

RESOLUTION 14-43

**A RESOLUTION TO AUTHORIZE THE LEASE PURCHASE OF A
KNUCKLE BOOM TRUCK FOR THE STREETS DEPARTMENT**

WHEREAS, the Streets Department is in need of a Knuckle Boom Truck;
and

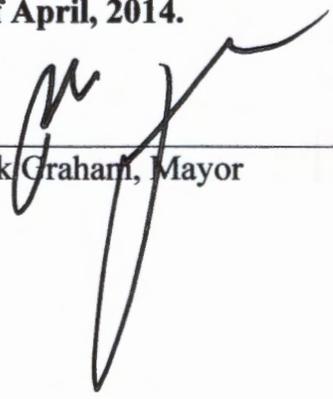
WHEREAS, the City of Spring Hill approved funding of a Knuckle Boom
Truck in the Capital Improvement Plan and Fiscal Year Budget; and

WHEREAS, the city has an opportunity to lease purchase a demonstrator
model knuckle boom truck at a significant reduction from retail cost; and

WHEREAS, Staff has submitted a recommendation to the Budget Finance
Advisory Committee; and

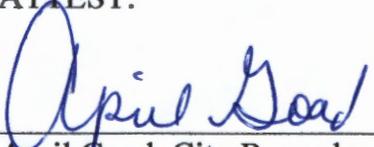
NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill,
Board of Mayor and Aldermen authorizes the lease purchase of a Knuckle Boom
Truck from CMI Equipment in the total amount of \$57,000.00, as recommended
by the Budget Finance Advisory Committee on April 14, 2014.

**Passed and adopted by the Board of Mayor and Aldermen of the City
of Spring Hill, Tennessee on the 21st day of April, 2014.**



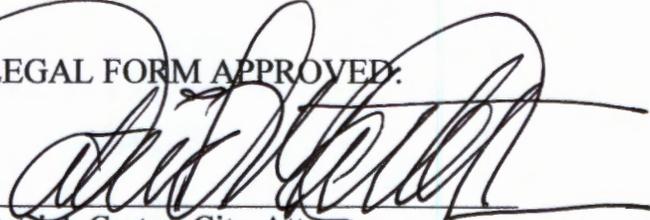
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



DATE: April 11, 2014

TO: BOMA

FROM: Jeff Foster, Public Works Director

RE: Knuckle Boom Truck purchase

OVERVIEW: This truck is needed to keep city property and residential areas well maintained. As new subdivisions are built with landscaping, the need for brush pickup increases. This truck will allow us to keep up with the brush pickup demands.

HIGHLIGHTS:

- This purchase is a used truck at a cost of \$57,000.00. We asked for a new truck in next year's budget at \$125,000.00.

PROJECT/CONTRACT UPDATES:

- The cost of the truck is \$57,000.00.
- The lease is \$8,000.00 for three months which totals \$24,000.00.
- In the next year budget we would pay the balance of \$33,000.00.

ACTION ITEMS:

- Request to lease this truck for three months and pay balance of \$33,000.00 in 2014/2015

CONCERNS/ISSUES/PROBLEMS:

- None

PETERSEN INDUSTRIES, INC
EQUIPMENT LEASE AGREEMENT

Read the terms of this lease before signing it as no statement, remark, agreement, understanding, oral or written, or any other representation not contained herein will be recognized nor can same be reasonably relied on by any party to this agreement. Lessee certifies that the matter printed on the back hereof, as well as all matter contained below, has been fully read and agreed to as part of this Lease.

April 4, 2014
(Date)

LESSEE: City of Spring Hill

Address: 3893 Mahlon Road (Street or Avenue)

City Spring Hill County of Maury State TN Zip Code 37174

LESSOR: **Petersen Industries, Inc., 4000 State Road 60 - W, Lake Wales, FL 33859**

Lessor hereby leases to Lessee, and Lessee hereby hires and takes from Lessor the following-described personal property (hereinafter, with all replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto, referred to as "equipment"): (Describe equipment fully, including make, kind of unit, serial and model numbers, and any other pertinent information.)

DESCRIPTION OF EQUIPMENT : (1) Model TL-3 Lightning Loader® serial # TL3-0511-2567/TB2273 mounted on a 2002 International ChassisVIN:IHTMKAAN92H552227.

RENTAL RATES \$ 8,000.00 per month for three (3) months.. Lessor agrees within One (1) days from the date hereof to cause said equipment to be delivered to Lessee,
f. o. b. Picked up at CMI facility. *Security deposit of **\$500 per rental unit** due prior to rental start date.

TERM: This lease is for a term of 90 days, beginning date: April 4, 2014 and ending date: July 4, 2014
Lease start date begins on the date unit is release for delivery/picked up by rental user.

*Lease end date is date unit is returned to Petersen Industries at 4000 SR 60 West, Lake Wales, FL 33859.

*One month minimum rental term. Requests for term extensions in 30-day increments will be accepted up until two weeks prior to lease end date.

DETERMINATION OF RENTAL CHARGES

The Lessee shall pay rental for the entire period on each article of equipment named under the title "Description of Equipment," at the rate stipulated therein, and in accordance with the following:

- (A) The Lessee agrees that the rates provided for in this contract are considered straight time rates based on eight (8) hours per day, five (5) eight (8) hour days per week, or twenty-two (22) eight (8) hour days in any thirty (30) consecutive day period. Should the machinery be used longer than the above specified hours in any specific period, the overtime rates shall be based as follows:
1/8th of the daily rate for each hour worked in excess of eight (8) hours in any one day. 1/40th of the weekly rate each hour worked in excess of forty (40) hours in any one weekly period. 1/176th of the monthly rate for each hour in excess of one hundred seventy-six (176) hours worked in any thirty (30) consecutive day period.
- (B) Monthly, weekly, and daily rental rates shall not be subject to any deductions for non-working time during the month, week or day, respectively; except that such non-working time may be applied against overtime referred to under (A) above.
- (C) The rental for equipment kept longer than the specified minimum period shall be invoiced on a pro-rata basis.

PLACE OF USE: Lessee shall keep the equipment at: 3893 Mahlon Road, Spring Hill
(Street Address and City)

County of Maury State of TN, until Lessor in writing permits its removal, and shall be used in the conduct of Lessee's business solely.

REPAIR AND MAINTENANCE: Lessor shall bear expense of repairs due to fair wear & tear; Lessee shall not incur for Lessor's account or liability any expense therefor without Lessor's prior written consent. Lessee shall inspect the equipment within 48 hours after its receipt; Unless within said time Lessee notifies Lessor, stating the details of any defects, Lessee shall conclusively be presumed to have accepted the equipment in its **AS IS CONDITION AND WITH ALL FAULTS**. Thereafter, Lessee will have no right to revoke acceptance and any attempt of revocation shall be without effect. Lessee shall solely bear the expense of all necessary maintenance and operations including, but not limited to all labor, material, parts and similar items associated with the equipment. In addition thereto, Lessee agrees to keep the equipment in good repair and operating condition, allowing for reasonable wear and tear. Lessee agrees to pay all necessary expenses of maintaining equipment, and to furnish the necessary fuel and lubrication to keep it in peak operating condition.

USE: Lessee agrees that the equipment will be not be subjected to unnecessarily rough usage, and that its use shall conform to all applicable laws, including ordinances and regulations. Lessee agrees not to allow the use of the equipment for illegal purposes. Lessee will operate the rented equipment with reasonable care, at all times material hereto, with only competent employees and will use the equipment only for the purpose for which the equipment was designed, specifically excluding any such use that would result in abnormal wear and tear of said equipment. The operation and maintenance of the rented equipment shall be under the sole and exclusive control of the Lessee and all personnel operating and maintaining the rented equipment shall be deemed agents and employees of Lessee and not Lessor.

Operation of Rental Unit.

As a condition of the rental agreement, Lessee certifies that all individuals operating the equipment have read and understand the equipment owner's manual. Additionally, Lessee certifies those individuals who will be assigned to utilize the rental loader are trained and qualified in the precautions, safety and operation of the rental unit. This includes the correct operation of controls, correct operating procedures, maximum lifting capacities and all safety precautions associated operation of the rental trash loader. Lessee is aware that death or serious injury can occur from improper use of rental loader. It is the responsibility of lessee to ensure authorized individuals are responsible to operate and maintain the rental loader with skill, good judgment and caution. _____ (Initials)

CDL Class B License Required

Only individuals with a CDL Class B (33,000 GVW) driver's license are authorized to drive the described rental unit. _____ (Initials)

SUPPLYING OPERATORS: Unless otherwise mutually agreed in writing, Lessee shall supply and pay all operators employed on the equipment during the rental period.

EQUIPMENT TO REMAIN PERSONAL PROPERTY: The equipment leased herein is and shall remain for the term of lease personal property, notwithstanding any attachment of it or part of it to real property or improvements on such real property.

LATE CHARGES AND COLLECTION: Lessee agrees, on Lessee's failure to pay any part of the rental or other charge under this lease within _____ Days of the due date, to pay a late charge on the rent installment of \$ _____ plus interest at the rate of 12 % per annum until paid. If Lessor files an action to recover possession of the lease property or any part of the equipment, or to enforce or obtain damages for breach of this lease. Lessee agrees to pay all Lessor's costs and expenses incurred, including reasonable attorney's fees.

LEASE AS ENTIRE AGREEMENT: The Lessor may have made oral statements and/or provided advertising literature or brochures about the equipment described in this lease. Such statements, advertisements or brochures do not constitute warranties, shall not and can not be relied upon by the lessee and are not part of this agreement. The entire agreement is embodied in this writing, which is the full understanding of the parties and which constitutes a final expression of the parties agreement, and is a complete and exclusive statement of the terms of that agreement. No course of prior dealing between the parties and no usage of trade is relevant to explain this agreement nor shall such course of dealing or usage of trade except as expressly incorporated herein, be recognized to vary or modify this agreement. In addition thereto, no understanding or agreement purporting to modify or vary the terms of this document shall be binding unless hereafter made in writing and signed by the party to be bound.

NO WARRANTY: LESSOR, MAKES NO WARRANTY, EXPRESS OR IMPLIED. AS TO THE EQUIPMENT LEASED AND ASSUMES NO RESPONSIBILITY FOR ITS CONDITION. ANY WARRANTY, EXPRESS OR IMPLIED, IS HEREBY EXCLUDED AND DISCLAIMED INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION THERETO, LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED AGAINST PATENT OR LATENT DEFECTS IN MATERIAL, WORKMANSHIP OR CAPACITY OF THE EQUIPMENT, NOR WARRANTY THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY OR OPERATIONS, OR SPECIAL METHOD; ALL LIABILITIES ARISING THEREFROM ARE ENTIRELY ASSUMED BY LESSEE AT LESSEE'S SOLE RISK AND SOLE EXPENSE. LESSEE HEREBY WAIVES ALL CLAIMS FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO PERSONAL INJURY, PROPERTY DAMAGE, DAMAGE TO OR LOSS OF EQUIPMENT, LOST PROFITS OR REVENUE, COSTS OF RENTING REPLACEMENTS AND OTHER ADDITIONAL EXPENSES. THE RENTAL PRICE STATED FOR THE EQUIPMENT IS A CONSIDERATION IN LIMITING LESSOR'S LIABILITY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THE TRANSACTIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY LESSEE MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

INDEMNITY: Lessee shall indemnify Lessor against, and fully hold Lessor harmless from all claims, actions, proceedings, losses, damages, injuries, deaths, thefts, liabilities, disabilities, including attorney's fees, arising out of or connected with, or resulting from the leased equipment, including without limitation the manufacture, selection, delivery, possession, use, operation, or return of such equipment. This provision also includes but is not limited to all claims and suits wherein the Lessor is claimed to have been negligent in connection with the lease of said equipment or is said to have leased defective or unreasonably dangerous equipment. Lessor shall not be liable for any damages, losses or expenses as a result of Lessee's negligence, whether deemed active or passive and whether or not any such negligence is the sole cause of any damage, loss or expense.

SERVICE BY LESSOR: If Lessor is requested to repair or maintain the equipment, the Lessee agrees to pay Lessor's customary standard and overtime rates for parts and repairs and any failure of Lessee to pay the Lessor is a default of this lease and Lessor shall have all remedies of default provided for in this lease. Lessee is responsible for meeting all manufacturer warranty requirements for parts and labor to preserve the warranty.

TITLE: All said equipment including but not limited to any and all replacement parts relative thereto, shall remain personal property, and title thereto shall remain in Lessor exclusively. Lessee shall keep the equipment free from any and all liens and claims, and shall do or permit no act where Lessor's title or rights may be encumbered or impaired. Lessee agrees to give Lessor immediate notice of any levy or seizure attempt upon said equipment and to indemnify Lessor against all loss and damages caused by any such action. Upon expiration or termination hereof, the equipment shall be returned unencumbered to Lessor by Lessee at Lessee's sole expense in the same condition as received by Lessee, reasonable wear and tear resulting from proper use thereof alone accepted. Lessee shall pay rent at the said rate until all said equipment arrives at Lessor's premises.

UNIONS: The Lessee agrees to pay any charges for work or inspection required by labor unions. At its option, the Lessee may refuse to do any repair work on the equipment in time of strike or any cause beyond its control or in violation of any rule that may effect the equipment. At all times material hereto, the Lessor reserves the right to remove the equipment from any jobsite when in its opinion the equipment is in danger because of strikes or any other condition.

INSURANCE: Lessee, at its own expense, shall keep said equipment insured, for the term of this lease and any renewals or extensions thereof, for the full insurable value thereof, as determined by Lessor, against fire and theft with extended or combined additional coverage and against such other risks necessary for Lessee's protection and protection of the equipment in such amounts as Lessor may specify. Lessee shall immediately after receiving the equipment deliver to Lessor the policies or evidence of insurance with a standard long form endorsement attached thereto, showing losses, if any, payable to Lessor, in form satisfactory to Lessor, together with receipts for the premiums thereunder; failure to deliver such evidence or policies of insurance shall be deemed a default of this lease. Lessee shall maintain a minimum of \$1,000,000.00 liability insurance naming **Petersen Industries, Inc.** as additional insured.

TAXES: Lessee shall comply with and conform to all laws, ordinances and regulations relating to the ownership, possession, use or maintenance of the equipment, and save Lessor harmless against any actual or asserted violation brought by any party against Lessor, and pay all costs and expenses of every character, including attorney's fees, occasioned by or arising out of such asserted violation. Lessee agrees that, during the term of this lease, in addition to the rent and all other amounts provided herein to be paid, Lessee will assume all responsibility for tangible property tax reporting, filing, and payment for the equipment specified in this lease as provided by Florida Statutes and/or any other applicable law(s). Upon request, the Lessee shall forthwith provide to the Lessor satisfactory proof of tangible property tax reporting, filing, and payment. Lessee shall promptly reimburse the Lessor upon Lessor's demand for any taxes paid by the Lessor including, but not limited to, sales taxes, assessments, tangible property tax (if not paid directly by the Lessee), and other customary governmental charges levied or assessed upon the interest of the Lessee or upon the use of said equipment by the Lessee. Lessee agrees to reimburse the Lessor for reasonable legal fees and administrative costs incurred by the Lessor in the resolution of any and all disputes related to the aforementioned tax requirements. If Lessee in any way defaults hereunder, Lessor shall have all rights of default provided for in this lease, and in addition thereto Lessee shall solely bear the cost and expense, including, but not limited to all attorney's fees, penalties and interest, of Lessor having to file and pay any and all applicable taxes as determined by Lessor.

INSPECTION: Lessee shall, whenever requested, advise Lessor of the exact location and condition of the equipment and shall give Lessor immediate notice of any attachment or other judicial process affecting the equipment, and indemnify and save Lessor harmless from any loss or damage caused thereby. Lessor may, for the purpose of inspection, at all reasonable times enter upon any job, building or place where the equipment is located and may remove the equipment forthwith, without notice to Lessee, if the equipment is, in the opinion of Lessor, being used beyond its capacity or in any manner improperly cared for or abused; any and all such actions of Lessor shall not be construed as a trespass.

NON-WAIVER: Time is of the essence. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's right thereafter to demand strict compliance therewith or with any other provision. Waiver of any default shall not waive any other default. Lessor's rights hereunder are cumulative and not alternative.

DEFAULT: In the event of any default by Lessee hereunder in the payment of any monthly charge, or in the performance of any terms of this lease, or if in the opinion of Lessor, the equipment is being misused or damaged in excess of ordinary wear and tear, or if Lessee becomes insolvent or ceases to do business as going concern or a petition in bankruptcy or for reorganization is filed by Lessee, or if Lessee, without Lessor's prior consent attempts to remove, sell, transfer, encumber, sublet, or part with the possession of said equipment or any part thereof, then this lease may be terminated at the election of the Lessor without notice and Lessor and/or its agents may without notice or liability or legal process enter into any premises of or under the control or jurisdiction of Lessee or any agent of Lessee where said equipment may be or by Lessor is believed to be and repossess the equipment, including disconnecting and separating all thereof from any other property, using all force necessary and permitted by applicable law so to do without waiving any rights to any amounts due to Lessor hereunder or any other rights of Lessor hereunder; any and all such actions of the Lessor shall not be construed as trespass; Lessee hereby expressly waives all further rights to possession of the equipment and all claims or injuries suffered through or loss caused by such repossession. In the event of any such default, the entire total minimum rental shall be immediately due and payable without any demand by Lessee or notice to Lessee. Lessee agrees to pay all costs of collection including reasonable attorney's fees required by Lessor to recover any monies due under this lease or to recover the leased equipment and Lessee hereby waives any and all affirmative defenses and counterclaims arising out of Lessor's enforcement of this lease. Any litigation relating to this lease agreement shall be in the Courts of Polk County exclusively. Lessee agrees to waive any and all rights to a trial by jury. Lessee further agrees to waive any and all rights of stay imposed against Lessor by §362 of the Bankruptcy Code.

ASSIGNMENTS: Neither this lease nor Lessee's rights hereunder shall be assignable except with Lessor's prior written consent; the conditions hereof shall bind any permitted successors and assigns of Lessee. If Lessor assigns the rents reserved herein or all or any of Lessor's other rights hereunder, assignee's rights shall be independent of any claim of Lessee against Lessor; Lessee on receiving notice of any such assignment shall abide thereby and make payment as may therein be directed. Following such assignment the term "Lessor" shall be deemed to include or refer to Lessor's assignee.

SUBLEASING: The equipment hereby leased shall not be sublet without the prior written consent of the Lessor nor shall said property be moved out of the state specified in this contract without the written consent of the Lessor.

MISCELLANEOUS: Lessee will not change or remove any insignia or lettering on the equipment and shall conspicuously identify each item of the leased equipment by suitable lettering thereon to indicate Lessor's ownership. All transportation charges shall be borne by Lessee. All notices relating hereto shall be by registered mail to Lessor or Lessee at its respective address above shown or at any later address last known to the sender. If any part of this lease is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction, such provision shall be deemed automatically amended so as to be consistent, valid, and enforceable under applicable laws or regulations; such provision shall not nor ever invalidate the remaining portions of this lease. This lease is executed in Florida, and all rights and liabilities under this lease shall be determined in accordance with the law of Florida. In case of any default by Lessee hereunder, Lessor may sell the equipment or may re-lease the equipment for a term and a rental which may be equal to, greater than, or less than the rental and term herein provided. Any proceeds of sale, received within 60 days after repossession, or any rental payments received under a new lease made within such 60 days for the period prior to the expiration of this lease, less Lessor's expenses of taking possession, storage, reconditioning and sale or re-leasing, shall be applied on the Lessee's obligations hereunder, and

Lessee shall remain liable for the balance of the unpaid aggregate rental set forth above as liquidated damages. Lessee's liability shall not be reduced by reason of any failure of Lessor to sell or re-let within such 60 days.

If Lessee is a corporation, this Lease is executed by authority of its Board of Directors.

City of Spring Hill, TN

Jeff Foster (Lessee)
(Signature of Individual or Name of Corporation or Partnership)

Donald J. Green
(Witnesses as to signature of Lessee)

By _____ (Seal)
(If Corporation, have signed by President, Vice-President or Treasurer and give official title. If Owner or Partner, state which)

ACCEPTED:

CMI Equipment Sales, Inc. (Lessor)

By James E. M. Lewis Its Regional Sales Manager

INVOICE

CMI Equipment Sales Inc.

Construction • Municipal • Industrial

P.O. Box 78098 • 2405 Dickerson Rd.
Nashville, Tennessee 37207
(615) 227-7800 • FAX (615) 226-3770

INVOICE NO.
029791

SOLD TO
City of Spring Hill
3893 Mahlon Road
Spring Hill TN 37174

SHIP TO
City of Spring Hill
3893 Mahlon Road
Spring Hill, TN 37174

DATE	TERMS	CUSTOMER P.O. NO.	ORDERED BY	SHIPPED VIA	F.O.B.
04/04/14	Net	Verbal	Jeff Foster	KM Delivered	Spring Hill

QTY. ORD.	QTY. SHP'D	QTY. B.O.	PART NUMBER	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	1			<p>1st Month Rental</p> <p>TL-3 Petersen Lightning Loader - SN# TL3-0511-2567/TB2273 mounted on 2002 International VIN# RHTMKAAN92H55227</p> <p>Rental period 4-4-14 to 5-3-14</p>		\$ 8,000.00

THIS IS A CONDITIONAL SALE. Title to the above-described property shall not pass to the Buyer, but shall remain in the Seller until such time as the total amount per this invoice has been paid in full. In the event of default or non-payment, Seller shall have the right to retake the goods wherever located and dispose of them and collect expenses and any deficiency which may be due, as well as a reasonable attorney's fee if placed with an attorney for collection.

A SERVICE CHARGE OF 1½% PER MONTH (18% PER YEAR) WILL BE ADDED TO THE UNPAID BALANCE ON ALL INVOICES OVER 30 DAYS OLD.

INVOICE WRITTEN BY	SALESMAN	OUR P.O. NO.
	James McCormick	
BACK ORDERED TO	MANUFACTURER	PAGE OF
	Petersen	
RECEIVED BY	DATE	

SUB TOTAL	\$ 8,000.00
LOCAL TAX	
STATE TAX	
OTHER	
FREIGHT	

PLEASE PAY THIS AMOUNT	\$ 8,000.00
------------------------	-------------

ANY RETURNED ITEM WILL BE SUBJECT TO A RESTOCKING CHARGE

EQUIPMENT LEASE AGREEMENT

NAME AND ADDRESS OF LESSEE <u>City of Spring Hill</u> <u>1200 Jackson St., Spring Hill, TN 37174</u>		SUPPLIER OF EQUIPMENT (LESSOR) <u>CEL Equipment Sales, Inc.</u> <u>245 Old Hickory Road</u> <u>W. Valley, TN 37387</u>	
QUANTITY	MODEL NO.	DESCRIPTION (MANUFACTURER'S SERIAL NO., I.D.)	
One (1)	TL-3	Peterson Lightbar Loader -- SN: TL-3-0511-2567/21273 mounted on 2002 International "I": #171A1-215507 Includes 60-day warranty on Peterson Loader, no warranty of chassis.	
PERSONAL PROPERTY TAXES TO BE REPORTED AND PAID BY LESSEE. LESSOR ASSUMES NO RESPONSIBILITY FOR PERFORMANCE OR MAINTENANCE. THIS IS A NON-CANCELLABLE LEASE. EQUIPMENT TO BE INSURED BY LESSEE.			
JOB LOCATION:			
<u>Various</u>	<u>Spring Hill</u>	<u>Maury</u>	<u>TN</u> <u>37174</u>
STREET	CITY	COUNTY	STATE ZIP
EQUIPMENT DELIVERY DATE:			
NO. RENT PAYMENTS <u>2</u>	RENT PAYMENT PERIODS (IN ADVANCE) MONTHLY WEEKLY OTHER (Specify Below)	AMOUNT OF EACH RENT PAYMENT <u>\$ 3,500.00</u>	ADVANCE PAYMENT (S) <u>1</u> at \$ <u>3,500.00</u> = <u>\$ 3,500.00</u>
ADDITIONAL PROVISIONS:			
Lessee agrees to purchase this unit at the end of 24-month rental period for the full amount of \$57,500.00. Less total rental payments of \$7,000.00 balance to be paid of \$50,500.00.			
ANNUAL RENEWAL <u>\$ 175</u>	SECURITY DEPOSIT <u>\$ 175</u>	STIPULATED LOSS VALUE FOR LEASED EQUIPMENT (IN FULL) SHALL BE: <u>\$57,500.00</u>	
OPTION TO PURCHASE: Should you elect to purchase this equipment within <u>2</u> months after delivery, we will, upon receipt of notice in writing to this effect prior to the expiration of this period, allow <u>100</u> % of the rental paid to apply on the purchase price of <u>\$57,500.00</u> , f.o.b. Lessor's yard, balance to be paid in accordance with Lessor's standard practice on sale of machinery. Customer agrees to execute conditional sales contract covering same. If the option to purchase the equipment herein described is not exercised within the above-stated period, then the option to purchase is cancelled, and this becomes a straight rental agreement.			

IN WITNESS WHEREOF,

The parties have hereunto set their hands this 4th day of April, 192014.

LESSOR: CEL Equipment Sales, Inc.

LESSEE: City of Spring Hill, TN

BY: _____

BY: _____

SPECIAL CONDITIONS

VIII. LESSEE'S INSPECTION; CONCLUSIVE PRESUMPTIONS

Lessee shall inspect the equipment within forty-eight (48) hours after receipt thereof. Unless Lessee within said period of time gives written notice to Lessor, specifying any defect in or other proper objection to the equipment, Lessee agrees that it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected and acknowledged that the equipment is in good repair and condition, and that Lessee is satisfied with and has accepted the equipment in such good condition and repair.

IX. LESSOR'S INSPECTION

Lessor shall at any times during business hours have the right to enter into and upon the premises where the equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall give Lessor immediate notice of any attachment or other judicial process affecting any item of equipment and shall, whenever requested by Lessor, advise of the exact location of the equipment.

X. ALTERATIONS

Without the prior written consent of Lessor, Lessee shall not make any alterations, additions or improvement to the equipment. All additions and improvement of whatsoever kind or nature made to the equipment shall belong to and become the property of Lessor upon the expiration or earlier termination of this lease.

XI. REPAIRS AND MAINTENANCE

Lessee, at its own cost and expense, shall keep the equipment in good repair, condition and working order, and shall furnish any and all parts, mechanisms and devices required to keep the equipment in good mechanical and working order. Lessee agrees to keep for Lessor, dated records of all lubrication, together with a weekly record of the actual hours of use of the equipment covered hereby.

XII. LOSS AND DAMAGE; STIPULATED LOSS VALUE

Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever. No loss or damage to the equipment or any part thereof shall impair any obligation of Lessee under this lease which shall continue in full force and effect.

In the event of loss or damage of any kind whatsoever to any item of equipment, Lessee at the option of Lessor shall: (a) place the same in good repair, condition and working order; or (b) replace the same with like equipment in good repair, condition and working order; or, if same is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall (c) pay Lessor therefor in cash the "Stipulated Loss Value" aforesaid. Upon such payment this lease shall terminate with respect to such item of equipment so paid for, and Lessee thereupon shall become entitled to such item of equipment as-is-where-is, without warranty, express or implied, with respect to any matter whatsoever.

XIII. SURRENDER

Upon the expiration or earlier termination of this lease, with respect to any item of equipment, Lessee shall (unless Lessee has paid Lessor in cash the "Stipulated Loss Value", of such item of equipment pursuant to the preceding paragraph hereof) return the same to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, in the following manner as may be specified by Lessor: (a) by delivering such item of equipment at Lessor's cost and expense to such place as Lessor shall specify within the City or County in which the same was delivered to Lessee or to which same was moved with the written consent of Lessor; or (b) by loading such item of equipment at Lessee's cost and expense on board such carrier as Lessor shall specify and shipping the same, freight collect, to the destination designated by Lessor.

XIV. INSURANCE

Lessee shall keep the equipment insured against all risks of loss or damage from every cause whatsoever for not less than the full replacement value thereof as determined by Lessor; and shall carry public liability and property damage insurance covering the equipment. All said insurance shall be in form and amount and with companies approved by Lessor, and shall be in the joint names of Lessor, Lessor's assignee hereunder, and Lessee. Lessee shall pay the premiums therefor and deliver said policies or duplicates thereof, to Lessor. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor thirty (30) days written notice before the policy in question shall be altered or cancelled. The proceeds of such insurance, at the option of Lessor, shall be applied (a) toward the replacement, restoration or repair of the equipment; or (b) toward payment of the obligations of Lessee hereunder. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for, loss or damage under any said insurance policy. If Lessor agrees to insure the equipment for Lessee, then Lessee shall be liable for the premiums actually incurred and, in the event of loss or damage, shall pay the deductible portion of said insurance coverage.

XV. TAXES

Lessee shall keep the equipment free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment, excluding, however, all taxes on or measured by Lessor's net income.

XVI. LESSOR'S PAYMENT

In case of failure of Lessee to procure or maintain said insurance or to pay said fees, assessments, charges and taxes, all as hereinabove specified, Lessor shall have the right, but shall not be obligated, to effect such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, the cost thereof shall be repayable to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequence, including interest at ten percent (10%) per annum or any part thereof, as failure to pay any installment of rent.

XVII. DISCLAIMER OF WARRANTIES

AS BETWEEN LESSOR AND LESSEE, LESSOR LEASES THE EQUIPMENT, AS-IS, WITHOUT WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (a) THE FITNESS OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (b) LESSOR'S TITLE THERETO, (c) LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, OR (d) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS BETWEEN LESSOR AND LESSEE ARE TO BE BORNE BY LESSEE. Lessor hereby appoints and constitutes Lessee its agent and attorney-in-fact during the term of this lease to assert and enforce, from time to time, in the name and for the account of Lessor and Lessee, as their interests may appear, but in all cases at the sole cost and expense of Lessee, whatever claims and rights Lessor may have as owners of the equipment against any suppliers, manufacturers or contractors in respect thereof.

XVIII. INDEMNITY

Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment, including without limitation the manufacture, selection, delivery, possession, use, operation or return of the equipment.

XIX. DEFAULT

If Lessee with regard to any item or items of equipment fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if Lessee with regard to any item or items of equipment fails to observe, keep or perform any other provision of this lease required to be observed, kept or performed by Lessee, the Lessor shall have the right to exercise any one or more of the following remedies: (a) to declare the entire amount of rent hereunder immediately due and payable as to any or all items of equipment, without notice or demand to Lessee; (b) to sue for and recover all rents, and other payments, then accrued or thereafter accruing, with respect to any or all items of equipment; (c) to take possession of any or all items of equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this lease as to any or all items of equipment unless Lessor expressly so notifies Lessee in writing; (d) to terminate this lease as to any or all items of equipment; (e) to pursue any other remedy at law or in equity. Notwithstanding any said repossession, or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of Lessee to be performed under this lease. All such remedies are cumulative, and may be exercised concurrently or separately.

XX. BANKRUPTCY

Neither this lease nor any interest therein is assignable or transferrable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if the Lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on any item or items of the equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of any item or items of the equipment, Lessor shall have and may exercise any one or more of the remedies set forth in paragraph XIX hereof; and this lease shall, at the option of Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of said option.

XXI. CONCURRENT REMEDIES

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein or by law of equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

XXII. LESSOR'S EXPENSES

Lessee shall pay Lessor all costs and expenses, including attorney's fees, incurred by Lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof.

XXIII. ASSIGNMENT

Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge or hypothecate this lease, the equipment, or any part thereof, or any interest therein or (b) sublet or lend the equipment, or any part thereof, or permit the equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees. Consent to any of the foregoing prohibited acts applies only in the given instance; and is not a consent to any subsequent like act by Lessee or any other person.

Subject always to the foregoing, this lease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

XXIV. LESSOR'S ASSIGNMENT

It is understood that Lessor contemplates assigning this lease and/or mortgaging the equipment, and that said assignee may assign the same. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, without notice to Lessee. If Lessor assigns this lease or the rentals due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee, should there be one, shall excuse performance by Lessee of any provision hereof. No such assignee shall be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this lease.

XXV. OWNERSHIP

The equipment is, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title, or interest therein or thereto, except as expressly set forth in this lease.

XXVI. PERSONAL PROPERTY

The equipment is, and shall at all times be and remain, personal property notwithstanding that the equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

XXVII. THIS LEASE SHALL NOT BE BINDING

Upon the Lessor until approved as to terms, credit, shipment, etc., and accepted in writing by an executive of the Lessor, and when so approved and accepted shall constitute a binding agreement upon the parties hereto and all rights of the parties hereto shall be governed by the laws of the State of Tennessee existing at the time the same is made.

XXVIII. LATE PAYMENTS

Should Lessee fail to pay any part of the rent herein reserved or any other sum required to be paid by Lessee to Lessor, within Ten (10) days after the due date thereof, Lessee shall pay unto the Lessor a late charge of 1 1/2% per month or any part thereof on such delinquent payment.

XXIX. OFFSET

Lessee hereby waives any and all existing and future claims, and offsets, against any rent or other payments due hereunder; and agrees to pay the rent and other amounts hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

XXX. NON-WAIVER

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

XXXI. ADDITIONAL DOCUMENTS

If Lessor shall so request, Lessee shall execute and deliver to Lessor such documents as Lessor shall deem necessary or desirable for purposes of recording or filing to protect the interest of Lessor in the equipment.

XXXII. NOTICES

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

XXXIII. GENDER, NUMBER

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

XXXIV. TITLES

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

XXXV. TIME

Time is of the essence of this lease and each and all of its provisions.

XXXVI. ALL REPRESENTATIONS,

Warranties, and obligations of the parties hereto shall survive the termination hereof.

OPTION TO PURCHASE: Should you elect to purchase this equipment within _____ months after delivery, we will, upon receipt of notice in writing to this effect prior to the expiration of this period, allow _____% of the rental paid to apply on the purchase price of \$7,000.00, f.o.b. Lessor's yard, balance to be paid in accordance with Lessor's standard practice on sale of machinery. Customer agrees to execute conditional sales contract covering same. If the option to purchase the equipment herein described is not exercised within the above-stated period, then the option to purchase is cancelled, and this becomes a straight rental agreement.