

EQUIPMENT LEASE AGREEMENT

Between:

City of Chandler, AZ

Chandler, AZ 85224

(the "Lessee")

and

PHOENIX Process Equipment Co.

2402 Watterson Trail

Louisville, KY 40299

(the "Lessor")

Description of Leased Equipment (the "Equipment"):

One (1) WX-3.0H8 skid-mounted belt filter press w/ auxiliaries

Scope of supply included with belt press:

- One (1) In-Line Mixer
- One (1) Wash Water Boost Pump
- One (1) Air Compressor
- One (1) 304SS Sump Pan
- One (1) PLC Based NEMA 4X Master Control Panel (AB PLC)
- Phoenix skid-mounted system pre-piped on a nominal 15' X 24' skid

B. Utility Requirements Per Machine:

- Electric: 460v, 3 Phase, 60 Hz
- Air: "Clean and dry", 3 scfm at 100 psig
- Wash Water: 135 gpm at 100 psig
- Shipping Weight: Approx. 40,000 lbs.

All interconnecting external piping and wiring by others.

Equipment to be kept at the following Lessee's location (the "Location"):

Chandler, AZ WTP

Chandler, AZ 85224

Term of Lease (the "Term"): (Monthly)

Month to month lease with ownership transfer eligible after 24 months of lease payments received (consecutive) if 2 Yr Rent to Own option is chosen. Lessee agrees to a minimum lease period of 6 months.

Lease Amount for Term (the "Amount"):

Downpayment	\$45,000.00
<u>Term</u>	<u>Monthly Rental Rate</u>
6 month	\$20,800.00
1 Yr	\$17,145.00
2 Yr	\$14,950.00
2 Yr Rent to Own	\$18,050.00 (New equipment warranty will apply)

Replacement Value of Equipment: US \$432,500.00

Pricing Notes:

- **Shipping and handling charges billed separately at cost. Estimated at \$13,500.**
- Equipment available on first signed lease received basis.
- Travel and living expenses of Process Engineer billed separately at cost.
- Chandler, AZ would be responsible to return the system to PHOENIX in "same as received" condition if it does not take ownership.
- PHOENIX would be responsible for this system arriving in operating condition. One man-day of service would be needed for optimization if customer has provided required water and power in advance of any service visit. PHOENIX can provide a technician for \$1,500/man-day onsite (\$750/man-day for travel days) plus travel and living expenses.
- PHOENIX will perform a lab test using a sample from Chandler, AZ to verify that it can meet the minimum cake solids, maximum polymer dosage, and minimum solids capture specifications. This test will be done after quotation but before acceptance of order.
- If performance required is not met during startup, PHOENIX will provide a full time technician for a maximum of (2) 3 day trips to resolve issues. If the technician is unable to resolve the issues after 2 trips, Chandler, AZ must decide whether to keep the Equipment or return it to PHOENIX. If Chandler, AZ decides to keep Equipment, a PHOENIX technician would be available for continued assistance at \$1,500/man-day onsite (\$750/man-day for travel days) plus travel and living expenses.
- PHOENIX will provide (2) annual inspections at \$1,500/man-day onsite (\$750/man-day for travel days) plus travel and living expenses

Terms and Conditions of Lease

1. **Warranties:** Lessor guarantees the Equipment against defects in materials and workmanship. During the term of Lease, any defective parts will be replaced by Lessor at no charge to Lessee, F.O.B. Lessee's destination. During any period in which the equipment fails to function due to Lessor's defects in materials and workmanship, the rental shall abate, and the term of the Lease shall be extended for an equal period, but if such failure to function continues uncorrected for more than forty-five (45) days, Lessee may, at its option, terminate the Lease upon notice to Lessor, and return the Equipment to Lessor. **IT IS EXPRESSLY UNDERSTOOD THAT THE FOREGOING WARRANTY IS THE SOLE WARRANTY PROVIDED BY LESSOR AND LESSOR MAKES NO OTHER WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO THE FITNESS, DESIGN OR CONDITION, OR AS TO THE MERCHANTABILITY OF THE EQUIPMENT, OR ITS PERFORMANCE OR FITNESS FOR ANY PARTICULAR PURPOSE.**
2. **Shipment, Operation, Maintenance, Compliance with Laws and Insurance:** Lessee shall, at its own cost and expense, (a) pay all the shipping charges and other expenses incurred in connection with the shipment of the Equipment to Lessee and back to Lessor; (b) pay all charges and expenses in connection with the operation of the Equipment; (c) comply with all laws, ordinances and regulations, with respect to the installation, use, maintenance, operation and removal of the equipment; (d) make all repairs and replacements required to maintain the Equipment in good condition, reasonable wear and tear excepted
3. **Ownership of Lessor:** The Equipment shall remain the personal property of Lessor. Lessee will protect and defend, at its own cost and expense, the ownership of Lessor against all claims, liens and legal processes of creditors of Lessee and other persons and keep the Equipment free and clear from all such claims, liens, processes, pledges and judgments.
4. **Indemnity:** Lessee shall indemnify Lessor and save Lessor harmless from any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of the Equipment or its location or condition; and shall, at Lessee's own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others, upon any such liability of claim or claims due solely and directly to the negligence of the Lessee, and in all situations of contributory negligence of the parties, each shall assume liability based on their relative fault.
5. **Assignment:** Without the prior written consent of Lessor, Lessee shall not assign this Lease or enter into any sub-lease with respect to the Equipment.
6. **Default:** In the event of a breach of the terms of this Lease, the Equipment shall, upon Lessor's demand, be returned to Lessor at Lessee's expense. Lessee hereby waives all further rights to possession of the Equipment.
7. **Entire Agreement:** This instrument constitutes the entire agreement between the Lessor and Lessee. No oral agreement, guarantee, promise, condition, representation, or warranty shall be binding. No modification of this Agreement shall be effective unless signed in writing by a duly authorized representative of Lessor.

Lessee acknowledges receipt of a signed, true, and exact dated copy of this Agreement.

In Witness whereof, the Lessor and Lessee have executed this Equipment Lease by their duly authorized officers and principals.

II. LESSOR

PHOENIX Process Equipment Co.

III. LESSEE

By: Randall Dooley

By: _____

Title: Sales Manager

Title: _____

Date: March 1, 2024

Date: _____

Address for All Notices:

Address for All Notices:

2402 Watterson Trail
Louisville, KY 40299