**EQUIPMENT LEASE AGREEMENT**

OSGOOD INVESTMENTS LLC, DBA as KLEENFRY (“Lessor”), hereby leases to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lessee”), whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the equipment described as follows: *NSF CERTIFIED, ARMADILLO PORTABLE COOKING OIL FILTRATION MACHINE*

Lessor and Lessee are each referred to herein as a “Party” and, collectively, as the "Parties."

Details of the Equipment are described in **Exhibit “A”** attached hereto (hereinafter called “Equipment”).

This Equipment Lease Agreement (“Agreement”) is made on the following terms and conditions:

**(1) LEASE TERM.** This Agreement becomes effective with respect to the Equipment on the date that the Equipment is delivered by Lessor to Lessee set forth below and will continue for an initial term of (\_\_\_\_) months, beginning on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and ending on\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Lease Term”). Lessee may terminate this Agreement with a 30-day written notice to Lessor; however, in the event, that the Lessee terminates the Agreement, prior to the end of the Lease Term, Lessee herein will be responsible for the remaining rental payments due and payable hereunder until the end of the Lease Term.

**(2) LEASE TYPE.** Choose the option best suited for your business needs. (Check one)

☐ - **$1 Buyout:** Make payments to rent the Equipment and purchase it for $1.00 at the end of the lease.

☐ - **10% Purchase:** Make payments to rent the Equipment and at the end of the lease purchase the

Equipment for 10% of its initial value.

☐ - **Fair Market Value:** Make payments to rent the Equipment and at the end of the lease, you have the

option to. (Check one)

☐ - Purchase the Equipment at fair market value. ☐ - Return the Equipment with no further obligations. ☐ - Renew the Lease for a similar term.

**(3) RENT PAYMENT.** The Lessee agrees to pay the Lessor ­­­\_\_\_\_\_\_\_\_ on the 1st day of every month for leasing the Equipment during the term of this Agreement. Rental payments are to be made payable to **KleenFry** and mailed to **KleenFry 127 Estes Parkway Suite 8 Temple, TX 76501.** All payments remitted should be in the form of one of the following. (Check one) ☐- Money Order ☐ - Online (Zelle, ACH) ☐ - Check (Business, Cashier’s, Certified, or Personal) ☐ - Cash

**(4) LATE CHARGES.** If any amount of Rent is late under this Agreement of more than 3 days late, the Lessee will be obligated to pay a late fee of 5.75% for each day that Rent is late.

**(5) NON-SUFFICIENT FUNDS.** The Lessee shall be charged $35 for each check that is returned to the Lessor for lack of sufficient funds.

**(6) SECURITY DEPOSIT.** The Lessee shall be required to pay a deposit of \_\_\_\_\_\_ for the performance and damages caused by the Lessee or Lessee’s agents to the Equipment during the Lease Term. In addition, the Security Deposit may be applied to any amount owed by the Lessee to the Lessor. Any amounts refundable to the Lessee shall be paid at the time this Equipment Rental Agreement is terminated.

**(7) DELIVERY OF EQUIPMENT.** The Lessee’s delivery address for the Equipment at the start of the Lease Term: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The Equipment shall be located at this location and remain during the term of this Agreement, and shall not be removed from that location without the Lessor’s prior written consent.

**(8) ACCEPTANCE OF EQUIPMENT.** The Lessee shall use the attached **Exhibit “B”** to inspect each item and part of the Equipment upon delivery and under this Agreement. The Lessee shall have twenty-four (24) hours from the delivery date to inform the Lessor of any discrepancies. If Lessee places the leased Equipment in service, Lessee acknowledges, by that act, that the Equipment complies with Lessee’s specifications.

**(9) OPERATION AND MAINTENANCE.** Lessee promises to operate the Equipment only in the normal and ordinary course of Lessee’s business, and not in violation of any law, rule, regulation, statute, or ordinance. The lessor shall be solely responsible for providing maintenance and repairs, except as otherwise provided in Section 10 below, including all labor and parts that may be required to keep the Equipment in good operating condition continuously.

**(10) AUTHORIZED OPERATOR**: Before installation of the Equipment, Lessee agrees to identify to Lessor at least two employees or agents of Lessee that will be available for training and instruction on the proper operation of the Equipment by Lessor at the time of installation of the Equipment (following completion of such training, each such employee or agent shall be an “Authorized Operator”). Lessee shall notify Lessor as soon as reasonably practicable if an Authorized Operator leaves the employ or agency of Lessee. In such event, Lessee and Lessor shall make arrangements for an additional training session to replace such Authorized Operator. Lessee shall not allow any other employees or agents of Lessee, other than the Authorized Operators, to operate or handle the Equipment at any time. Lessee shall reimburse Lessor for any required repairs to the Equipment due to damages caused by improper or negligent operation of the Equipment by Lessee’s employees or agents and promises to indemnify and hold Lessor harmless from and against any other damages or injuries caused by such improper or negligent operation of the Equipment by Lessee’s employees or agents.

**Employee 1:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Employee 2:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(11) SUBSTITUTION OF DISABLED EQUIPMENT:** (a)Lessor, at its sole election, may furnish substitute equipment, at no extra charge to Lessee, for any Equipment that is temporarily inoperable because of mechanical failure. The substitute equipment will be, as nearly as practicable, the same size and appearance as the leased Equipment, except that no special alterations need to be made. (b) If furnished at the election of Lessor, the substitute Equipment will be furnished to Lessee whenever possible at the place at which the leased Equipment was disabled. After repair, the disabled Equipment shall be returned to Lessee at the facility of Lessor from which the disabled Equipment was originally provided. (c) Lessor has no duty to furnish substitute equipment if the inoperable Equipment is out of service; (i) because of damage resulting from the negligence of, or misuse of the Equipment by, Lessee or Lessee’s agents or employees or (ii) for repair or maintenance of special equipment or accessories for which Lessor is not responsible. (d) Substitute equipment is subject to all of the terms and conditions of this Agreement while in Lessee’s service.

**(12) PROVISION OF ELECTRICITY.** Lessee is responsible for providing, and installing, if necessary, a dedicated electrical outlet on Lessee’s premises to supply electricity to the Equipment. Lessee is responsible for payment of all electricity charges associated with running the Equipment. Failure of Lessee to provide electricity for the Equipment shall not extend the Lease Term outlined in Section 1 nor suspend Lessee’s responsibility to make the rental payments due and payable hereunder.

**(13) ALTERATIONS.** Lessee shall make no alterations to the Equipment without the Lessor’s prior written consent.  All alterations shall be the property of the Lessor and subject to the term within. Lessor shall have the right to inspect the equipment during Lessee’s normal business hours upon request.

**(14) TITLE TO EQUIPMENT:** Title to all Equipment leased under this Agreement will remain in possession of the Lessor. Lessee will acquire no right, title, equity, or other interest in any leased Equipment unless Lessee exercises the **Option to Purchase**.

**(15) INSURANCE.** The Lessor shall carry a general liability insurance policy.

**(16) RISK OF LOSS OR DAMAGE.** The Lessee assumes all risk of loss or damage to the Equipment from any cause, except wear and tear, and agrees to return it to the Lessor in the condition received, unless otherwise provided in this Agreement. The Lessor shall have the option of requiring the Lessee to either repair the Equipment to a state of good working order or to replace the Equipment with like equipment and in equal condition. The final decision to approve any lost or damaged Equipment will ultimately be up to the Lessor.

**(17) DEFAULT.** Occurrence of any of the following shall constitute a default under this Agreement: (1) Failure of Payment. The failure of the Lessee to make a required payment; (2) Violation of Agreement. The violation of any provision of this Agreement that is not corrected within five (5) business days after written notice has been received; (3) Bankruptcy. The insolvency or bankruptcy of the Lessee; and (4) Seizure. The subjection of any of the Lessee’s property to any levy, seizure, assignment, application, or sale for or by any creditor or government agency.

**(18) RIGHTS UNDER DEFAULT.** If Lessee defaults on any of the obligations of this Agreement, Lessor may immediately, without notice or demand, take possession of the Equipment. To repossess the Equipment, Lessor is entitled to enter any premises where the Equipment is located. If Lessee’s default continues for 10 days after written notice has been mailed to Lessee, Lessor may terminate the lease of Equipment. Instead of taking possession of the Equipment, or terminating the lease, Lessor may declare immediately due and payable all rent unpaid for the entire remainder of the term for the Equipment, in which event Lessee must pay such unpaid rent on demand.

**(19) RETURN OF PROPERTY ON TERMINATION.** Lessee will promptly return the leased Equipment to Lessor at the end of the term for the Equipment as specified in this Agreement. The Equipment must be returned to the Lessor at the location designated by the Lessor. Additional charges shall be added in the event the equipment is damaged, missing any parts, or returned later than **Date:** \_\_\_\_\_\_\_\_\_ and **Time:** \_\_\_\_\_. All charges shall commence from the Effective Date of this Agreement. Lessee shall pay the Lessor an additional service charge of $25 per day for each day the Equipment has not been returned. The lessor shall invoice the client on a timely basis and all invoices are due upon receipt.

**(20) ASSIGNMENT.** The Lessee is strictly prohibited from assigning or subletting the Equipment in any manner unless written consent is given by the Lessor. In addition, the Equipment may not be used by any person or associate other than the Lessee’s Authorized Operators identified in Section 10. If the Lessor consents to an assignment or sublease, it does not release the Lessee from any obligation under this Agreement. Any attempted assignment or sublease by Lessee without prior written consent shall be void and will confer no rights on the intended assignee or sublessee.

**(21) SEVERABILITY.** If any portion of this Agreement shall be held invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**(22)** **GOVERNING LAW.** This Agreement shall be construed and governed in accordance with the laws in the State of **TEXAS**.

**(23) DISPUTE RESOLUTION.** This Agreement and any dispute relating to this Agreement shall be governed by and interpreted by the law and Parties irrevocably agree that the courts within the State of TEXAS shall have exclusive jurisdiction to settle any dispute which may arise out of, under, or in connection with the Agreement, regardless of individual Party location.

**(24) ATTORNEY FEES:** Lessee shall pay Lessor all of Lessor’s costs and expenses, including reasonable attorney’s fees, incurred in collecting amounts due from Lessee or in enforcing any rights of Lessor under this Agreement.

**(25) FORCE MAJEURE.**  Except for any payment obligations, neither Party shall be liable for failing to perform its obligations hereunder (other than payment obligations) if were delayed or hindered by war, riots, embargoes, strikes, or acts of its vendors or suppliers, accidents, acts of God, or any other event beyond its reasonable control.

**(26) INDEMNITY.**  Lessee agrees to indemnify and hold Lessor, its subsidiaries, affiliates, and respective officers, agents, partners, and employees, harmless from any loss, liability, demand, claim, or legal proceedings brought or threatened, including expenses suffered or incurred arising out of Lessee the use of the Equipment, the functionality of the Equipment, or any violation of this Agreement.

**(27) ENTIRE AGREEMENT.** This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire Agreement between Lessor and Lessee concerning the subject matter hereof. This Agreement supersedes any prior agreements, representations, or dealings between the Parties. No modification or amendment of this Agreement shall be effective unless in writing and signed by both Parties.

**(28) EXECUTION.** Lessee and Lessor each represent and warrant to the other that each person executing this Agreement on behalf of each Party is duly authorized to execute and deliver this Agreement on behalf of that Party.

**(29) NOTICES:** All notices, consents, waivers, or other communications, except invoices, required under this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

**Lessor:** KleenFry c/o Glen E. Williamson Jr.

**Address:** 127 Estes Parkway Suite 8 Temple, TX 76501

**Lessee:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Address:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**IN WITNESS WHEREOF**, the Parties hereto have executed this Equipment Lease Agreement by a duly authorized representative effective as of the date set forth at the top of this Agreement.

**LESSOR:**

Company Name: Osgood Investments LLC, DBA KleenFry

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**LESSEE:**

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Exhibit A**

**ARMADILLO PORTABLE COOKING OIL FILTRATION MACHINE DETAILS**

* 120lb Stainless Steel Tank 28” x 18” x 11” with Fixed and Swivel Casters
* Removable Stainless Push Handle with Power Cord Keeper
* Viking 8gpm Non-Shearing Pump with Stainless Steel Handle and plumbing
* Electric Reversible Viking Motor – 1/3 HP 110/220 volts 1750 RPM
* 10’ Oil and Water Resistant 115v Electric Extension Cord
* Crumb Basket
* Two Piece Lid
* Filter Screen Assembly – Stainless Steel Screen Insert, and Male Fitting
* 14” Filter C Steel Clip
* Riser Suction Tube Assembly – Large Knurled Knob, Standpipe, and Nipple
* Hose Discharge – 6ft Flexible Sanitary High-Temperature Hose
* 24” Stainless Steel Cushioned Insulated Grip Wand
* Kleenflo 13.75” Intake Hose Assembly with Quick Disconnect Fittings at both ends
* MasterScoop – Filter cleaning tool. High-heat plastic. NSF certified

**Exhibit B Equipment Checklist**

**Note:** This checklist is intended to help you inspect each part of the Equipment upon delivery. It is to be filled out immediately to ensure you have all parts accounted for. You shall have twenty-four (24) hours from the delivery date to inform the Lessor of any discrepancies.

|  |
| --- |
| **Section 1 – Client Information** |
| Company: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Location: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contact Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Section 2 - Check the Type of Equipment Inspecting** |
| ☐ 120lb Armadillo Filter Machine ☐ 90lb Armadillo Filter Machine ☐ 60lb Armadillo Filter Machine  Model #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Serial #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Section 3 - Mark as Directed Below** |
| • Place a check (√) mark in the Outcome box to indicate inspection is complete and satisfactory.  • Mark “M” in the Outcome box where an item is missing.  • Mark “D” in the Outcome box where an item is damaged.  • Report all items in need of repair to the Supervisor at the time of inspection.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Photo** | | | **Inspection Item** | **Quantity** | **Outcome** | |  | | | Caster Fixed | 2 |  | |  | | | Caster Swivel | 2 |  | |  | | | CLIP 14” | 1 |  | |  | | | CRUMB BASKET | 1 |  | |  | | | DISCHARGE HOSE ASSEMBLY | 1 |  | |  | COMPONENT | | WAND with GRIP | 1 |  | |  | COMPONENT | | QUICK-DISCONNECT COUPLER-BLUE | 1 |  | |  | COMPONENT | | KLEENFLO SILICONE HOSE | 1 |  | |  | COMPONENT | | BACKPLATE | 1 |  | | **Photo** | | | **Inspection Item** | **Quantity** | **Outcome** | |  | | | EXTENSION CORD | 1 |  | **Inspection Item** | **Quantity** | **Outcome** | |  | | | FILTER SCREEN FOR ARM-60 | 1 |  | |  | | | FILTER SCREEN FOR ARM-120 AND ARM-90 | 1 |  | |  | | | INTAKE HOSE ASSEMBLY | 1 |  | |  | | COMPONENT | QUICK-DISCONNECT COUPLER-CAM | 1 |  | |  | | COMPONENT | INTAKE HOSE | 1 |  | |  | | COMPONENT | STREET ELBOW | 1 |  | |  | | COMPONENT | QUICK-DISCONNECT COUPLER-BLACK | 1 |  | | Armadillo Lid 120 | | | LID - TWO PIECES  60LB or 90/120LB | 1 |  | |  | | | MOTOR ASSEMBLY | 1 |  | |  | COMPONENT | | VIKING ELECTRIC MOTOR | 1 |  | |  | COMPONENT | | BASE PLATE / MOTOR MOUNT | 1 |  | |  | COMPONENT | | BOTTOM PLATE | 1 |  | |  | COMPONENT | | MOTOR SHROUD | 1 |  | | **Photo** | | | **Inspection Item** | **Quantity** | **Outcome** | |  | COMPONENT | | MasterScoop | 1 |  | |  | COMPONENT | | SWITCH GUARD | 1 |  | |  | | | PUMP ASSEMBLY | 1 |  | |  | COMPONENT | | VIKING PUMP | 1 |  | |  | COMPONENT | | QUICK-DISCONNECT NIPPLE with SHUT-OFF | 1 |  | |  | COMPONENT | | PUMP HANDLE | 1 |  | |  | COMPONENT | | BUSHING | 1 |  | |  | COMPONENT | | STREET ELBOW | 1 |  | |  | COMPONENT | | QUICK‐DISCONNECT Suction NIPPLE CAM STYLE | 1 |  | |  | COMPONENT | | 2.5" PIPE | 1 |  | |  | COMPONENT | | GASKET | 1 |  | |  | | | PUSH HANDLE WITH POWER CORD KEEPER | 1 |  | |  | | | RISER TUBE ASSEMBLY | 1 |  | |  | COMPONENT | | QUICK‐DISCONNECT NIPPLE | 1 |  | |  | COMPONENT | | STAINLESS STEEL PIPE | 1 |  | |  | COMPONENT | | KNURLED KNOB | 1 |  | |  | | | TANK  60LB, 90LB or 120LB | 1 |  | |

**ARMADILLO PARTS LIST**

