

AGREEMENT FOR PURCHASE AND SALE OF GOODS

THIS AGREEMENT FOR PURCHASE AND SALE OF GOODS (the "Agreement") is made this 3rd day of November, 2004, by and between **McNeilus Financial Inc. dba McNeilus Truck & Manufacturing Company, whose address is PO Box 367, Villa Rica, GA 30180** ("Seller") and **THE CITY OF NAPLES**, a Florida municipal corporation, the address of which is 735 Eighth Street South, Naples, Florida 34102 ("Buyer"). In consideration of the mutual covenants and agreements hereinafter set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Buyer and Seller agree as follows:

1. **Description of Goods; Sale and Delivery.** Seller shall sell, transfer, and deliver to Buyer the goods described on the Description/Proposal attached hereto and made a part of as Exhibit "A" subject to such terms as are set forth in the Description/Proposal and in this Agreement.
2. **Acceptance; Purchase.** Buyer shall accept the goods and pay the **sum of \$298,600.00** for the goods in accordance with the terms of this Agreement.
3. **Identification of Goods.** Identification of the goods shall not be deemed to have been made until both Buyer and Seller have agreed that the goods in question are to be appropriate to the performance of this Agreement.
4. **Rate and Time of Payment.** Unless otherwise specified, Buyer shall make payment to Seller for the goods within 30 days after the goods are received by Buyer.
5. **Receipt of Goods.** The goods shall be deemed received by Buyer when delivered to Buyer at City of Naples, Naples, Florida 34102. Delivery of the goods to Buyer shall occur on a business day and shall not occur after 3:15 p.m. on the delivery day.
6. **Risk of Loss.** The risk of loss from any casualty to the goods, regardless of the cause, shall be on Seller up to the time of receipt of the goods by Buyer at the place of delivery, but only after any proper inspection has been completed without rejection of the goods. Thereafter, such risk shall be on Buyer, including any goods thereafter returned to Seller until their receipt by Seller.
7. **Warranty Against Encumbrances.** Seller warrants that the goods are now free, and at the time of delivery shall be free, from any security interest or other lien or encumbrance.
8. **Warranty of Title.** Seller warrants that at the time of signing this Agreement, Seller neither knows, nor has reason to know, of the existence of any outstanding title or claim of title hostile to the rights of Seller in the goods.
9. **Product Warranty.** Seller provides general warranties of fitness and general warranties that the goods are free from defects, for 1 year from acceptance of the goods, except as may otherwise be set forth in the Description/Proposal, or other attached warranty.
10. **Right of Inspection.** Buyer shall have the right to inspect the goods at the time and place of delivery, and within 5 business days after delivery, Buyer must give notice to Seller of any claim for damages on account of the condition, quality, or grade of the goods, and Buyer must specify in detail the basis of such claim. The failure of Buyer to comply with these conditions shall constitute irrevocable acceptance of the goods by Buyer.

11. **Procedure as to Rejected Goods.** On receipt of notification of rejection, Seller will immediately arrange to receive back the goods for shipment and return. However, within 5 days, Seller may have an agent inspect such goods for nonconformity; otherwise, such inspection will be made on return to Seller's storage facility. When such goods are confirmed or acquiesced in as nonconforming, Seller will ship conforming goods within 30 days of the notice of rejection unless Buyer earlier notifies Seller to forgo such shipment.

12. **Governing Law.** The parties acknowledge that the transaction that is the subject matter of this Agreement bears a reasonable relation to the State of Florida and agree that the law of the State of Florida will govern their rights and duties. The parties specifically intend that the provisions of Article 2 of the Florida Uniform Commercial Code will control as to all aspects of this Agreement and its interpretation, and that all the definitions contained therein will be applicable to this Agreement except where this Agreement may expressly provide otherwise.

13. **Notices and Address of Record.** All notices required or made pursuant to this Agreement to be given by Seller to Buyer shall be in writing and shall be delivered by overnight courier, by hand or by United States Postal Service Department, first class mail service, postage prepaid, return receipt requested, addressed to the following:

To Buyer:

City of Naples
Attention: Dr. Robert E. Lee, City Manager
735 Eighth Street South
Naples, Florida 34102-3796

All notices required or made pursuant to this Agreement to be given by Buyer to Seller shall be made in writing and shall be delivered by overnight courier, by hand or by the United States Postal Service Department, first class mail service, postage prepaid, return receipt requested, addressed to the following:

To Seller:

McNeilus Financial Inc.
Db a McNeilus Truck & Manufacturing Company
PO Box 367
Villa Rica, GA 30180

Either party may change its address of record by written notice to the other party given in accordance with requirements of this Article.

14. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party who signature appears thereon and all of which shall together constitute one and the same instrument.

15. **Effective Date.** This Agreement shall take effect on the day of execution by the last party to execute this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first written above.

ATTEST:

"SELLER":

McNeilus Financial Inc.
Db a McNeilus Truck &
Manufacturing Company

(Corporate Seal)

Witness

By: _____
Authorized Representative

ATTEST:

"BUYER"

City of Naples, Florida

By: _____
Tara A. Norman, City Clerk

By: _____
Dr. Robert E. Lee, City Manager

Approved as to form and legal sufficiency:

By: _____
Robert D. Pritt, City Attorney

Sunday, October 17, 2004

Rory Amundsen
City of Naples
50th 13th Street North
5/15/03
Naples, FL 34102

Dear Rory:

McNeilus Companies, Inc. is pleased to inform the City of Naples, FL that our company is willing to honor the latest bid prices for bid no. 050-04 dated 3/22/04 for Front-Loading Commercial Refuse Trucks which was awarded April 19, 2004 to McNeilus.

However, we do have two exceptions related to our pricing that would require us to pass along an increase to the City. First, during the last few months we have experienced several price increases from our steel and component suppliers. Our increases have been held back as long as possible and beginning August 1, 2004 McNeilus instituted an "across the board" steel price increase on each individual order.

Secondly, our most recent unit awarded and delivered to the City of Naples was a 2004 year model chassis. Our current production models are 2005 and McNeilus has been charged an additional price increase from our chassis supplier for the new years model.

In summary, McNeilus would like to offer the original purchase price from the latest bid with two additional price increases based on the price of Steel and the year model changes.

Our price increase would apply as follows:

2004 Mack MR w/ McNeilus Front Loader	Last Paid :\$141,500.00
2005 Mack Chassis -Year Model Upgrade	Cost\$ 3,500.00
Steel Price Increase	Cost\$ 4,300.00
TOTAL PRICE	<u>\$149,300.00</u>

Sincerely,

Barry Duffey

WARRANTY POLICY

ONE YEAR CONDITIONAL WARRANTY on the packer body structure manufactured by McNeilus Truck & Manufacturing, Inc.

TWO YEAR CONDITIONAL WARRANTY on the hydraulic pump, manufactured by Commercial Intertech and installed at McNeilus Truck & Manufacturing, Inc.

ONE YEAR CONDITIONAL WARRANTY for parts, components and labor on all equipment manufactured by McNeilus Truck & Manufacturing, Inc.

FIVE YEAR CONDITIONAL WARRANTY on hydraulic cylinders manufactured by Commercial Intertech / Cylinder City and factory installed at McNeilus Truck & Manufacturing, Inc.

SIX MONTH CONDITIONAL WARRANTY on all replacement parts manufactured and/or sold by McNeilus Truck & Manufacturing Company.

Municipality Warranty Summary

	Standard Municipality	*Extended 1 year	*Extended 2 years	*Extended 3 years	*Extended 4 years
Classis - go through local dealer	N/A	N/A	N/A	N/A	N/A
Refuse Body & Components (except item 2) including normal wear*** items.	1 year	2 years	3 years	4 years	5 years
Hydraulic Pumps and Valves	2 years	3 years	N/A	N/A	N/A
Hydraulic Cylinders	5 year	N/A	N/A	N/A	N/A
Warranty Labor	1 year	N/A	N/A	N/A	N/A
Paint	1 year	N/A	N/A	N/A	N/A

* Ask sales representative for pricing on extended warranty periods.

** Warranty periods for replacement parts include the shelf life at the customer's facility.

*** Normal wear items are not covered as noted in the warranty manual.

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McNeilus Truck and Manufacturing, Inc. warrants the equipment manufactured by McNeilus to be free from defects in material and workmanship under normal use and service. McNeilus' obligation under this warranty is limited to repairing and replacing, at McNeilus' option, if upon examination by McNeilus the parts are found to be defective in materials and workmanship.

McNeilus will not accept any items that are:

1. Returned without an authorized McNeilus RGA number.
2. Misused in any manner.
3. Specified as not being covered under warranty (see list below).

All warranty claims will be handled through the McNeilus corporate office in Minnesota. If you have any questions regarding the warranty procedures in this manual, please contact Teri Streiff, Warranty Administrator, at (507) 374-6321.

MUNICIPALITY WARRANTY COVERAGE

The warranty period begins when the packer is put into service at a municipality.

- I. **One year warranty:** Packer body structure – hard body parts (steel) only. Limited to repairing or replacing if material or workmanship is deemed defective upon examination by McNeilus.
- II. **One year warranty:** All parts and labor, per the flat rate of \$35.00 per hour (see the flat rate schedule), limited to repairing or replacing if material or workmanship is deemed defective upon examination by McNeilus. Freight charges for warranty replacement parts sent to the customer will be approved if the warranty on the part returned is approved.
- III. **Replacement parts:** Covered for 6 months from the date of purchase (this includes any shelf life at your facility). Labor will *not* be reimbursed if the packer is over one year old.
- IV. **Items not covered under warranty:**
 1. Normal adjustments; fit ups; routing; tightening of nuts, bolts, hydraulic fittings and adapters; lubricants; filters; lights.
 2. Labor on all cylinders presently covered by the NQA warranty.
 3. Freight charges for any parts being returned for warranty consideration.
 4. Normal wear items.

McNeilus

LABOR CLAIMS

All labor claims must be submitted to the McNeilus corporate office within 30 days from the date of the repair order. All claims received after 30 days will be denied. Each claim must include the following:

1. A McNeilus 'Warranty Claim Form' must be submitted including:
 - a. Address of the division submitting the claim
 - b. Packer body serial number
 - c. Packer in-service date
 - d. A complete description of the problem and the correction taken
 - e. The McNeilus RGA # that pertains to the part being replaced.
2. An original or carbon copy of the mechanic's repair order must be attached to the Warranty Claim Form.
3. If the labor claim includes reimbursement for parts that were replaced, a copy of the invoice showing the purchase of the parts must be attached to the Warranty Claim Form. The failed parts must be returned to McNeilus for warranty consideration. The labor claim will not be paid until the warranty is approved on the part. If the failed part is denied warranty, the labor claim will be denied also.
4. If the labor claim is strictly for labor (no parts) a photograph prior to the repair must be attached to the Warranty Claim Form.

The claims must be complete and legible when received by McNeilus. If the claim is not legible or has information omitted, the claim will be returned to the customer for correction. Labor claims will be paid by check monthly. Reimbursements for parts will be issued as a parts credit on your parts account.

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5 YEAR CONDITIONAL CYLINDER WARRANTY
Effective 6/01/96

Hydraulic cylinders manufactured by Commercial Intertech (Cylinder City, Inc.) will have a five year limited warranty for defects in material and workmanship. **The warranty does not cover nicks in the chrome caused by normal use or any damage caused by abuse or misuse. Labor will only be reimbursed for cylinders that are approved as warranty per the flat rate schedule.** Warranted cylinders will have ground freight paid both ways in the continental U.S. This includes freight to and from any port in the U.S., but excludes any shipment via water. Warranted cylinders shipped to and from Canada will have ground freight paid to and from the point of entry in the continental U.S. If air freight is required, you will pay the difference between ground freight and air freight charges. All failed cylinders must be returned to McNeilus in Dodge Center, MN.

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ORDERING PARTS FOR WARRANTY CONSIDERATION

Please contact the nearest McNeilus parts department when ordering a part for a possible warranty situation. You must inform the McNeilus parts person that you are ordering the part(s) for warranty consideration. **You must have the packer body serial number ready when calling to order parts for warranty consideration.**

The replacement part(s) will be sent with the following items:

1. **Packing slip:** The packing slip will show the parts being sent to you. It will also show the Return Goods Authorization (RGA) number.
2. **RGA tag and return label:** This RGA number will match the number shown on the packing slip. The RGA tag must be attached to the failed part to be returned (see exhibit A). The return label must be attached to the outside of the package (see exhibit B).

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USING STOCK PARTS FOR WARRANTY REPLACEMENTS

If you replace a failed part with one from your stock inventory, please call your local McNeilus branch and order a new part for your stock. The new part will be sent to you with the RGA tags to return the failed part. Put the new part in your stock and return the failed part to McNeilus.

LOCATION OF PACKER BODY SERIAL NUMBER

The serial number is stamped into the body on the front panel on the driver's side.
Serial # example: 121HMA4020 – 10529

You must provide the last four digits of the serial number when placing a warranty order. The four numbers in front of the hyphen (4020) indicate the model of the packer body which would also be helpful when placing your order.

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RETURNED GOODS POLICY

You will have 30 days to return parts being considered for warranty. The RGA tag must be attached to the part in order to be considered for warranty. .

If the parts are not received within 30 days, a written reminder will be sent to the district locations. You will have 10 days to return the parts after this notice is received. Parts not received by McNeilus after this time will be denied warranty.

It is the responsibility of the customer to return the parts for warranty consideration. All freight charges must be prepaid by the customer. Any warranty parts shipped freight collect will be refused.

You will be sent a "Parts Received for Warranty Consideration" Notice once the parts are returned to McNeilus. Please allow 30 to 60 days from the time you receive this notice for the warranty to be determined.

NOTE: All returned parts must be carefully wrapped or boxed by the customer before shipment. All returned parts such as pumps, hydraulic control blocks, valve assemblies, and cylinders must have the service ports plugged and sealed to prevent contamination from water or other foreign material during shipment. Units arriving with "open" ports will be denied warranty.

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APPROVED / DENIED WARRANTY

When the warranty is decided you will receive a credit memo notice that will say either "Warranty Approved Notice" or "Warranty Denied Notice". If the warranty is approved, the parts sent to you and the freight charge for those parts will be credited. If the warranty is denied, the replacement parts and the freight charge for them will be invoiced to you on your "regular" parts account for payment.

WARRANTY COVERAGE AND LIMITATIONS

All Coverage is 100% Parts & Labor

VEHICLE APPLICATION: VOCATIONAL CLASS "C" -

	Hours	Months	Miles	Kilometers
SCHEDULE 1. BASIC VEHICLE Clutch Link, Brake Link, and Brake Drums are covered for 12 months or 25,000 miles/40,000 kilometers only.	--	12	100,000	161,000
SCHEDULE 2. MACK DIESEL ENGINE Includes Roadside Assistance and Towing for 1st year. Standard Warranty Major Components: Cylinder Block Casting Main Bearing Bolts Cylinder Head Castings Cylinder Head Capscrews Crankshaft Forging Con-Rod & Cap Forging Con-Rod Capscrews Camshaft Forging Valve Lifters Intake Manifold Casting Flywheel Housing Gear Cover Engine Gears	10,800 12,500	36 60	300,000 500,000	483,000 805,000
Coverage also applies to consumables such as lubricant, anti-freeze, filter elements, belts, hoses and fluid maintenance items not reusable and replaced directly as result of wear/tear/leakage, engine, carrier or transmission failure.				
Components not manufactured by Mack Trucks, Inc., but used on Mack diesel engine assemblies are excluded from the coverage in Schedule 2. These components are covered by the component manufacturer's warranty in effect at the time of delivery. Consult your local Mack service facility for details.				
SCHEDULE 3. MACK TRANSMISSIONS: Includes Roadside Assistance and Towing for 1st year.	--	36	300,000	483,000
SCHEDULE 4. MACK AXLES: REAR CARRIERS, HOUSINGS AND FRONT I-BEAM 855 BOGIE, REGARDLESS OF CARRIER MODEL Includes Roadside Assistance and Towing for 1st year for Rear Axle Carriers Only.	--	36 12	300,000 100,000	483,000 161,000
SCHEDULE 5. Trunion Bracket & Spline, Suspension Trunion (except Bushings)	--	36	300,000	483,000
SCHEDULE 6. FRAMES: SIDE RAIL & CROSSMEMBERS	--	36	300,000	483,000
SCHEDULE 7. CAB STRUCTURE	--	24	200,000	322,000
SCHEDULE 8. CAB CORROSION Coverage applies to perforation (actual hole in the metal panel) due to corrosion. Coverage does not apply to corrosion caused by damage to paint finish.	--	60	500,000	805,000
SCHEDULE 9. Components not manufactured by Mack Trucks, Inc. may have warranty coverage different from the above, as they are covered by the manufacturer's warranty. Consult your local Mack sales facility for details.	--			