

KELLAR EQUIPMENT



EQUIPMENT BARE LEASE AGREEMENT

This "Agreement" is made by and between Kellar Equipment located at 34075 Avenue J, Yucaipa, CA 92399 and City of Menifee located at 29844 Haun Rd, Menifee, CA 92586 (hereinafter referred to as "Lessee").

The parties involved agree to the following:

1. **Equipment / Term:** Kellar Equipment in consideration of the satisfactory performance of the terms and conditions of this "Agreement", grants to Lessee the right to use a 2016 INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER, during the following dates and times:
1 month lease, beginning August 8, 2022. Lessee has the option to lease month to month thereafter up to \$24,999.99 in aggregate. A month is defined as a calendar month not to exceed 160 hours in any given month. Additional hours will be pro-rated and charged at \$50.00 per hour for every hour over 160 hours in any given month. Equipment will be billed upon acceptance of the equipment and at the start of each subsequent month. Payment is due within 15 days of bill date. If payment is 30 days past due, the agreement will be terminated.
2. **Rights and Responsibilities of Lessee:** Lessee shall have the following rights, privileges, and responsibilities:
Use of the Equipment based on the criteria agreed upon above in section 1. Kellar Equipment will deliver the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER at the beginning of the rental term. Lessee must make sure the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER remains at the Lessee's job address located at 27860 Bradley Rd, Menifee, CA 92586 unless otherwise granted by Kellar Equipment.
Routine engine maintenance (including necessary filters and fluids) will be the responsibility of Kellar Equipment to be done on-site at 27860 Bradley Rd, Menifee, CA 92586. Normal adjustments per manufacturer recommended intervals will be the responsibility of Kellar Equipment and performed at 27860 Bradley Rd, Menifee, CA 92586. If it is unreasonable to perform maintenance at this location, Kellar may move and return the equipment. All consumable replacements will be the responsibility of Lessee. IE gutter brooms, main brooms, elevator flight rubbers, fuel, def fluid, etc.
Lessee is responsible for providing an operator for the leased equipment as well as maintaining appropriate insurance detailed in #6.
3. **Direct Expenses:** Lessee shall reimburse Kellar Equipment for all direct expenses associated with Lessee's use of the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER. Such direct expenses shall include:
 - i. Equipment use = \$12,500.00 monthly lease (**plus applicable state and local sales taxes**) Rates are based on 8 hours per day, five days per week (during any given month), not to exceed 160 hours total per month
 - ii. Repair of INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER if damaged due to Lessee's misuse.
 - iii. Parts worn out due to Lessee's use except for routine engine maintenance items
 - iv. Any damages caused by Lessee will be repaired as needed by Kellar Equipment's desired vendor and billed at their current labor and parts rates at

the vendor's location.

- v. **\$500** cleaning fee for vehicles returned dirty
- vi. **\$150** fuel charge if unit is returned with less fuel than at the time of delivery

Section 3. Initial

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4. **Care of Equipment:** Lessee shall take the necessary steps to assure that Lessee, it's employees, agents, represented, guests and invites shall not injure, mar, or in any way deface the Equipment, nor cause or permit anything to be done whereby said INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER shall be in any manner injured, marred or defaced. Damages caused by improper fueling (IE def fluid in diesel tank, diesel fuel in def fluid tank) will be charged to Lessee. All fluids and tire pressures must be checked before each shift. Damages caused by negligence of the Lessee will be charged to Lessee. Lessee will have the opportunity to inspect the equipment at delivery and sign off as to its condition. Any damage due to Lessee's misuse upon return will be the responsibility of Lessee.

Section 4. Initial

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5. **Indemnification / Hold Harmless:** Lessee shall indemnify and hold Kellar Equipment harmless of and from any and all loss, damage or injury to any person or persons, or property, arising from or connected with the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER or Lessee's use thereof. Lessee further agrees to waive all claims against Kellar Equipment on account of any loss, damage, or injury from whatever cause which may occur to Lessee or its employees, agents, representatives, guest and invites in the use of the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER. Lessee further agrees to indemnify Kellar Equipment for any damage done to the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER during Lessee's use of the same.
6. **Insurance:**
 1. Lessee shall, at its own expense, procure and maintain Commercial General Liability, Business Automobile, Excess Liability and Workers' Compensation coverage issued by companies satisfactory to Kellar Equipment. Lessor shall be named as an Additional Insured on Lessee's Commercial General Liability (endorsement required CG2026 07/04 or equivalent), Business Automobile and Excess Liability policies and Loss Payee with respect to Hired Automobile Physical Damage coverage for the full stated value of the INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO 500X STREET SWEEPER on Lessee's Business Automobile policy. Lessee's Commercial General Liability, Business Automobile and Excess Liability policies insurance is to be primary and non-contributory with any insurance maintained by Lessee. Certificate(s) of insurance including additional insured, loss payee, primary/non-contributory and waiver of subrogation endorsements obtained by Lessee are to be in force for the length of the Lease Term.
 2. The limits of liability shall not be less than the following. If Lessee carries higher limits than specified, then those limits shall apply and not be limited by the minimum requirements specified herein.
 - a. Commercial General Liability coverage ("CGL") with Limits of Liability of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate, including contractual liability for bodily injury and property damage indemnity obligations. Coverage shall not contain any action-over exclusions or limitations precluding indemnity for injury to an employee of Lessee
 - b. Automobile Liability with limits of at least \$1,000,000 Combined Single Limit
 - c. Hired Automobile Physical Damage Coverage for a minimum limit of \$120,000. Certificate must reflect the Hired Automobile Physical Damage Deductibles
 - d. Workers Compensation/Employer's Liability with limits of at least \$1,000,000 each accident for bodily injury by accident/\$1,000,000 policy limit for bodily injury by disease/\$1,000,000 each employee for bodily injury by disease.
 - e. Umbrella/Excess Liability coverage on a "follow form" basis (including additional insured, primary/non-contributory and waiver of subrogation endorsements) with Limits of Liability not less than \$3,000,000 each occurrence, including contractual liability for bodily injury and

property damage indemnity obligations. Coverage shall not contain any action-over exclusions or limitations precluding indemnity for injury to an employee of Lessee.

- f. Inland Marine Liability coverage for leased equipment.
3. The certificate holder/additional insured must read:
Kellar Equipment
34075 Avenue J
Yucaipa, CA 92399

Leased Equipment Description:

Model INTERNATIONAL 4300 VIN#1HTMMAAN0GH746677 TYMCO
500X STREET SWEEPER

Delivery Date _____

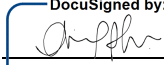
Pick up Date _____

LESSEE

By: City of Meniffee

Name: Armando G. Villa

Title: City Manager

Signature: 
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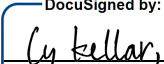
Date: 8/16/2022

Purchase Order Number: _____

Kellar Equipment By:

Name: Cy Kellar

Title: President

Signature: 
BC293ECC56024F1...

Date: 8/11/2022