



EQUIPMENT LEASE AGREEMENT

AGREEMENT made this **13th** day of **May** 2025, between MacQueen Equipment, LLC., a corporation organized and existing under the laws of the State of Minnesota with a place of business at 1125 East 7th Street, St. Paul, MN 55106, hereinafter called "Lessor" and Lessee, **City of Ann Arbor**, whose place of business is at **301 East Huron St, PO Box 8647, Ann Arbor, MI 48107** Phone No. **(734) 794-6390**.

1. **Subject.** The Lessor hereby leases to the Lessee, subject to the terms and conditions hereinafter set forth, the following property, as set forth in the itemized list in this paragraph, hereinafter referred to as the "equipment":

DESCRIPTION OF THE EQUIPMENT

2025 Elgin Pelican Unit#: LS25044 Serial#: NP43129

2025 Elgin Pelican Unit#: LS25045 Serial#: NP43130

2021 Elgin Pelican Unit#: LS21020 Serial#: NP42097

2. **Term and Lease Payments.** This lease is for a term commencing on **10/1/2025**, for lease payments of **\$13,000.00** per unit per 1-Month period, to be paid by the Lessee to the Lessor. Pricing per MI State Contract **#240000000166**. Freight quoted at **\$625.00** per one way, per unit. No lease duration has been determined. **Lease payments shall be made to Lessor's address at MacQueen Equipment, LLC. 1125 East 7th Street, St. Paul, MN 55106.** MacQueen Equipment, LLC reserves the right to take the rental unit back into procession if Lessee fails to remit payment. Lessee's obligation to pay the lease payments and other amounts due hereunder is absolute and unconditional. Lessee is not entitled to any abatement or reductions of, or set-offs against, the amount of the lease payments or such other amounts including, without limitation, those arising or allegedly arising out of claims that you might have against Lessor under this Agreement or otherwise. Unit to be shipped truck freight at the Lessee's expense upon receipt of signed lease agreement and payment of the first rental period unless otherwise noted. It is Lessor's responsibility to inspect the equipment at the time it is delivered. All parts, interior furnishings, equipment including tires and other property attached to or placed upon the equipment shall at the time of attachment or placement upon the equipment become part of the equipment.

3. **Title.** This Agreement creates a lease or bailment only of the equipment and not a sale thereof or the creation of a security interest therein. The Lessor shall remain the sole owner of the equipment and

nothing contained herein shall enable the Lessee to acquire any right, title, or other interest in or to the equipment other than that of a bailee for hire. All documents of title and evidences of delivery shall be delivered to and be the property of the Lessor. Lessee shall not change or remove any insignia or lettering which is on the equipment at the time of delivery, or which is thereafter placed thereon, indicating Lessor's ownership. Lessee shall, at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keeping the equipment from any legal process or encumbrance whatsoever, including, but not limited to, liens, attachments, levies and executions and shall give Lessor immediate written notice thereof and shall indemnify Lessor from any loss caused thereby. Lessee shall execute and deliver to Lessor, upon Lessor's request, such further instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of Lessor's rights hereunder.

4. Taxes and Other Charges.

(a) The Lessee shall pay all sales taxes, excise taxes, stamp, documentary, ad valorem or other direct taxes imposed on the ownership, possession, use, or operation of the equipment or levied against or based upon the amount of the lease payments to be paid hereunder or assessed in connection with the execution filing, or recording of this Agreement. The term "direct taxes" as used herein shall include all taxes (except Lessor's income taxes), charges and fees imposed by any federal, state, or local authority.

(b) The Lessee assumes all responsibility and the cost and expenses for all permits, and such other certificates as may be required for the lawful operation of the equipment. All certificates of title or registration applicable to the equipment shall be applied for, issued, and maintained in the names of the Lessor, as owner, and the Lessee shall pay all costs in relation thereto.

5. Lease Agreements. This is a lease agreement only, establishes a TRUE Lease and in no way or manner is to be constructed as a financing agreement. Lessee cannot assign it. This Lease is an operating lease and Lessee shall not accrue any equity in the equipment and shall have no right to claim the depreciation related to the equipment. The equipment is, and will at all times, remain the property of the Lessor. Lessee is not an agent or employee of Lessor for any purpose. Lessee shall not suffer any liens or encumbrances to attach to equipment and shall defend, indemnify and hold Lessor harmless from all loss, liability and expense by reason thereof. Lessor shall not be liable for loss or damage to any property left, stored, loaded or transported by Lessee or any other person in or upon equipment, whether or not due to the negligence of Lessor, its agents and employees: (a) at any time whether equipment then be in the physical possession of Lessee or Lessor or anyone else; (b) or at any place including without limitation any of Lessor's garages or locations. Lessee hereby assumes all risk of such loss or damage, from and against all loss, liability and expense caused or arising out of Lessee's

failure to comply with the terms of the agreement.

6. Maintenance.

(a) When provided to Lessee, equipment is believed to be in good mechanical condition. Lessee shall examine equipment upon delivery and promptly notify Lessor of any evidence to the contrary. Lessee is responsible for all manufacturer recommended maintenance while the equipment is in Lessee's possession. Lessee shall provide proof that maintenance was performed at the recommended cycles.

(b) Repairs required as a result of damage, improper operation or maintenance will be charged to Lessee and lease payments will continue until repairs are completed. Any expenses incurred for field travel, mechanic's time or hauling of equipment to effect repairs will be charged to Lessee.

THE FOREGOING IS IN LIEU OF (A) ALL WARRANTIES EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (B) ALL OBLIGATION OR LIABILITIES ON THE PART OF LESSOR FOR DAMAGES, INCLUDING BUT NOT LIMITED TO INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE LEASING MAINTENANCE, USE, OPERATION, STORAGE, ERECTION, DISMANTLING OR TRANSPORTATION OF EQUIPMENT.

7. Use of Equipment.

(a) Lessee shall permit only those employees, agents, or other persons properly licensed and adequately trained in the operation of the equipment to so operate the equipment. The Lessee shall observe all safety rules and other requirements of governmental bodies having jurisdiction and shall pay all fines due to overload, over length, overweight, lack of plates or permits, speeding, and similar charges that may be duly and lawfully imposed or assessed by reason of the Lessee's failure to comply with the rules, regulations, and orders for governmental bodies having jurisdiction. Lessee shall use the equipment solely for commercial or business purposes and in compliance with all laws, rules and regulations of any jurisdiction where it is used or located, including, but not limited to, registration and/or licensing requirements. Lessee shall be solely responsible for any personal belongings that are placed in the equipment.

8. Insurance and Indemnification.

(a) Lessee represents that Lessee now carries, and will continue during the term of this Agreement to carry the following insurance on all equipment while such equipment is operated by or being maintained by Lessee or its employees, agents, or representatives. Such insurance shall be maintained in the following minimum amounts:

WORKERS COMPENSATION

STATUTORY REQUIREMENTS AND THE FOLLOWING EMPLOYER'S

LIABILITY COVERAGE

EMPLOYER'S LIABILITY/EACH ACCIDENT	\$500,000	
EMPLOYER'S LIABILITY/DISEASE/ EACH EMPLOYEE	\$500,000	
EMPLOYER'S LIABILITY/ DISEASE/ POLICY LIMIT	\$500,000	
COMMERCIAL/GENERAL LIABILITY	\$1,000,000 \$1,000,000	EACH OCCURRENCE GENERAL AGGREGATE
COMMERCIAL AUTOMOBILE INSURANCE	\$1,000,000	COMBINED SINGLE LIMIT BODILY INJURY AND PROPERTY DAMAGE
EXCESS/UMBRELLA	\$2,000,000	EACH OCCURRENCE AND GENERAL AGGREGATE

Lessee shall carry Automobile Physical damage insurance that covers the leased equipment in the following amount: **\$400,000.00 per unit**. Lessee shall list Lessor as Additional Insured and Loss Payee on all liability policies listed above. Lessor shall be listed as Loss Payee with respect to the Equipment leased to Lessee excluding any deductible. Lessee shall be responsible for any deductible associated with said insurance policies. Lessee shall provide to Lessor insurance certificates (Accord Forms 25 and 28 or equivalent) evidencing coverage as referenced above maintained by insurance companies satisfactory to Lessor. Such certificates shall afford Lessor thirty (30) days written notice of cancellation. Upon request Lessee shall provide Lessor with policy endorsements showing the Additional Insured and Loss Payee coverage for Lessor.

(b) Lessee is to maintain a 'Satisfactory' safety rating as determined by the Federal Motor Carrier Safety Administration for operating rented Commercial Motor Vehicles. In the event an intervention threshold is triggered and/or a 'Conditional' or 'Unsatisfactory' rating downgrade is issued during the period of this Agreement, the Lessee is to notify MacQueen Equipment immediately and shall promptly provide a complete explanation of corrective measures being implemented to restore 'Satisfactory' status.

(c) Lessee shall defend, indemnify and save harmless Lessor, its officers, employees, parents, subsidiaries and affiliates, from and against any claims, losses, costs, suits, damages, expenses or liabilities incurred or arising in connection with any misuse, alteration or modification of the equipment by Lessee, its employees, agents or assigns.

9. Return of Equipment.

(a) Upon expiration or termination of this Agreement, or demand by Lessor made pursuant to Section 10 of this Agreement, Lessor shall, at its own expense, return the equipment to Lessor at the same location where Lessee first took possession of the equipment unless a different location is agreed upon between Lessor and Lessee.

(b) The Lessee shall clean and thoroughly decontaminate the equipment, removing all bags

prior to return. If the Lessee fails to comply with the terms of this provision, it agrees to pay any and all related costs incurred to have the residual material tested, removed and properly disposed. The Lessee further agrees that the Lease shall continue at the agreed rate until such time as the equipment has been decontaminated and returned to a workable condition.

(c) Lessee is required to give at least two weeks' notice prior to returning equipment to Lessor unless otherwise agreed upon. Upon return of equipment, Lessor will perform brief inspection of the equipment with Lessee present. A more thorough inspection will be performed by Lessor at a later time. Any damage found as a result of improper use of equipment or failed maintenance by Lessee will be deducted from Lessee's deposit. Any excess repair costs above the Lessee's deposit shall be billed to Lessee with payment due upon receipt of the statement.

10. Lessee's Default.

If Lessee fails to make any payment when due, attempts to sell or encumber the equipment, ceases operation, institutes or has instituted against him proceedings under bankruptcy or insolvency law, makes an assignment for the benefit of creditors, or fails to comply with any other provision of this lease agreement; or if any attachment, execution, writ or process is levied against the equipment of any of Lessee's property, or if for any reason Lessor deems itself insecure or the equipment unsafe, Lessee agrees to deliver the equipment to Lessor on demand and Lessor may enter on any job, building or place where the equipment is located and take possession thereof without notice to Lessee and this lease agreement shall thereupon terminate at the option of the Lessor. In the event of any such action, Lessee agrees to pay all lease payments due, damages for any injury to the equipment, costs of removal from the Lessee's possession and all transportation and other charges incurred. If legal action is required to enforce Lessee's obligation hereunder, Lessee agrees to pay the costs thereof including reasonable attorney's fees paid by Lessor.

11. Loss.

In the event of loss, theft or damage to equipment, Lessee agrees to notify Lessor immediately and thereafter to promptly report in writing to Lessor and the public authorities (where required by law or by Lessor) all information relating thereto. Lessee shall cause its agents and employees to give Lessor and the public authorities' proper and full information and assistance in the investigation and prosecution of any matter resulting from said loss, theft or damage.

12. Waiver and Indemnity

Lessor will have no responsibility for liability to Lessee, and Lessee hereby waives any and all claims against Lessor, with respect to any of the following, regardless of any negligence of Lessor: (a) any liability, loss or

damage caused directly or indirectly by the equipment, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (b) the use, operation or performance of the equipment or any risks relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing, maintenance, repair, improvement or replacement of the equipment.

Lessee will indemnify Lessor against, and hold Lessor harmless from, any and all claims, losses, actions, damages, expenses (including reasonable attorney's fees), obligations liabilities or liens (collectively, "Claims"), whether foreseeable or unforeseeable, arising out of this Agreement or the lease, possession, operation, condition, return or use of the equipment, regardless of the reason therefore and including, without limitation, any Claims arising under the doctrine of strict liability or by operation of law. Lessor shall, however, manage the defense of such Claims.

13. Fines

Lessee will be responsible and will hold Lessor harmless from all fines, forfeitures, or penalties incurred for traffic violations or other violations that occur in connection with the operation of the equipment.

Lessee agrees to pay all storage charges, parking charges and funds which may be imposed with regard to the vehicle by any duly constituted governmental authority as a result of your use or intended use of the equipment.

14. Complete Agreement.

This instrument expresses the entire agreement between the parties. Lessee's execution of this instrument and or acceptance of delivery of any part of equipment to be furnished hereunder will constitute Lessee's acceptance of the provisions contained herein and the exclusion of any terms and conditions otherwise stated by Lessee or contained in Lessee's purchase document which conflict with or limit the provisions contained herein.

Lessee

Title

Date

MACQUEEN EQUIPMENT, LLC., LESSOR

By: Jon Nysse

Director of Rental Operations

Title

May 13, 2025

Date

HOLD HARMLESS ENDORSEMENT FOR ASBESTOS

BOTH PARTIES RECOGNIZE AND AGREE THAT ASBESTOS REMOVAL IS A POTENTIALLY HAZARDOUS UNDERTAKING. IT IS THEREFORE AGREED BY THE SIGNING OF THIS LEASE THAT THE LESSEE AGREES THAT THE LESSOR SHALL NOT BE RESPONSIBLE FOR ANY LIABILITY FOR PROPERTY DAMAGE, BODILY INJURY, SICKNESS, DISEASE, OCCUPATIONAL DISEASE, DISABILITY, SHOCK, DEATH, MENTAL ANGUISH AND MENTAL INJURY AT ANY TIME ARISING OUT OF THE MINING OF, USE OF, INSTALLATION OF, REMOVAL OF, ENCAPSULATION OF, OR EXPOSURE TO ASBESTOS PRODUCTS, ASBESTOS FIBERS OR ASBESTOS DUST FROM THE USE AND OPERATION OF THE LEASED EQUIPMENT.

FURTHERMORE, THE LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE LESSOR FROM ANY AND ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES AND COSTS INCURRED BY LESSOR ARISING IN CONNECTION WITH LESSEE'S USE OF THE EQUIPMENT FOR THE REMOVAL OF ASBESTOS.

Lessee

Title

Date

MACQUEEN EQUIPMENT, LLC., LESSOR

By: Jon Nysse

Director of Rental Operations

Title

May 13, 2025
Date

Exhibit A. General Rental Requirements & Contacts

1. Customer must provide insurance coverage listing MacQueen Equipment as an Additional Insured while MacQueen Equipment, LLC equipment is in their possession.
2. Customer must pay first month's rental payment and deposit in advance of receiving equipment.
3. Customer is responsible for logging miles and fuel receipts in accordance with the International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA).
4. Customer must permit only licensed, qualified and trained employees and agents to operate the equipment.
5. Customer is responsible for the cost of all repairs as the result of damage, improper operations or improper maintenance of the equipment. The repairs must be performed by one of its MacQueen Equipment, LLC affiliated organizations, or third party approved by MacQueen Equipment, LLC.

For Parts and Service issues please contact the appropriate location. If you are not sure which location you should call, please contact MacQueen Equipment headquarters in St. Paul, MN:

St. Paul MN:

Todd Danielson, Service Dept: 651.523.1112

Todd.Danielson@macqueengroup.com

Menomonee Falls WI:

Aaron Long, Service Dept: 262.252.4744

Aaron.Long@macqueengroup.com

Ankeny, IA:

George Prescott, Service Dept: 515.289.9994

George.Prescott@macqueengroup.com

Lincoln NE:

Drew Malenica, Service Dept: 402.435.0061

Andrew.Malenica@macqueengroup.com

Lake Orion, MI:

Dave Powers, Service Dept: 248.370.0000

DPowers@bellequip.com