</p> <p>Amount Budgeted: \$100,000</p> <p>Total Aggregate Cost: \$104,275</p> <p>Overrun Fund: 12-Equip. Fund</p>
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RECOMMENDED ACTION: That the City Council approve and authorize the City Manager and City Clerk to execute a five-year lease purchase agreement for a 1986 FMC High Dump Street Sweeper.

BACKGROUND INFORMATION: In the 1986/87 budget, a four-wheel high dump mechanical sweeper was approved for the Street Division at an estimated cost of \$100,000. During the past year, vendors have demonstrated both the mechanical and air type sweepers. During these demonstrations, the Street Division and Equipment Maintenance personnel observed the sweepers for maneuverability, sight distance for driver, noise levels, maintenance costs, and easy access for equipment maintenance personnel to perform daily maintenance and major repairs. It should be noted that the street sweeper requires the greatest amount of maintenance of any piece of equipment.

The air sweepers were eliminated because of noise levels, maneuverability, constant blockage of suction tubes by small branches, and not being available in a high lift dump. This elimination narrowed the field to only two models available with a high lift dump; the FMC 4000 and Mobil Athey AHL. These sweepers have some of the same basic features; however, it is felt the FMC is highly superior in the following areas: site distance; visibility and cab comfort for the driver; hydrostatic drive; the dirt hopper is 1.2 yards (27%) larger; automatic compensation for broom wear; easy access to motor, radiator, and component parts; and high maintenance chain and sprocket drives have been eliminated. See attached pictures and specifications on each model.

The total aggregate cost is \$104,275 with the first and last month payments (\$1,737.91/month) due upon delivery. The Finance Department has determined that this lease purchase concept will save the City over \$16,000 over a period of five years. Therefore, both the Finance and Public Works Departments recommend the lease purchase of the FMC High Dump Street Sweeper.

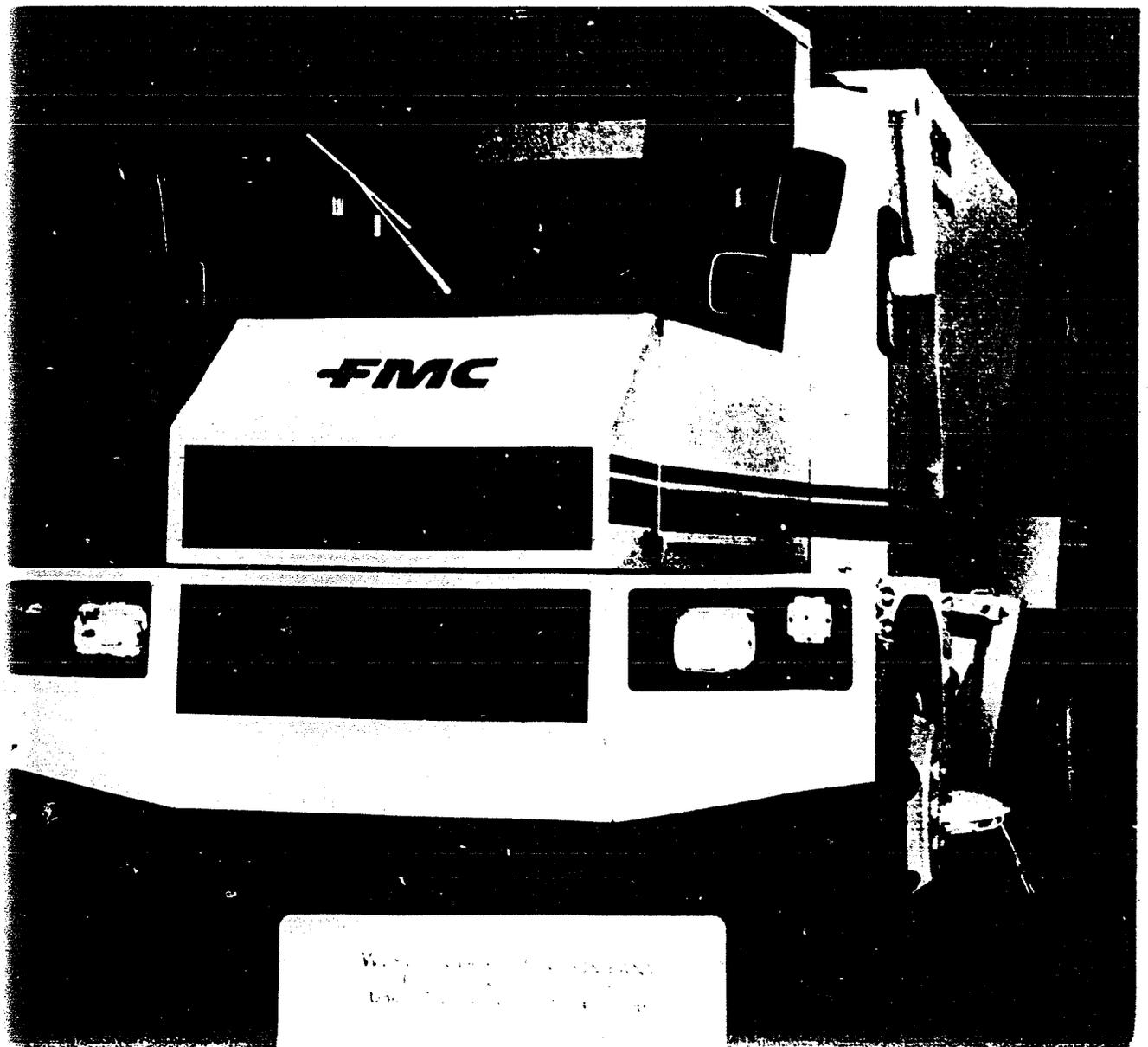
Jack L. Ronsko
Jack L. Ronsko
Public Works Director

Attachments
cc: Assistant Finance Director
Street Superintendent

APPROVED:

Thomas A. Peterson
THOMAS A. PETERSON, City Manager

FILE NO.



Washington, D.C. 20540
Tel: (202) 462-1000
Fax: (202) 462-1001



HIGH DUMP SWEEPER GENERAL SPECIFICATIONS

Vanguard 4000

HOPPER — HIGH DUMP

Lift capacity 12 000 lbs (5445 kg)
Volumetric 5.5 cubic yards (4.2 m³)
Dump position Behind rear wheels
Dump height 114" (2896 mm)
Hydraulic lift Dual 4" (102 mm)
diameter hydraulic cylinders raise hopper
to dump position
Lift and dump control Single toggle switch
in cab

*Refer to tire and trim ratings in manual

DIMENSIONS

Weight empty, one gutter broom
15,225 lbs (6905 kg)
Weight empty, two gutter brooms
15,480 lbs (7020 kg)
Wheel base 130" (3302 mm)
Length overall 204" (5182 mm)

Height 104" (2642 mm)
Turning radius 20' (6096 mm)
Single gutter broom
Sweeping path 91" (2312 mm)
Width — travel 102" (2591 mm)
Double gutter broom
Sweeping path 125" (3175 mm)
Width — travel 102" (2591 mm)

CAB

Forward mount, center position, single
operator. Dust and weather sealed, all steel
construction. Integral limb guard protection
with cab corner posts. Cab noise level under
85 dba.
Sound suppression interior — padded
insulation.
Rubber mounting between cab and frame
3 738 square inches (24 116 cm²) of glass area.
Sliding windows left and right. Tinted safety
glass.

Fresh air heater, defroster and pressurizer.
Automotive type tilt and telescoping steering
wheel. Multi adjustable spring suspended seat
with twin hydraulic shock absorbers.
Retractable seat belts, wide padded arm rests
and adjustable lumbar support.
Windshield washer.

POWER UNIT — DIESEL ENGINE

Industrial 8 cylinder, naturally aspirated.
Displacement 8.2 L (500 cubic inches)
Rated horsepower 160 HP at 2800 RPM
Fuel Diesel 35 gallon (132 L) capacity
Cooling 39 qts (37 L) water capacity
Cooling recovery system, antifreeze
protection to 34° F (1° C)
Air cleaner Two stage dry type with safety
element and service indicator
Oil filter Full flow





TRACTION DRIVE

Type Hydrostatic system with two speed differential final drive
Traction pump Direct driven off the engine, variable displacement
Traction motor Variable displacement drive motor with automatic displacement control
Range — direction control lever
High — 0 to 50 mph (80 km/h) for travel
Low — 0 to 12 mph (19 km/h) for sweeping
Neutral — start or park
Reverse — 0 to 4 mph (6 km/h)
Automotive type foot pedal infinitely variable sweeping and travel speeds

BROOM AND ELEVATOR DRIVES

Type Hydraulic system powers all sweeping components at speeds selected by operator to fit sweeping conditions. Independent of traction speeds or direction
Drive pump Direct driven off the engine
Drive motors Brooms and elevator driven by individual high torque hydraulic drive motors
Hydraulic controls Toggle switch in cab

GUTTER BROOM

Diameter 47" (1194 mm)
Segments Tuf Grip disposable type 12 segments with 26" (660 mm) steel wire
Speeds Operator controlled variable speeds
Drive High torque hydraulic motor
Overload protection Hydraulic relief valve
Impact protection Free floating vertically
Automatic horizontal deflection on impact
Lift Electric/hydraulic
Adjustments Simple in cab adjustments for down pressure

PICKUP BROOM

Type Tube broom with polypropylene filler
Diameter 32" (813 mm)
Length of broom 58" (1473 mm)
Speed Operator controlled variable speed
Drive High torque hydraulic motor with relief valve overload protection
Lift control Electric/hydraulic
Adjustment Simple pressure adjustment with automatic wear compensation to maintain constant broom pattern
Mechanical coning adjustment

DIRT SHOES

Parallel arm suspension for uniform wear and tight fit to brush bristles

ELEVATOR SYSTEM

Type Squeegee 7 bar
Width 58" (1473 mm)
Speed Operator controlled, variable
Reversible Controlled by operator
Drive High torque hydraulic motor
Overload protection Hydraulic relief valve
Elevator belts Positive grip rubber elevator belts 38 strand steel cable core flexwire construction
Bolt in, replaceable bottom plate

WATER SPRAY SYSTEM

Capacity 235 gallons (890 L)
Tank construction Corrosion proof polyethylene tank
Filter Stainless Steel 30 mesh screen
Filter hose 15' (4510 mm) of 2" (63.5 mm) hose equipped with NST bronze coupling and hydrant wrench
Spray bars Spray system over pickup broom and gutter brooms
Controls Variable flow valve and water level light located on operator console
Water pump Belt driven centrifugal pump
Water tank warranty Warranted for the life of the sweeper to the original owner against corrosion or material defects

STEERING — FRONT WHEEL

Heavy duty power steering

FRAME

Lifetime 13" x 3" (330 x 76 mm) high strength steel "C" channel frame

AXLES

Front 9,000 lb capacity
Rear 19,500 lb capacity
Differential ratio High — 6.5 | Low — 9.05 |

WHEELS AND TIRES

Wheels Two (2) front, 10 lug heavy duty disc type. Two (2) rear, 10 lug heavy duty disc type
Front tire 7.50 x 20E 10 ply
Rear tire 12.0 x 20H 16 ply

BRAKES

Hydraulic power boosted
Front 5" x 15" drum
Rear 5" x 15" drum

INSTRUMENTS

Speedometer, odometer, fuel gauge, water temperature gauge and warning, voltmeter, oil pressure gauge and warning, broom pressure gauge, air cleaner service indicator, and low hydraulic oil level warning.

ELECTRICAL SYSTEM

Batteries Dual maintenance free batteries
Cold cranking power 535 amps @ 0° F each
Alternator Heavy-duty 60 amp
No splice wiring
Lights Headlights — Two (2) sealed beam with high beam indicator, dual stop and tail lights, gutter broom spotlights, clearance lights, self-canceling turn signals with two-way hazard flasher, backup lights and reflectors — comply with current Federal Safety Regulation standards. Circuit breaker protection
Wiring included for all approved options

COLOR

High visibility white
Red accent striping
Glare resistant black matte finish to all cab surfaces

WARRANTY

1. SWEEPER . . . 6 months
2. DIESEL ENGINE . . . 2 years
3. RUBBER ELEVATOR BELTS . . .
Pro rata warranty of 10,000 miles (16,000 km) or 2 years. Replacement belts carry the same warranty.
4. POLYETHYLENE WATER TANK . . .
Warranted for the life of the sweeper to the original owner against corrosion or material defects.
5. TRACTION DRIVE COMPONENTS (Pump and motor) . . . 2 years

The manufacturer reserves the right to make changes in the FMC Vanguard 4000 which in their opinion will improve the sweeper or which may be required by government regulations

FMC Corporation
Sweeper Operation
1201 East Lexington Street
Pomona, CA 91769

ATHEY

MODEL AHL

HIGH LIFT SWEEPER



MODEL A-1L SPECIFICATIONS

GENERAL SPECIFICATIONS

Approx weight with one gutter broom	17,300 lbs (7,847 kg)
Approx weight with two gutter brooms	18,000 lbs (8,165 kg)
Wheel base	116" (2946 mm)
Overall length	21'-8" (6604 mm)
Width outside gutter broom drive (retracted)	7'-8" (2337 mm)
Sweeping Path (one gutter broom)	7'-6" (2286 mm)
Sweeping Path (two gutter brooms)	10'-0" (3048 mm)
Overall height	8'-6" (2591 mm)
Turning Radius	18'-0" (5486 mm)
Axle capacity - Front	8,000 lb (3629 kg)
Axle capacity - Rear	19,000 lb (8618 kg)

GUTTER BROOM

Type	4 segment plastic disposable
Diameter	42" (1066 mm)
Wearing edge	Steel disc to take wear upon curb contact
Speed	Constant forward & reverse
Flexibility	Free floating & full sideways oscillation
Drive	Full hydraulic & reversible
Adjustment	Adjustment for tilt, pressure & wear
Lift control	Hydraulic
Room material	26" wire (660 mm)

PICKUP BROOM

Diameter	36" (914 mm)
Length	58" (1473 mm)
Replaceable, reliable broom material	26" (660 mm)
Core	10" diameter (254 mm)
Control	Hydraulic lift
Drive	Hydraulic motor
Mounting	Full floating
Speed	Constant
Bearings	Self aligning

DIRT CONVEYOR

Type	Squeegee with replaceable rubber edging
Material (elevator bottom)	Bolt-in, 2 piece abrasion resistant steel plate
Speed	Controlled variable forward & reverse
Flexibility	9" oscillation for large object passage
Drive - Forward & reverse	Hydraulic motor
Adjustment	2-way positive
Lift control	Hydraulic
Bearings	Anti-friction, sealed, self-aligning, re-lube
Elevator chain, constant radius chain & sprocket	Steel chain on rubber sprocket
Elevator jam warning device	Cash mounted

DIRT HOPPER

Capacity Volumetric	4.34 cu yd (3.32 m ³)
Hopper lift and dump controls	Hydraulic in cab
Maximum dump height - bottom of discharge door	9'-6" (2896 mm)
Maximum dump height - bottom of hopper	11'-2" (3403 mm)
Minimum dump height - bottom of discharge door	2'-10" (863 mm)
Maximum hopper dump angle	52°
Time to reach maximum dump height and tilt hopper	20 seconds
Time to retract hopper and lower to working position from maximum height	45 seconds
Design lift capacity	9,000 lbs (4082 kg)

CONSTANT PRESSURE WATER SYSTEM

Capacity of tank	310 gallons (1173L)
Water fill	15'-0" (4.5m) w/2.5" NST hydrant coupling
Pump	Electric diaphragm type
Spray nozzles	Across front and over each gutter broom and pickup broom
Controls	Independent valves
Filter	Non-corrosive housing with fine mesh screen
Manhole in water tank with zincalate coating	20" x 56" for easy access

ENGINE

Make	Detroit Diesel Model 4087-7108
Type	V8, 8 cylinder
Displacement	500 CID (8.2L)
Bore	4.25 (108 mm)
Stroke	4.41 (112 mm)
Compression Ratio	18.3:1
Horsepower	165 Governed @ 3000 RPM
Torque	350 Ft/lbs @ 1200 RPM
Fuel and tank capacity	Diesel - 40 gallons (151L)

VEHICLE HYDRAULIC SYSTEM

Pump	Variable displacement piston type with 17 GPM (64.3 Lpm) controlled flow
Pump	Belt driven power steering

POWER TRAIN

Transmission	Detroit Diesel Allison automatic transmission with manual range selector or automatic shifting in 4 forward speeds. Oil to air oil cooler
Rear Axle	Helical gears in 2-speed section. Hypoid bevel gears
Ratios	12.64:1 (low range) 6.75:1 (high range)
Vehicle governed speed	50 MPH (80.5 kph)

STEERING

Steering	Full time power with engine running, integral type w/rack and pinion
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WHEELS

Type	Heavy duty disc
Bearings	Heavy duty tapered roller

TIRES (BIAS PLY)

Tires	7.50 x 20 - 6 PR - front 10.00 x 20 - 12 PR - rear
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BRAKES

Service	4 wheel hydraulic (dual system) with hydraulic assist
Lining area	430 inches ² (2772.5 cm ²)
Type	Internal expanding shoe - drive
Parking	Hand operated on propeller shaft - 63 inches ² (4064 cm ²)

ENGINE ACCESSORIES

Full flow oil filter, mechanical governor, heavy duty dry element air cleaner w safety element and pre-cleaner in-line fuel filter
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ELECTRICAL SYSTEM

12 volt negative ground system with battery 775 Amps cold crank @ 0° F group D4D, 180 Amp hour rating located in engine compartment. All circuits protected by fuses. All circuits activated by constant duty solenoid w ignition switch exit lights and emergency flasher.

LIGHTING SYSTEM

2 hi-lo sealed beam headlights, 2 combination stop & tail lights, 2 clearance light clusters (3 each) front & rear, 2 side clearance lights, front & rear directional signal lights with emergency flasher, spot light for each gutter broom & one for rear broom, dash instrument light, cab dome light, automatic back up light, illuminated license plate, 2 reflectors on rear and 2 on each side, high beam indicator
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CAB

All steel suspended at 4 points to frame by isolation mounts. Double wall doors with vertical sliding windows weather sea around door edges. DOT approved safety door latches with pushbutton & key lock. 2 speed electric windshield wipers, windshield washer, fresh air heater & defroster. Freedman individual seat w seat belt. 2 rear view mirrors mounted on hood (one on each side), sunvisors, all vehicle controls in cab on dash or center console, all dual gutter broom models have dual steering wheels, throttle pedals, brake pedals, turn indicator lights, and seat w seat belt. Tinted safety glass throughout.
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INSTRUMENTATION

Fuel gauge, water temperature gauge, oil pressure gauge, voltmeter, speedometer, odometer, tachometer, hour meter

HOOD & FENDERS

Unitized, corrosion resistant, molded & reinforced fiberglass forward tilting

PAINT

Standard color	Dupont Dulux - one coat
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MISCELLANEOUS

Combination operator & maintenance manual and parts book
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WARRANTY

Sweeper	6 mos. or 5000 miles (8000 km), whichever occurs first
Elevator chains & sprockets	24 mos. or 12,000 miles (19000 km) (Pro-Rata Basis)

NOTE: To provide our customers with the best possible equipment and offer the latest in product improvements, these specifications are subject to change without notice and without incurring responsibility to units previously sold.

SOLD & SERVICED BY:

NIXON-EGLI EQUIPMENT CO.

24701 CLAWITER ROAD
HAYWARD, CA 94545
(415) 783-1711



ATHEY PRODUCTS CORPORATION

P.O. Box 669
Raleigh, NC 27602

919-556-5171 • TWX-510-920-1650

CITY COUNCIL

FRED M. REID, Mayor
EVELYN M. OLSON
Mayor Pro Tempore
DAVID M. HINCHMAN
JAMES W. PINKERTON, Jr.
JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
CALL BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 334-5634

THOMAS A. PETERSON
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

November 12, 1986

FMC Corporation
Sweeper Division
1201 E. Lexington Avenue
Pomona, CA 91766

Gentlemen:

Enclosed please find the original and one copy of equipment rental agreement covering one FMC Vanguard Model 4000 High Dump Street Sweeper for a period of 60 months commencing on the 1st day of December, 1986 to and including the 30th day of November, 1991 which was approved by the Lodi City Council at its meeting of November 5, 1986.

Please execute the subject agreements and return them to us at your earliest convenience. We will return a fully executed copy to you.

Should you have any questions regarding this matter, please do not hesitate to call this office.

Very truly yours,

ALICE M. REIMCHE
City Clerk

Encls.

FMC Corporation - Sweeper Division

EQUIPMENT RENTAL AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 19____, by and between FMC Corporation - Sweeper Division with principal offices at 1201 East Lexington Avenue, Pomona, California 91766 ("LESSOR"), and CITY OF LODI, CALIFORNIA

a political subdivision organized and existing under and by virtue of the laws of the State of CALIFORNIA ("LESSEE")

PREAMBLE

LESSEE represents that it has available funds which it may lawfully expend for the purpose hereinafter set forth; and LESSEE warrants that it is acting by authority of and in accordance with all applicable provisions of law in executing this agreement; and LESSEE requires the use of certain FMC Equipment, described below.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

TERMS AND CONDITIONS

1. **Lease.** LESSOR leases to LESSEE, and LESSEE hires from LESSOR the following described equipment under the terms and conditions hereinafter stated, to wit: One FMC Vanguard Model 4000 High Dump Street Sweeper

for a period of 60 Months commencing on the 1st day of December, 19 86, to and including the 30th day of November, 1991.

2. **Rent.** LESSEE shall pay to LESSOR the sum of One Hundred Four Thousand Two Hundred Seventy Five and No/100 Dollars (\$ 104,275.00), as the Aggregate Rental for the entire term of this Rental Agreement. The Aggregate Rental shall be payable in accordance with the attached Computation and Payout Schedule, Annex A, which is incorporated by this reference. Rental payments shall be made to LESSOR at the times specified in Annex A and to the address set forth above or to such other address as LESSOR, from time to time, may direct by written notice to LESSEE. Any installment of rent, not paid when due, shall bear interest at the rate of either 1.5% per month, compounded monthly, or the legal maximum, whichever is less. Any delinquent amounts, including interest, outstanding at the end of the term of this contract, will be cause for withholding the transfer of title in the equipment to LESSEE.

3. **Inspection by LESSEE.** LESSEE shall inspect the equipment upon delivery. Unless LESSEE gives written notice to the LESSOR within five business days after delivery of any defects or other basis for rejection, it shall be conclusively presumed that LESSEE has fully accepted said equipment, that the equipment is in full compliance with the terms of this agreement and that the equipment is in good condition and repair.

4. **Inspection by LESSOR.** LESSOR shall at all times during business hours have the right to enter any premises where the property may be located for purposes of inspecting it or observing its use. LESSEE shall advise LESSOR of the exact location of any item leased, promptly on request, and shall give LESSOR immediate notice of any attachment or other judicial process affecting all or any of the leased property.

5. **Taxes and Fees.** LESSEE shall pay all taxes or assessments of any kind which may be levied upon or assessed against the leased equipment, and also any Federal, State, County, or Municipal sales, use, compensating, intangibles, gross income, or like tax, however designated, which is levied or based upon the rental collection by LESSOR hereunder, or upon the rental transaction or upon the use of said equipment, but not including taxes payable upon net income of LESSOR. LESSEE hereby agrees to exonerate, indemnify and save LESSOR harmless from and against any and all cost or expense which may accrue to or be sustained by LESSOR on account of LESSEE's failure to make such payment.

6. **Insurance.** Throughout the term of this agreement, LESSEE, at its own expense, shall keep in force a policy or policies of insurance with respect to the leased equipment, against loss or damage by all risks of loss, including collision, in an amount not less than the full current replacement value thereof, with loss, if any, payable to FMC (LESSOR), provided, however, that \$500.00 deductible insurance against collision will be acceptable to LESSOR. LESSEE shall also provide Comprehensive General Liability Insurance with minimum limits of \$1,500,000 combined single limit (bodily injury and property damage events). Such insurance shall include products liability and contractual liability (for assumed liabilities under Article 16 "Loss and Damage" of this lease) coverages. LESSEE shall name FMC as an additional insured under said insurance policy or policies, and shall furnish FMC with a Certificate of Insurance which establishes that current coverage as referenced in this section are in force. Certificates are due on or before the date of delivery of said equipment, and should certificates not be made available, FMC may place such insurance at LESSEE's expense. Certificates shall specify that cancellation or material change in policies will not occur unless thirty (30) days advance notice is provided FMC. Insurers used by LESSEE shall be subject to the review and approval of FMC.

7. Contingencies. LESSOR shall not be liable to LESSEE for any loss or damage suffered by LESSEE, directly or indirectly, as a result of LESSOR's failure to perform or delay in performing, any term or condition of the agreement, when such failure or delay is caused by fires, labor troubles (including strikes and lockouts), riots, insurrections, failure of sources of supply, Government regulations, inability to obtain materials and supplies, interruption of or delay in transportation, war, accidents, acts of God, or other causes of like or different character beyond LESSOR's control.

8. Title to Equipment. Title to the leased equipment, and to all parts and appliances attached to it which were supplied by LESSOR, shall remain in LESSOR during the term of this agreement. LESSOR shall have a security interest in connection with this lease by virtue of LESSOR's ownership of the equipment leased hereunder. LESSEE shall not transfer, assign or hypothecate this rental agreement, nor sublet or transfer possession of the leased equipment, nor create or permit the creation of any lien, charge or encumbrance of any kind or character against it, without the prior written consent of LESSOR. Upon all rental payments having been made in full, it is agreed that title to said equipment shall transfer to LESSEE for the payment of a nominal purchase option of \$1.00.

9. Indemnification by LESSEE. LESSOR shall not be liable to LESSEE for loss, damage or injury to persons (including death) or property occasioned by or growing out of the maintenance, operation, use or nonuse of the leased equipment, nor for damages of any kind or nature directly or indirectly sustained, or alleged to have been sustained, by LESSEE as a result of such maintenance, operation, use or nonuse. LESSEE shall exonerate, indemnify and save LESSOR harmless from and against any and all liability, damage, loss, cost or expense of whatsoever character which may accrue to or be sustained by LESSOR on account of such loss, damage or injury to LESSEE or to any third party, or on account of attachments, liens or claims levied upon or assessed against the leased equipment in any suit brought or claim made against LESSEE or anyone claiming through LESSEE.

10. Assignment. LESSOR may assign this agreement and any and all sums payable hereunder without LESSEE's consent. The assignee of LESSOR shall not be liable for the performance of any obligations, representations, or warranties of LESSOR, but LESSOR shall not be excused from performance by assignment.

11. Nonappropriation of Funds. If, at any time during the term of this agreement, the legislative body which appropriates funds for LESSEE's operations fails to appropriate funds to meet LESSEE's remaining obligations under this agreement and LESSEE is not then in default in the performance of any of its obligations under this agreement, LESSEE shall have a right of early termination on the first day of the first fiscal year for which funds are not appropriated, on LESSEE's satisfaction of the following conditions:

- 1) Thirty (30) days' prior written notice to LESSOR of intent to terminate;
- 2) Payment of a termination fee equal to 10 % of the total Aggregate Rental;
- 3) Restoration of the leased equipment to the same condition as when received, less normal wear and tear, subject to LESSOR's confirmation by a mutual physical inspection of the equipment at the time of return;
- 4) Certification of LESSEE's chief executive that i) LESSEE has used its best efforts to obtain continued funding for the equipment, and ii) despite those efforts, no such funding is or will become available within the next six months for either the leased or functionally similar equipment; and
- 5) Return of the leased equipment to LESSOR in the manner in which LESSOR directs and surrender of all interest herein.

On early termination under this provision, LESSEE and LESSOR shall be relieved of all further obligations and rights under this agreement and the agreement shall terminate.

12. Default. The occurrence of any of the following events shall, at the option of LESSOR, terminate this lease and LESSEE's right to possession of the property leased:

- (a) The nonpayment by LESSEE of any payment or other sums required hereunder to be paid by LESSEE;
- (b) The noncompliance by LESSEE with any other term, covenant, or condition of this lease which is not cured within 30 days after notice thereof from LESSOR;
- (c) Any affirmative act of insolvency by LESSEE, or the filing by LESSEE of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law from the relief of, or relating to, debtors;
- (d) The filing against LESSEE of an involuntary petition under any bankruptcy statute or the appointment of a receiver or trustee to take possession of the property of LESSEE, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within 5 days of the date of the filing or appointment; or
- (e) The subjection of any of LESSEE's property to any levy, seizure, assignment, application, or sale by or on behalf of any creditor or governmental agency.

In the event of any of the above, LESSEE's right to possession of the leased equipment shall terminate and LESSOR may without notice to or demand on LESSEE:

(a) Take possession of the leased equipment and lease the same or any part thereof for such periods, at such rentals and to such parties as LESSOR may elect. The proceeds of any such leases, after deducting all costs and expenses incurred in connection with the recovery, repair, storage, and leasing of the equipment, shall be applied in satisfaction of LESSEE's rental and other obligations hereunder, LESSEE remaining responsible for any deficiency; or

(b) Take possession of the leased equipment and sell all or any portion of it at public or private sale, with or without demand or notice of intention to sell. The proceeds of any such sale, after deducting all costs and expenses incurred in connection with the recovery, repair, storage, and sale of the property, shall be applied in satisfaction of LESSEE's rental and other obligations hereunder, and the balance, if any, shall be applied against the Aggregate Rental amount scheduled in Annex A, which is incorporated by this reference, of the equipment sold. LESSEE shall remain responsible for any obligations remaining unsatisfied after full application of the proceeds of sale, and for any difference between any balance of such proceeds remaining after satisfaction of LESSEE's obligations hereunder and the value of the property sold. All amounts remaining due shall be payable by LESSEE immediately without demand.

13. **Maintenance and Repair.** LESSEE, at its own cost and expense, shall keep the leased equipment in good repair, condition, and working order, and shall furnish all parts required to keep it in good working order. LESSEE shall not remove, alter, disfigure, or conceal any numbering, lettering, or insignia displayed on the leased property, and shall see that the equipment is not subjected to careless or needlessly rough usage. LESSEE shall perform all service and maintenance recommended by the manufacturer when and as scheduled.

14. **Use.** LESSEE will permit operation of the leased equipment only for normal street cleaning and only by qualified and competent operators in its employ. LESSEE shall not remove or permit the removal of the leased equipment from the jurisdiction in which LESSEE has its principal office, except as may be required to have the equipment serviced by FMC or FMC's designated dealer.

15. **Alterations.** LESSEE shall make no alteration whatsoever in the leased equipment without having obtained the prior written permission of LESSOR. All additions and improvements to the equipment shall immediately become the property of LESSOR, and shall be subject to the terms of this lease.

16. **Loss and Damage.** LESSEE hereby assumes all risk of loss of and damage to the leased equipment from any cause. No loss of or damage to the leased property shall impair any obligation of LESSEE under this lease, which shall continue in full force and effect. In the event of loss of or damage to the equipment, LESSEE shall, at the option of LESSOR:

(a) Place the same in good repair; or

(b) Replace the same with like equipment in good repair and acceptable to LESSOR, which equipment shall thereupon become the property of LESSOR and subject to this lease; or

(c) Pay LESSOR therefore in cash the unpaid balance of the Aggregate Rental amount outstanding. On such payment, this lease shall terminate as to the equipment paid for, and LESSOR shall transfer title to that equipment to LESSEE.

17. **Return of Leased Property.** On expiration or prior termination of this lease, except when LESSEE has an express right under this agreement to title to the leased equipment, LESSEE shall return the leased equipment to LESSOR in good repair, ordinary wear and tear attributable to proper use excepted; in one of the following manners as shall be specified by LESSOR:

(a) By delivering the equipment at LESSEE's expense to such place as LESSOR shall specify within the jurisdiction which the same was delivered to LESSEE or to which the same was removed with the written consent of LESSOR; or

(b) By loading the equipment at LESSEE's cost on board such carrier as LESSOR shall specify and shipping the same, freight collect, to the destination designated by LESSOR; or

18. **Purchase Option.** LESSEE shall have the option to purchase the leased equipment. LESSEE may exercise this option any time during the term of this agreement so long as LESSEE is not then in default of its obligations hereunder. LESSEE shall give LESSOR thirty days written notice of intent to exercise its purchase option. On exercise of the purchase option and payment to LESSOR of the balance of the contract amount, less interest rebate, if any, LESSOR shall transfer title to the leased equipment to LESSEE and this agreement shall terminate.

19. **Warranty.** LESSEE acknowledges that the leased equipment is of a size, capacity, design and manufacture which LESSEE has selected. LESSOR, as manufacturer of the leased equipment, warrants it only as specified in the express limited warranty provided with the equipment at time of manufacture. That warranty is exclusive and in lieu of all other warranties, whether oral or written, express or implied. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE SHALL APPLY. LESSOR in any case shall not be liable for special, incidental or consequential damages in connection with an action for breach of warranty, breach of contract, negligence or product liability. LESSEE's sole remedy in the event of LESSOR's breach of this contract or failure of the leased equipment to perform as expected shall be a refund of rental paid (less an amount equal to the reasonable value of the use which LESSEE had of the equipment) after return of the leased equipment.

20. **Designated Dealer.** FMC's authorized supporting dealer serving the territory where LESSEE is located is _____
WESTERN TRACTION COMPANY, 1333 Atlantic Street, Union City, California 94587

21. **Attorneys Fees.** The prevailing party in any action relating to this lease shall be entitled to recover reasonable attorney's fees and costs from the other party.

22. **Entire Contract.** This Equipment Rental Agreement constitutes the entire agreement between the parties and supercedes all prior proposals and representations, whether oral or written. No amendment to this contract shall bind either party unless in writing and signed by an authorized representative of each.

IN WITNESS THEREOF, the parties hereto have caused this agreement to be duly executed in duplicate, as of the day and year first above written.

LESSOR: FMC CORPORATION
SWEEPER DIVISION
1201 E. Lexington Avenue
Pomona, CA 91766

By: _____

Title: _____

LESSEE: City of Lodi

Address: 221 West Pine Street

Lodi, CA 95240

By: _____

Title: Thomas A. Peterson
City Manager

Attest: _____

Alice M. Reimche

Clerk

APPROVED AS TO FORM AND CONTENT _____
(if required)

ANNEX A

Computation and Payout Schedule

TOTAL CASH PRICE	\$ 86,000.00
Interest @ <u>4.25</u> % for <u>60</u> Months	18,275.00
Aggregate Rental Cost	<u>\$104,275.00</u>

PAYMENT SCHEDULE

<u>59</u> payments of \$ <u>1,737.91</u> each =	<u>\$ 102,536.69</u>
<u>1</u> payments of \$ <u>1,738.31</u> each =	<u>1,738.31</u>
payments of \$ _____ each =	_____
payments of \$ _____ each =	_____
payments of \$ _____ each =	_____
Aggregate Rental Cost	<u>\$ 104,275.00</u>

Payments due dates are as follows:

First and last payments totaling \$3,476.22

Due upon delivery. Consecutive monthly payments of \$1,737.91 due each month at anniversary date of contract.

EARLY PAYOUT SCHEDULE

The sum of the digits method is used to calculate interest refund for early payouts. Examples for this contract is as follows:

- If paid out during the 3 month outstanding, the balance due is subject to an interest refund of \$ 82,452.50
- If paid out during the 6 month outstanding, the balance due is subject to an interest refund of \$ 78,834.86
- If paid out during the 12 month outstanding, the balance due is subject to an interest refund of \$ 71,383.57

Pomona Credit Department can quote early payout figure at any time during the course of the rental, based on the above schedule.