

ATTACHMENT B

PURCHASE AGREEMENT FOR SIX (6) NEW TROLLEY VEHICLES FOR THE BALBOA ISLAND/CORONA DEL MAR LOCAL AREA TRANSIT SERVICES FROM MODEL 1 COMMERCIAL VEHICLES, INC.

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into as of this 18th day of November, 2025 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and MODEL 1 COMMERCIAL VEHICLES, INC., an Indiana corporation ("Contractor"), whose address is 14740 Ramona Avenue, Chino, CA 91710, and is made with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City requires six (6) new trolley vehicles for the Balboa Island/Corona Del Mar local area transit services ("Equipment") as set forth in Exhibit A, which is attached hereto and incorporated herein by this reference.
- C. Contractor has carefully reviewed and evaluated the specifications set forth by the City for the Equipment and has committed to deliver the Equipment required for the price specified in this Agreement within an estimated fourteen (14) months commencing upon execution of this Agreement.
- D. City has solicited and received a proposal from Contractor, has evaluated the expertise of Contractor, and desires to submit an order for the Equipment under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants, and other terms and conditions as set forth herein, Contractor and City (each a "Party" and together the "Parties") agree as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on December 31, 2027, unless terminated earlier as set forth herein.

2. COMPENSATION

2.1 City shall choose the discounted purchase price as more fully described in the Pricing Proposal attached hereto as Exhibit B and incorporated herein by reference. The purchase price for Equipment, including all sales taxes, shall not exceed **Two Million Three Hundred Twenty One Thousand Three Hundred Forty Dollars and 00/100 (\$2,321,340.24)**, ("Total Compensation"). City shall pay Contractor the Total Compensation in full within thirty (30) days of receipt of Equipment.

3. ADMINISTRATION

This Agreement will be administered by the Public Works Department. City's Director of Public Works or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

4. DELIVERY

4.1 Contractor shall deliver the Equipment to the City on the terms and conditions as provided in Exhibit A within fourteen (14) months after execution of this Agreement.

4.2 Delivery of the Equipment shall be made to the City's Corporation Yard at 592 Superior Avenue, Newport Beach, CA 92663, or such other location as may be designated by City in writing. Time of delivery is of the essence in this Agreement. City reserves the right to refuse the Equipment, or part thereof, and to cancel all or any part of the Equipment not conforming to all applicable specifications, samples, or descriptions. City shall receive a pro-rata refund for the Equipment, or part thereof, cancelled under this Agreement, within thirty (30) calendar days of City's cancellation. Acceptance of any part of the order for Equipment shall not bind City to accept future shipments nor deprive City of the right to return Equipment already accepted at Contractor's expense. Over shipments and under shipments of Equipment shall be only as agreed to in writing by City. Delivery shall not be deemed to be complete until all Equipment have been physically received and accepted in writing by the City.

4.3 Contractor shall submit all requests for extensions of time for delivery in writing to the City Purchase Administrator not later than ten (10) calendar days after the start of the condition that purportedly causes a delay. The Purchase Administrator shall review all such requests and may, at his/her sole discretion, grant reasonable time extensions for unforeseeable delays that are beyond Contractor's control. Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible.

4.4 Force Majeure. The time period(s) specified in this Section for the provision of Equipment rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Contractor, including but not restricted to acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Contractor shall within ten (10) days of the commencement of such delay notify City in writing of the cause of the delay. City shall ascertain the facts and extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the City such delay is justified. City's determination shall be final and conclusive upon the parties to this Agreement. In no event shall the Contractor be entitled to monetary damages for any delay in the performance of this Agreement,

regardless of cause. The Contractor's sole remedy for any such delay is an extension of the Agreement's term as provided in this Section

4.5 Notwithstanding Section 4.4, the Parties agree that it is extremely difficult and impractical to determine and fix the actual damages that City will sustain should the Contractor fail to complete the delivery as called for in this Agreement. Should Contractor fail to complete the delivery as called for in this Agreement, Contractor agrees to the deduction of liquidated damages in the sum of One Hundred Dollars and 00/100 (\$100.00) per day, for every day beyond the date scheduled for delivery provided in Sections 4.1 or 4.3. Execution of this Agreement shall constitute agreement by the City and Contractor that the sum of One Hundred Dollars and 00/100 (\$100.00) per day, is the minimum value of costs and actual damages caused by the failure of Contractor to deliver the Equipment within the allotted time. All liquidated damages shall be paid within ten (10) calendar days of City's written request for payment. Such sum is liquidated damages and shall not be construed as a penalty, and may be deducted from payments due the Contractor, or recovered from Contractor, as applicable, if such delay occurs.

5. ACCEPTANCE/ PAYMENT

Unless otherwise agreed to in writing by City, acceptance of the Equipment shall not be deemed complete unless in writing and until all of the Equipment, including each part thereof, has actually been received, inspected and tested to the satisfaction of City.

6. NOTICES

6.1 All notices, demands, requests or approvals to be given under the terms of this Agreement shall be given in writing, and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided.

6.2 All notices, demands, requests or approvals from Contractor to City shall be addressed to City at:

Attn: Public Works
Public Works Director
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

6.3 All notices, demands, requests or approvals from City to Contractor shall be addressed to Contractor at:

Attention: Jason Spore
Model 1 Commercial Vehicles, Inc.
14740 Ramona Avenue
Chino, CA 91710

7. TAXES

The Total Compensation includes any and all applicable taxes and fees, including federal, state and/or local sales or use taxes. Contractor agrees, and is solely responsible for, the proper submission of any and all applicable federal, state and/or local taxes and fees to the appropriate taxing entity.

8. ENTIRE AGREEMENT

This Agreement contains the entire Agreement between the Parties with respect to all matters herein, and there are no restrictions, promises, warranties, or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on City unless authorized by City in writing. Electronic acceptance of any additional terms, conditions or supplemental agreements by any City employee or agent, shall not be valid or binding on City unless accepted in writing by the Purchase Administrator. The terms of this Agreement shall supersede any inconsistencies between this Agreement and the Exhibits hereto.

9. WARRANTY

9.1 Contractor expressly warrants that the Equipment covered by this Agreement is: 1) free of liens or encumbrances; 2) of merchantable quality and good for the ordinary purposes for which it is used; and 3) fit for the particular purpose for which it is intended. Acceptance of this Agreement shall constitute an agreement upon Contractor's part to indemnify, defend and hold City and its indemnitaries as identified in Section 15 below, and as more fully described in Section 15, harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by City by reason of the failure of the Equipment to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

9.2 Contractor shall provide the warranties outlined in Exhibit A. All warranty periods shall commence on the date the Equipment is accepted by the City as provided in Section 5 above. All warranty repair work shall be conducted by a Contractor-certified dealer/agent in the Southern California region.

9.3 As of the Effective Date of this Agreement the Contractor-certified dealer/agent for purposes of all repairs and warranty work is: Model 1 Commercial Vehicles, Inc.

9.4 The Contractor shall provide the City with a complete set of all manuals, documentation, and certifications ("Required Documentation") pertaining to the Equipment. The Required Documentation shall include, but is not limited to: (1) Operation and Maintenance Manuals: Final, complete, and official versions of all user manuals, operation guides, maintenance procedures, technical specifications, schematics, and parts lists for the Equipment; and (2) Warranty Certificates: All original or certified copies of manufacturer's warranties, extended warranties, and guarantees associated with the Equipment and any of its major components.

10. ASSIGNMENT OR SUBCONTRACTING

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Furthermore, neither the performance of this Agreement nor any portion thereof may be assigned or subcontracted by Contractor without the express written consent of City. Any attempt by Contractor to assign or subcontract the performance or any portion thereof of this Agreement without the express written consent of City shall be invalid and shall constitute a breach of this Agreement.

11. TERMINATION

11.1 In the event that either Party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that Party shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) calendar days after receipt of written notice of default specifying the nature of such default and the steps necessary to cure such default, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting Party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, or thereafter fails to diligently take steps to cure the default, the non-defaulting Party may terminate the Agreement forthwith by giving to the defaulting Party written notice thereof. City shall be refunded all money for Equipment not delivered and accepted by City at time of termination within thirty (30) calendar days. Cause for default shall further be defined as any breach of this Agreement, any misrepresentation or fraud on the part of the Contractor and/or filing of any petition in U.S. Bankruptcy Court or entering of Bankruptcy by Contractor.

11.2 Notwithstanding the above provisions, City shall have the right, at its sole discretion without cause, of terminating this Agreement at any time by giving seven (7) calendar days prior written notice to Contractor. Upon termination, the City shall have no further liability, including but not limited to, any claim for lost profits, consequential damages, or termination costs. City shall be refunded all money for Equipment not delivered and accepted by City at time of termination within thirty (30) calendar days. On the effective date of termination, Contractor shall deliver to City all equipment, reports, documents and other information developed or accumulated in the performance of this Agreement, whether in draft or final form.

12. CONSENT TO BREACH NOT WAIVER

No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented to such breach. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

13. REMEDIES NOT EXCLUSIVE

The remedies for breach set forth in this Agreement are cumulative as to one (1) another and as to any other provided by law, rather than exclusive; and the expression of

certain remedies in this Agreement does not preclude resort by either Party to any other remedies provided by law.

14. FAITHFUL PERFORMANCE BOND

14.1 Contractor shall perform all work under this Agreement, taking necessary steps and precautions to perform the work to City's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other Equipment or services furnished by the Contractor under this Agreement. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of City required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors.

14.2 Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement a Faithful Performance Bond in the amount of twenty five percent (25%) of the Total Compensation to be paid Contractor as set forth in this Agreement. The form of such Faithful Performance Bond is attached as Exhibit D and incorporated herein by reference. The Faithful Performance Bond shall be issued by an insurance organization or surety (1) currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, (2) listed as an acceptable surety in the latest revision of the Federal Register Circular 570, and (3) assigned a Policyholders' Rating A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of *Best's Key Rating Guide: Property-Casualty*.

14.3. Contractor shall deliver, concurrently with execution of this Agreement, the Faithful Performance Bond and a certified copy of the "Certificate of Authority" of the Insurer or Surety issued by the Insurance Commissioner, which authorizes the Insurer or Surety to transact surety insurance in the State of California.

15. INDEMNIFICATION

15.1 To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Agreement, any work performed or services or equipment provided under this Agreement including, without limitation, defects in workmanship or materials (including the negligent and/or willful acts, errors and/or omissions of Contractor, its principals, officers, agents, employees, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them).

15.2 Notwithstanding any other provision of this Agreement to the contrary Contractor shall not be required to indemnify the Indemnified Parties from any and all Claims (a) arising from the sole or partial negligence (including, without limitation, active and pass negligence) or willful misconduct of the Indemnified Parties or their boards and commissions, officers, agents, volunteers, representatives, contractors, and employees, as well as any third parties, or (b) that are filed in court or any other administrative agency or asserted (in writing) against Indemnified Parties more than one (1) calendar year after the project and/or services contemplated by this Agreement are completed. The "active and passive negligence or willful misconduct" in the preceding sentence shall mean, without limitation or affecting the statutory and common law legal definition, Indemnified Parties failing to promptly follow written recommendations of Contractor arising out of or relating to the Equipment provided. Nothing in this indemnity shall be construed as authorizing any award of attorneys' fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor; provided however, that Contractor shall be reimbursed for any indemnification provided to Indemnified Parties from insurance policy benefits paid to Indemnified Parties arising out of or relating to the Claim.

16. CHARGES AND LIENS

Contractor shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the Equipment, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of Section 15 above, indemnify, defend, and hold City harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

17. INSURANCE

Without limiting Contractor's indemnification of City, and prior to commencement of work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, which shall be valid until delivery and acceptance of the vehicles as set forth in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit C, and incorporated herein by reference.

18. CHANGE OF OWNERSHIP

Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Agreement, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Agreement and complete them to the satisfaction of City.

19. CONFIDENTIALITY

Contractor agrees to maintain the confidentiality of all City and City-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Agreement. All such records

and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents, employees and subcontractors.

20. FREIGHT (F.O.B. DESTINATION)

The Total Compensation includes shipment and delivery of Equipment to designated City location. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Agreement.

21. TERMS AND CONDITIONS

Contractor acknowledges that it has read and agrees to all terms and conditions included in this Agreement.

22. SIGNATORIES AUTHORITY

Each person executing this Agreement expressly warrants that he or she is authorized to do so on behalf of the entity for which he or she is executing this Agreement. The City and Contractor represent and warrant that this Agreement is executed voluntarily, with full knowledge of its significance.

23. STANDARD PROVISIONS

23.1 Recitals. City and Contractor acknowledge that the above Recitals are true and correct and are hereby incorporated by reference into this Agreement.

23.2 Compliance with all Laws. Contractor shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Contractor shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

23.3 Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

23.4 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties hereto, and all preliminary negotiations and Agreements of whatsoever kind or nature are merged herein. No verbal contract or implied covenant shall be held to vary the provisions herein.

23.5 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Exhibits attached hereto, the terms of this Agreement shall govern.

23.6 Amendments. This Agreement may be modified or amended only by a written document executed by both Contractor and City and approved as to form by the City Attorney.

23.7 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California. The California Commercial Code shall be the controlling law for the terms of this Agreement.

23.8 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, age or any other impermissible basis under law.

23.9 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.

23.10 Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

23.11 No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing Party shall not be entitled to attorneys' fees.

23.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 11/5/25

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: Jose Montoya for
Aaron C. Harp
City Attorney
11.5.25
AF

By: _____
Joe Stapleton
Mayor

ATTEST:

Date: _____

**CONTRACTOR: Model 1 Commercial
Vehicles, Inc., a Indiana**

Date: _____

By: _____
Lena Shumway
City Clerk

By: _____
Jason Spore
Transit Bid Manager

[END OF SIGNATURES]

Attachments: Exhibit A – Equipment Specifications
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements
 Exhibit D – Faithful Performance Bond

EXHIBIT A

EQUIPMENT SPECIFICATIONS

VEHICLE SPECIFICATIONS

Instructions: Initial the bottom of Vehicle Specification sheet provided and remit as part of your Bid, acknowledging a demonstrated understanding of the Vehicle Specifications. Any and all exceptions to the stated mandatory minimum requirements shall be indicated on the Statement of Compliance (Attachment A) and identified by the Item Number listed in the specifications. Each specification's drop-down menu must be completed to note as compliant or not compliant. Failure to note compliance or to list exceptions shall result in your Bid being deemed as non-responsive.

Deviations from these specifications which exceed specified dimensions, capacity, quality or performance may be considered unless specific or maximum requirements are set, provided the manufacturer submits full description and explanation of and justification for proposed deviations based on acceptable engineering practices.

TROLLEY UPGRADES/OPTIONS	SPECIFICATIONS	YES	NO
Base Vehicle	1. Hometown Manufacturing Villager 178 Trolley Vehicle (Six total vehicles) (or approved equal)	✓	
Chassis Options	1. Compressed Natural Gas (CNG) System (Used with Ford F53 Gasoline Chassis) 2. Aluminum Wheels	✓	
Electrical Options	1. Driver Fan	✓	
Audio Video Options	1. AM/FM/CD/IPOD/USB with 4 Speakers 2. Page System REI with 4 Speakers	✓	
Flooring Options	1. Altro Transit One Piece Floor (or approved equal)		
Exterior Options	1. Totally Enclosed Body 2. 4 Window Pair Open Air Section Insert Included 3. LED Headlights 4. Ramco Heated Remote Mirrors 5. Sportsworks 2 Position Bike Rack	✓	
Paratransit Options	1. Lift, Package Braun Century, Platform Priority Seating Signs, ADA Location Signs, ADA Lighting, Interlock, Audible 2. Q'straint Side-N-Click (Each Position) (or approved equal) 3. Authentic Gong Bell Passenger Stop Request Pull Cord 4. Two (2) Position Flip Seat Perimeter Fold Up with Wood Slats 5. Storage Box for Belts – Holds One (1) Set	✓	
Safety Options	1. Escape Hatch Standard Model 2. Back Up Camera – Color Monitor 3. Drivers Stanchion, with Lexan Modesty Barrier	✓	
Interior Options	1. Natural Oak Interior with Trim 2. Stainless Handrails Horizontal and Entry	✓	
Graphics Options	1. Custom Two (2) Tone PPG Paint and HT Stripe Package (as approved by City) 2. Polished Aluminum Wheels with Protective Coating	✓	
Passenger Seating Options	1. Vintage Style Seats with Oat Slats (per double set) Trolley	✓	
Driver Seating Options	1. USSC 9100 Air Suspension Seat – Black Vinyl (or approved equal)	✓	

	DELIVERY		
	Bid price to include delivery to the City of Newport Beach:		
	City of Newport Beach - Equipment Maintenance Division Public Works Department 592 Superior Ave, Building D Newport Beach, CA 92663	✓	
	WARRANTY & MANUALS		
	36-month / 36,000-mile New Vehicle Limited Warranty	✓	
	60-month / 60,000-mile Powertrain Warranty	✓	
	60-month / unlimited mileage Corrosion Coverage Warranty	✓	
	36-month / 36,000-mile Roadside Assistance Program Warranty	✓	
	1 Service/Technical Manual at time of delivery (If Manual not available online)	✓	

INITIAL: JS

City of Newport Beach

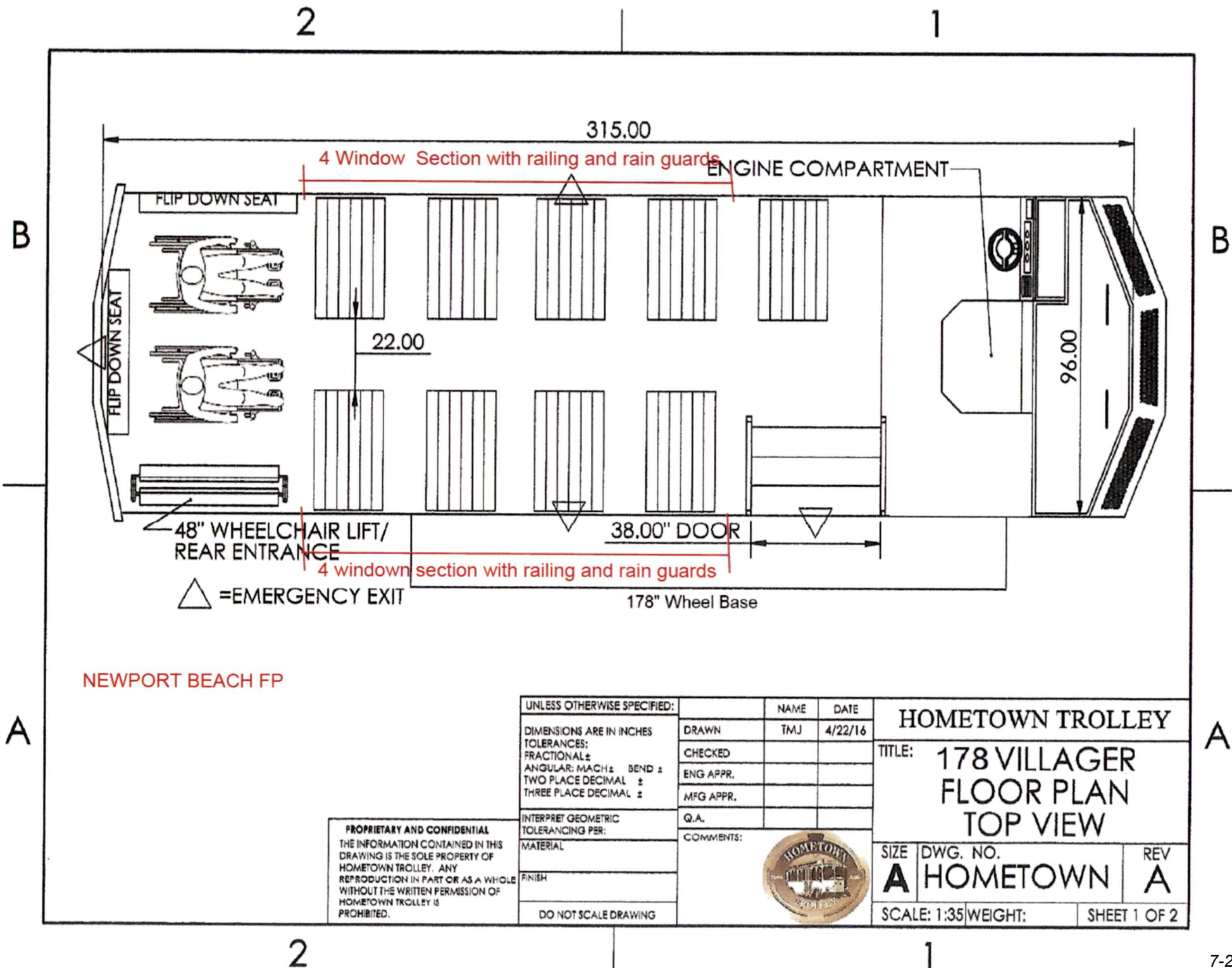
Current Critical Vehicle Status

Vehicle chassis bid will be Model Year (MY) 2026. MY2025 chassis are no longer available.

CNG system on MY2026 chassis is pending CARB Certification. This is an application process, and no completion date has been given by CARB.

It is our goal to deliver all vehicles by the specified date of March 17, 2027, however, CNG production/installation timeline will be wholly dependent on the availability of CNG components as approved/certified by CARB.

If there is an issue with CARB certification for the CNG system, we can offer the vehicles with a gasoline engine for **\$306,000.00** per vehicle (not including tax, license, etc.)



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 HOMETOWN TROLLEY. ANY
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UNLESS OTHERWISE SPECIFIED:	
DIMENSIONS ARE IN INCHES	
TOLERANCES:	
FRACTIONAL ±	
ANGULAR: MACH ± BEND ±	
TWO PLACE DECIMAL ±	
THREE PLACE DECIMAL ±	
INTERPRET GEOMETRIC	
TOLERANCING PER:	
MATERIAL	
FINISH	
DO NOT SCALE DRAWING	

NAME	DATE
DRAWN TMJ	4/22/16
CHECKED	
ENG APPR.	
MFG APPR.	
Q.A.	
COMMENTS:	



HOMETOWN TROLLEY			
TITLE: 178 VILLAGER FLOOR PLAN TOP VIEW			
SIZE A	DWG. NO. HOMETOWN	REV A	
SCALE: 1:35	WEIGHT:	SHEET 1 OF 2	

EXHIBIT B

SCHEDULE OF BILLING RATES

Line Items

Discount Terms No Discount

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
Section 1							\$2,321,340.2400		
1			Trolley Vehicles	each	6	\$356,250.0000	\$2,137,500.0000	Yes	
2			Tire Recycling Fee (if applicable)	lot	1	\$63.0000	\$63.0000	Yes	
3			Delivery for all 6 Trolleys	each	1	\$0.0000	\$0.0000	Yes	Included in cost of vehicle
4			Sales Tax 7.75% for each Trolley	each	6	\$24,510.5400	\$147,063.2400	Yes	\$40,070/vehicle is non-taxable due to ADA compliance
5			DMV Documentation Fee (exempt plates)	each	6	\$119.0000	\$714.0000	Yes	E-File and prep fees
6			Other Miscellaneous Fee (if applicable)	lot	1	\$0.0000	\$0.0000	Yes	
7			Cost of Faithful Performance Bond for 6 Trolleys	lot	1	\$36,000.0000	\$36,000.0000	Yes	

Line Item Subtotals

	Section Title	Line Total
Section 1		\$2,321,340.2400
	Grand Total	\$2,321,340.2400

EXHIBIT C

INSURANCE REQUIREMENTS

1. Provision of Insurance. Without limiting Contractor's indemnification of City, and prior to commencement of Purchase Agreement, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Contractor agrees to provide insurance in accordance with requirements set forth here. If Contractor uses existing coverage to comply and that coverage does not meet these requirements, Contractor agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation Insurance providing statutory benefits and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each employee for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California. In addition, Contractor shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with California law for all of the subcontractor's employees. The insurer issuing the Workers' Compensation insurance shall amend its policy by endorsement to waive all rights of subrogation against City, its City Council, boards and commissions, officers, agents, volunteers, employees. Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers, employees.
 - B. General Liability Insurance. Contractor shall maintain commercial general liability insurance, and if necessary excess/umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate and four million dollars (\$4,000,000) completed operations aggregate. The policy shall cover liability arising from bodily injury, property damage, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

Contractor shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

- C. Automobile Liability Insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Contractor arising out of or in connection with this Purchase Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than five million dollars (\$5,000,000) combined single limit for each accident.

Contractor shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

- D. Products Liability Coverage. Contractor shall maintain products liability insurance and completed operations covering claims arising out of or resulting from defects in design, manufacture, assembly, or installation of the trolley cars, including any work performed by subcontractors. Such insurance shall provide coverage with limits in an amount not less than two million dollars (\$2,000,000) combined single limit for each occurrence. Coverage under this policy shall extend for the duration of the warranty period and for a minimum of twelve (12) months following final acceptance of the trolley cars by the City.

Contractor shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

- E. Inland Marine Insurance. Contractor shall maintain inland marine insurance covering physical loss of or damage to the trolley cars and all related components, parts, and equipment from the time such property leaves the Contractor's premises until delivery and acceptance by the City. Coverage shall be written on an "All Risk" or equivalent basis and shall insure the property for its full replacement cost value, with no coinsurance clause. Contractor shall be solely responsible for the payment of any deductible. City shall be named as Loss Payee with respect to property insured under this policy.

Contractor shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

- F. Excess/Umbrella Liability Insurance. If any Excess or Umbrella Liability policies are used to meet the limits of liability required by this contract, then said policies shall be "following form" of the underlying policy coverage, terms, conditions, and provisions and shall meet all of the insurance requirements stated in this contract, including, but not limited to, the additional insured and primary & non-contributory insurance requirements

stated herein. No insurance policies maintained by the City, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess/umbrella liability policies are exhausted.

Contractor shall submit to City, along with a certificate of insurance, additional coverage as stated in Section 4. Other Insurance Requirements.

4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
 - A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Purchase Agreement shall be endorsed to waive subrogation against City of City, its City Council, boards and commissions, officers, agents, volunteers, employees, or shall specifically allow Contractor or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subcontractors.
 - B. Additional Insured Status. All liability policies including general liability, excess/umbrella liability, products and completed operations, products liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that City, its City Council, boards and commissions, officers, agents, volunteers, employees shall be included as additional insureds under such policies.
 - C. Primary and Non Contributory. Contractor's insurance coverage shall be primary insurance and/or the primary source of recovery with respect to City, its City Council, boards and commissions, officers, agents, volunteers, employees. Any insurance or self-insurance maintained by City shall be excess of Contractor's insurance and shall not contribute with it.
 - D. Loss Payee. Losses payable under the "All Risk" Insurance policies shall be paid to the City as its interests may appear.
 - E. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation or nonrenewal of coverage (except for nonpayment for which ten (10) calendar days' notice is required), which shall contain an endorsement with said required notices.
 - F. Subcontractors. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13. Limits

of liability for General Liability in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate and two million dollars (\$2,000,000) completed operations aggregate; Auto Liability in an amount not less than one million dollars (\$1,000,000) combined single limit for each accident.

5. Additional Agreements Between the Parties. The parties hereby agree to the following:

- A. Evidence of Insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. All of the executed documents referenced in this Contract must be returned to City within ten (10) regular City business days after the full execution of Purchase Agreement. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of Agreement. Current certification of insurance shall be kept on file with City at all times during the term of this Contract. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- B. City's Right to Revise Requirements. The City reserves the right at any time during the term of the Contract to change the amounts and types of insurance required by giving Contractor ninety (90) calendar days' advance written notice of such change. If such change results in substantial additional cost to Contractor, City and Contractor may renegotiate Contractor's compensation.
- C. Right to Review Subcontracts. Contractor agrees that upon request, all agreements with subcontractors or others with whom Contractor enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.

- D. Enforcement of Contract Provisions. Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- E. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Exhibit C are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Contractor. Any available proceeds in excess of specified minimum limits of insurance and coverage shall be available to the City.
- F. Self-Insured Retentions. Contractor agrees not to self-insure or to use any self-insured retentions on any portion of the insurance required herein and further agrees that it will not allow any indemnifying party to self-insure its obligations to City. If Contractor's existing coverage includes a self-insured retention, the self-insured retention must be declared to City. City may review options with Contractor, which may include reduction or elimination of the self-insured retention, substitution of other coverage, or other solutions. Contractor agrees to be responsible for payment of any deductibles on their policies.
- G. City Remedies for Non Compliance. If Contractor or any subcontractor fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Contract, or to suspend Contractor's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Contractor or reimbursed by Contractor upon demand.
- H. Timely Notice of Claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Contract, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.
- I. Coverage not Limited. All insurance coverage and limits provided by Contractor and available or applicable to this Contract are intended to apply to the full extent of the policies. Nothing contained in this Contract or any

other agreement relating to City or its operations limits the application of such insurance coverage.

- J. Coverage Renewal. Contractor will renew the coverage required here annually as long as Contractor continues to provide any Purchase Agreement under this or any other Contract or agreement with City. Contractor shall provide proof that policies of insurance required herein expiring during the term of this Contract have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Contractor's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City with five (5) calendar days of the expiration of the coverages.
- K. Maintenance of General Liability Coverage. Contractor agrees to maintain commercial general liability coverage for a period of ten (10) years after completion of the Project or to obtain coverage for completed operations liability for an equivalent period.

EXHIBIT D

**CITY OF NEWPORT BEACH
BOND NO. _____
FAITHFUL PERFORMANCE BOND**

The premium charges on this Bond is \$ _____, being at the rate of \$ _____ thousand of the Agreement price.

WHEREAS, the City of Newport Beach, State of California, has awarded to Model 1 Commercial Vehicles, Inc. hereinafter designated as the "Principal," an agreement for Six New Trolley Vehicles for the Balboa Island/Corona Del Mar Local Area Transit Services, in the City of Newport Beach, in strict conformity with the Agreement on file with the office of the City Clerk of the City of Newport Beach, which is incorporated herein by this reference.

WHEREAS, Principal has executed or is about to execute the Agreement and the terms thereof require the furnishing of a Bond for the faithful performance of the Agreement.

NOW, THEREFORE, we, the Principal, and _____, duly authorized to transact business under the laws of the State of California as Surety (hereinafter "Surety"), are held and firmly bound unto the City of Newport Beach, in the sum of Two Million Three Hundred Twenty One Thousand Three Hundred Forty (\$2,321,340.24) lawful money of the United States of America, said sum being equal to 100% of the estimated amount of the Agreement, to be paid to the City of Newport Beach, its successors, and assigns; for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors, or assigns, jointly and severally, firmly by these present.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal, or the Principal's heirs, executors, administrators, successors, or assigns, fail to abide by, and well and truly keep and perform any or all the Work, covenants, conditions, and agreements in the Agreement and any alteration thereof made as therein provided on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to its true intent and meaning, or fails to indemnify, defend, and save harmless the City of Newport Beach, its officers, employees and agents, as therein stipulated, then, Surety will faithfully perform the same, in an amount not exceeding the sum specified in this Bond; otherwise this obligation shall become null and void.

As a part of the obligation secured hereby, and in addition to the face amount specified in this Performance Bond, there shall be included costs and reasonable expenses and fees, including reasonable attorneys fees, incurred by City, only in the event City is required to bring an action in law or equity against Surety to enforce the obligations of this Bond.

Surety, for value received, stipulates and agrees that no change, extension of time, alterations or additions to the terms of the Agreement or to the Work to be performed

thereunder shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alterations or additions of the Agreement or to the Work or to the specifications.

This Faithful Performance Bond shall be extended and maintained by the Principal in full force and effect for one (1) year following the date of formal acceptance of the Project by City.

In the event that the Principal executed this bond as an individual, it is agreed that the death of any such Principal shall not exonerate the Surety from its obligations under this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the _____ day of _____, 20____.

Name of Contractor (Principal)

Authorized Signature/Title

Name of Surety

Authorized Agent Signature

Address of Surety

Print Name and Title

Telephone

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: _____

By: _____

Aaron C. Harp
City Attorney

*NOTARY ACKNOWLEDGMENTS OF
CONTRACTOR AND SURETY MUST BE ATTACHED*

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____ } ss.

On _____, 20____ before me, _____,

Notary Public, personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____ } ss.

On _____, 20____ before me, _____,

Notary Public, personally appeared _____,

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(seal)