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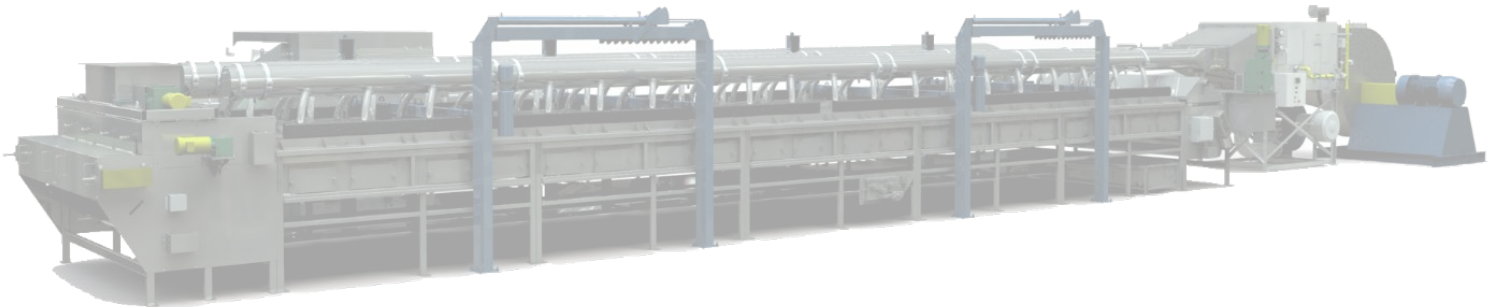
# CITY OF HENDERSONVILLE

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Hendersonville, NC  
June 26, 2024

Proposal Number:  
Hendersonville – (1)1050-06262024-V3

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GRYPHON  
environmental, Inc.

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# 1. TABLE OF CONTENTS

<b>PART 1 - PROJECT OVERVIEW .....</b>	<b>2</b>
1.1 Design Conditions and Sludge Specifications .....	2
1.2 Buyer and/or Contractor Responsibilities .....	4
<b>PART 2 - PRICING AND ITEMIZED SCOPE OF SERVICE.....</b>	<b>9</b>
2.1 Itemized Pricing Schedule .....	9
2.2 Payment Schedule.....	11
2.3 Pricing Terms and Conditions .....	11
2.4 Optional Equipment and Services.....	13
2.5 Terms and Conditions.....	13
<b>PART 3 - IMPLEMENTATION.....</b>	<b>21</b>
3.1 Project Phases .....	21
<b>PART 4 - MAINTENANCE AND REPLACEMENT PARTS .....</b>	<b>24</b>
4.1 Routine Maintenance Schedule.....	24
4.2 Replacement Parts Schedule.....	26
<b>PART 5 - ADDITIONAL INFORMATION REQUESTED.....</b>	<b>28</b>
5.1 Unit Capacity .....	28
5.2 Schedule of Contract.....	28
<b>PART 6 - EXECUTION OF PROPOSAL / AGREEMENT .....</b>	<b>29</b>

ATTACHMENT 1-SAMPLE EXTENDED WARRANTY AGREEMENT

ATTACHMENT 2 – PROJECT INFORMATION FORM

## PART 1 - PROJECT OVERVIEW

### 1.1 DESIGN CONDITIONS AND SLUDGE SPECIFICATIONS

- A. Design conditions are based on the September 2023 RFP provided by Zachary Trammel (McKim and Creed) on behalf of the City of Hendersonville, in house pilot testing, Gryphon Environmental's experience with site comparable sludge, and expectations for marginal, future shifts in site sludge characteristics. Process parameters outside of Gryphon's control such as material handling or seasonal changes to sludge intake will affect guarantees and design specifications. The customer will be required to work with Gryphon to optimize the sludge feed to the dryer(s).

Design Conditions - City of Hendersonville				
Daily Cake Production		9.2 dry tons per day		
% Solids fed to the Dryer		17.5%		
Hours of Operation		24 hours per day, 5 days per week		
Dryer Model and Quantity		(1)1050		
Dryer Hourly Electrical Use		290 kWh		
Dryer Natural Gas Consumption		4000-6000 cfh		
Dryer Operating Temperature		250-375 deg F		
Sludge Specifications				
Item No.	Parameter	Unit	Min.	Max.
1*	Infeed Total Solids	% - Feed	17	19
2	Volatile solids	% -DS	10	70
3	Ash content	% -DS	0	50
4	Particle Size	Microns	550	5/16"
5	Coarse fibers (>1.2mm)	inches	N/A	1/2"
6	Medium sized fibers (0.3 - 1.2mm)	inches	N/A	2"
7	pH - of sludge prior to dewatering	PH	5	8
8	Oil & Grease - Hexane Extractable Material	mg/kg-DS	0	1100
9	Chloride - total (liquid and solid phase of dewatered cake)	mg/kg-DS	0	1000
10	Fluoride - total (liquid and solid phase of dewatered cake)	mg/kg-DS	0	100
11	Sulphur - total (liquid and solid phase of dewatered cake)	mg/kg-DS	0	5000

12	BTX (benzene, toluene, and xylene)	mg/kg-DS	0	50
13	PCB's - total	mg/kg-DS	0	0.5
14	Total Petroleum Hydrocarbons	mg/kg-DS	0	500
15	Sludge cake temperature	Deg. F	45	125
16**	Dry Sludge Ignition Point	Deg. F	350	N/A

LEGEND: Unit Description

mg/kg-DS: milligrams of parameter substance per kilogram of dried solids.

%-DS: Percentage of parameter substance per unit quantity of dried solids.

(\*) Item 1 - Minimum and maximum are established for the performance testing of the installed dryer(s). Minimum infeed solids is 17% for consistent and efficient drying. Cake may be fed to the dryer(s) at lower percentages of solids; however, wetter sludge may decrease the dryer's efficiency and throughput. The maximum infeed solids is set at 19%. Higher percentages of solids can be processed in the Gryphon dryer but will prompt adjustments to the performance guarantee if weight of water removed per hour metrics are used to measure system performance.

(\*\*) Item 16 - F.O.G. that has not been through digestion, hydrocarbons from improper septic receiving, and/or "other" events may lead to low ignition points of the sludge and will impact the safety of the drying operation.

#### B. Conveyance Method Recommendation

This section outlines recommendations for conveyance methods used to feed the dryer. The following points are to be noted to prevent potential dryer throughput reduction.

##### 1. Negative Impact on Throughput:

The utilization of progressive cavity pumps and inclined shaftless screw conveyors for feeding the dryer is anticipated to have a negative impact on the dryer's throughput and are not recommended.

##### 2. Recommended Conveyance Method

Belt conveyors are the preferred method of transporting wet cake to the dryer and are expected to provide optimal performance and minimize throughput reduction. Belt conveyors are strongly recommended.

##### 3. Acceptable Alternative

In cases where the utilization of belt conveyors is not feasible or practical, horizontal screw conveyors are an acceptable alternative to belt conveyors.

## 1.2 BUYER AND/OR CONTRACTOR RESPONSIBILITIES

### A. Site Layouts

1. Within five (5) days from the completion of submittal integration into site layouts by the Buyer/engineer, both the mechanical site layout and electrical schematics (power and control wiring) must be submitted to Gryphon for review.

### B. General Installation

1. The Buyer and/or Contractor are responsible for providing the necessary equipment, personnel, and labor to rig, offload, and place Gryphon-supplied equipment inside the drying building upon delivery.
  - a. Gryphon will provide a detailed installation packet to the General and Electrical Contractors for the work described herein. Effective communication between the General Contractor, Electrical Contractor, and Gryphon is integral to a successful installation and associated trip scheduling.
  - b. Equipment must be stored and housed in dry covered storage; *Gryphon will not ship equipment from its facility if dry storage on the job site cannot be secured.*
2. The General Contractor must ensure the availability of adequate manpower, including a minimum of three (3) laborers, for the installation of the dryer. Additional labor may be necessary depending on factors such as increased workload through ancillary equipment procurement, construction delays, or adverse weather conditions during installation.
3. The installation, leveling, and anchoring of all components as outlined in section 2.1, specifically in reference to Itemized Pricing Schedule; Items 1, 2, and 3.
4. Supply and installation of anchor bolts, with Gryphon oversight.

### C. Plumbing and Piping

1. The installation and runs of piping not covered in the Scope of Supply.
2. Materials and labor required to heat trace and insulate pipes located on the exterior of the dryer building.
3. Installation of the Gryphon-supplied cooling tower pump(s).
4. Water supply and piping to Gryphon-supplied wash pump skid(s) and solenoid manifold(s), with a recommendation for potable water; non-potable water must be filtered.

5. Potable water supply, piping, and valves to the cooling tower(s) for make-up water, overflow, and drains.
6. All piping and valves to and from the Gryphon-supplied condenser(s), cooling tower pump skid(s), and exterior cooling tower(s).
7. Water drain piping from the condenser(s) to floor drains.
8. Piping from the chamber wash drains (1-3 connections) to the floor drains.
9. Installation of valve for dryer exhaust at natural gas burner(s), piping to the exterior scrubber(s) (if applicable), and mounting coupling for Gryphon supplied flow meter(s).
10. Regulators, valves, and piping for natural gas from the site source to the burner/process air heater(s).
11. Piping from belt rinse drain(s) to floor drains.
12. Vent piping from all regulators/valves, according to local codes.
13. Additional piping, valves, and field installation may be required of the Buyer and/or Contractor upon submittal development and completion of the site design.

#### D. Electrical

1. Field wiring, conduit, and electrical connections from the site Motor Control Center (MCC) to the dryer control cabinet(s).
2. Conduit and cabling from dryer control cabinet(s) to supplied motor junction boxes.
3. Field wiring, conduit, and electrical connections from the Gryphon control cabinet(s) to the primary pump skid (condenser re-circulation pump).
4. Field wiring, conduit, and electrical connections from the Gryphon control cabinet(s) to components on the exterior of the building.
5. Field wiring, conduit, and electrical connections from the MCC to the Cooling Tower Submersible Basin Heater junction box(es) at the Cooling Tower(s).
6. Contractors are responsible for completing all Utility, Motor, and Junction Box Connections before Gryphon returns for the fourth installation trip.
7. CAT-6 interface cabling and conduit runs from the site to the Gryphon Programmable Logic Controller (PLC) cabinet(s).

8. SCADA system integration (Gryphon will collaborate with the client's integrator or IT service provider to assist with the connections to/from the SCADA system and the Gryphon dryer).
9. Any costs associated with alterations of the Gryphon-supplied motors, controls, and cabinets for Class I (Div. 1 or 2) ratings.
10. Additional field wiring, conduit supply, and installation may be required of the Buyer and/or Contractor upon submittal development and complete site design.

#### E. Other Buyer/Contractor Responsibilities

1. Gryphon limits head pressure to 100 feet for the current pump specifications. If required head pressure exceeds 100 feet due to factors such as distance to the cooling tower, elevations, and piping design, Gryphon will coordinate with the Buyer or Buyer's engineer for site-specific design. A change order will be issued if a pump with greater than 100 feet of head is required.
2. Gryphon recommends a sloped trough under the dryer assembly, with drains, to reduce the need for piping as outlined in the previous section.
3. Seismic engineering, stamping (if applicable), and change orders resulting from seismic engineering recommendations are the sole responsibility of the Site Engineer, Contractor, or Buyer.
4. Performance Testing/Commissioning costs associated with freight, sampling, and testing.
5. Wi-Fi access must be available to Gryphon Technicians while on site.
6. Taxes and/or costs associated with bonding (if applicable).
7. Conveyance equipment to and from the dryer(s) is the responsibility of the Buyer, unless included in section 2.1 Itemized Pricing Schedule.
8. Permits and other regulatory/trade fees are the sole responsibility of the Buyer.
9. Any change order presented to Gryphon Environmental will require written approval prior to work being performed from a Gryphon Environmental Director, the CEO, or the COO. Gryphon will not be responsible for any charges resulting from a change order presented to Gryphon during or after the project without the party securing prior written approval.



## F. Utility Connections

CONNECTIONS TO DRYER REQUIRED BY CLIENT OR CONTRACTOR					
Utility	AMPS/ VOLUME	VOLTAGE OR PRESSURE	FED FROM	FED TO	HOOK-UP RESPONSIBLE
POWER TO DRYER CABINET(S)					
3-PHASE TO GRYPHON CABINET/DISCONNECT	600A	480V	CLIENT MCC	GRYPHON VFD CABINET	BUYER
SINGLE PHASE 120V	20A	120V	CLIENT MCC	GRYPHON PLC CABINET	BUYER
NATURAL GAS TO DRYER					
BURNER (15% RESERVE AT MAX BLOWER SPEC.)	7.5 MM/BTU	6.5 PSI	SUPPLY LINE	BURNER	BUYER
BURNER POWER	20A	120V	CLIENT MCC	BURNER CABINET	BUYER
EXHAUST GAS PIPING FROM DRYER TO SCRUBBER					
SYSTEM EXHAUST	1200 SCFM	.5-1 PSI	BLOWER EXHAUST	SCRUBBER OR ATMOSPHERE	BUYER
COOLING TOWER					
COOLING TOWER MAKEUP WATER	12 GPM	40 PSI MIN	CLIENT SUPPLY	COOLING TOWER	BUYER
COOLING TOWER OVERFLOW AND DRAIN	INTERMITTENT		COOLING TOWER	SEWER OR DRAIN	BUYER
COOLING LOOP	1000 GPM	100 FEET OR LESS	COOLING TOWER	CONDENSER AND BACK	BUYER
SEWER LINE					
CONDENSATE REMOVED			CONDENSER PUMP	SEWER OR DRAIN	BUYER
BELT/CHAMBER WASH	OCCASIONAL 90 GPM	UP TO 120 MIN./DAY	WASH DRAINS	SEWER OR DRAIN	BUYER
WATER SUPPLY					
CHAMBER AND BELT WASH SOLENOID STAND	OCCASIONAL 90 GPM	40 PSI MIN	SUPPLY LINE	SOLENOID STAND	BUYER

## G. Warranty Considerations and Conditions

This section is intended to establish specific terms and conditions to govern the use of Gryphon Environmental drying systems, ensuring compliance with safety measures, material specifications, and warranty conditions. Parties utilizing these systems are urged to adhere to these stipulations to maintain the integrity of the warranty and prevent potential hazards.

## 1. Sludge Specifications

If the Buyer's dewatered cake sludge, upon entering the dryer(s), exceeds the specifications outlined in items 8, 11, 12, and/or 14, as detailed in Section 1.1 - "Sludge Specifications," for two consecutive weeks, the Gryphon warranty associated with the drying systems shall be deemed null and void.

## 2. Prohibited Input Materials

Gryphon Environmental drying systems are expressly not designed to receive, process, or handle flammable or explosive input materials. Under no circumstances shall waste containing petroleum products or related chemicals be introduced into or treated by the Gryphon drying systems.

## 3. Screening Requirements

Prior to being placed into the dryer(s), the dewatered cake sludge must undergo proper screening to remove rocks, debris, and metals. It is essential that all foreign substances, including but not limited to stones, pieces of wood, or metal, etc., are meticulously screened and must not be processed in the Gryphon dryer. Any damage sustained by the dryer or associated equipment due to the presence of foreign substances shall not be covered under the Gryphon warranty.

## 4. Preventative Maintenance Requirements

Buyer shall be responsible for thoroughly documenting the proper preventative maintenance procedures as explicitly outlined in the Gryphon Operations and Maintenance Manual. It is imperative that the Buyer adheres to these guidelines to ensure the effective and safe operation of the equipment.

Failure on the part of the Buyer to provide documented verification of the execution of preventative maintenance as specified in the Gryphon Operations and Maintenance Manual shall result in the automatic nullification of the Gryphon Warranty associated with the equipment.

## PART 2 - PRICING AND ITEMIZED SCOPE OF SERVICE

### 2.1 ITEMIZED PRICING SCHEDULE

Hendersonville, NC - (1) Model 1050 Dryer Manufacturing Order - Supplier Responsibilities			
ITEM	QTY.	DESCRIPTION	PRICE
1	1	<b>1050 Dryer Assembly</b> <b>(1) Inlet Hopper Assembly</b> <b>(1) 10 Series Material Processing Assembly</b> <b>(1) 10 Series Entry Table Assembly</b> <b>(1) 10 Series Exit Table Assembly</b> <b>(5) 10 Series Chamber Assemblies</b> - Chamber rinse system included <b>(5) 10 Series Lid Assemblies</b> <b>(2) 10 Series Lid Lift Assembly</b> <b>(1) 10 Series High Pressure Belt Rinse Assembly - Pump Included</b> - Updated high pressure pump included <b>(1) Belt Tracking System</b> - Stainless steel pulley upgrade included <b>(1) Side Discharge Auger - Extended length</b> <b>(1) Inclined Exit Conveyor for load out</b> <b>(1) 10 Series Pump Skid for Chamber Rinse</b> <b>(1) Insulation Package</b> - Burner to lid, lids, vacuum header, and inlet to the condenser covered <b>(1) Belt</b> - Installed at final installation trip under instruction of Gryphon Supervisor	\$ 3,646,000
2	1	<b>250HP Air Package - Stainless Steel</b> <b>(1) 10SS Series Blower - 250HP</b> - With Insulation Blanket and Motor Winding Temperature Switch <b>(1) 10SS Series Natural Gas Burner</b> <b>(1) 10SS Series Condenser Unit</b> - Removable stainless steel heat exchanger unit, aluminum fins - Mist eliminator - 2 sets of condenser filters <b>(1) Cooling Tower Assembly</b> - Submersible basin heater included <b>(1) Cooling Tower Pump</b> <b>(1) Ductwork Assembly</b>	
3	1	<b>Controls and Instrumentation Package</b> <b>(1) 3-Phase Cabinet (480V)</b> - Standard NEMA 12 enclosure - (2) VFDs for inlet hopper control	

		<ul style="list-style-type: none"> <li>- (1) VFD each for main process blower, infeed material leveling section, main dryer belt speed, combustion blower and cooling tower pump control</li> <li>- (1) Contactor each for exit auger, cooling tower fan, condensate removal pump, chamber rinse pump, and belt rinse pump control</li> <li>- (1) Air conditioning unit</li> <li>- (1) 480V Disconnect</li> </ul> <p><b>(1) Single Phase Cabinet (120V)</b></p> <ul style="list-style-type: none"> <li>- PLC rack unit, ethernet connectivity switch</li> </ul> <p><b>(1) 1050 Instrumentation Package</b></p> <ul style="list-style-type: none"> <li>- Class II, Div. 2 - exterior to drying chamber</li> <li>- Class II, Div. 1 - interior to drying chamber</li> <li>(1) Wet product temperature sensor</li> <li>(2) Dried product temperature sensors</li> <li>(1) E-Stop and safety alarms System</li> </ul>	
4	1	<b><u>Automation Package</u></b>	
		<ul style="list-style-type: none"> <li>(1) Site specific controls narrative development</li> <li>(1) CSV data logging export from HMI</li> </ul>	
5	1	<b><u>Shipping Package</u></b>	
		<ul style="list-style-type: none"> <li>(1) Scheduling and freight costs</li> <li>(1) Packaging and loading</li> </ul> <p><b><u>Shipment FOB Destination</u></b></p>	
6	1	<b><u>Installation Package</u></b>	
		<ul style="list-style-type: none"> <li>- Rigging, offloading, and installation is to be provided by others</li> <li>- Gryphon Environmental will pre-plumb equipment to centralized points on Item 1 prior to shipment</li> <li>- Gryphon Environmental will run conduit and wire for <b>low voltage</b> (under 50 volts) equipment to centralized locations on Item 1 prior to shipment</li> </ul> <p>(1) Supervision trip, two (2) days maximum on-site for equipment receiving, inspection, and installation supervision</p> <p>(1) Supervision trip, two (2) days maximum on-site for oversight of continued dryer installation</p> <p>(1) Supervision trip, two (2) days maximum on-site <b>upon substantial utility completion</b> for oversight of continued dryer installation</p> <p>(1) Trip, two (2) days maximum on-site for electrical checkout and final inspection</p> <p>Gryphon will return to the site post-installation to complete start-up and training.</p>	
7	1	<b><u>Warranty</u></b>	
		Eighteen (18) month warranty from date of delivery or Twelve (12) months from Substantial Completion- See Warranty section of Terms and Conditions for more details.	
<b><u>Total Lump Sum Price</u></b>			<b>\$ 3,646,000</b>

## 2.2 PAYMENT SCHEDULE

<b>Payment Schedule</b>		
(1) Deposit, non-refundable, paid with purchase order - 10%	10/30/2024	\$364,600
(2) Notice to Begin Fabrication (NTBF) - 30%	1/28/2025	\$1,093,800
(3) 60 Days from Notice to Begin Fabrication (NTBF) - 30%	3/29/2025	\$1,093,800
(4) Upon Readiness to Ship (RTS) - 22%	9/25/2025	\$802,120
(5) Upon Commissioning of Dryer - 8%	1/8/2026	\$291,680
TOTAL LUMP SUM INSTALLED PRICE		\$3,646,000

Note: The invoice dates listed above are estimates based on receipt of the purchase order by 10/30/2024. All invoices are subject to Net 30 payment terms, except for the deposit, which is due upon receipt. Please be aware that these dates are tentative and may change due to project delays or advancements.

## 2.3 PRICING TERMS AND CONDITIONS

The pricing and delivery schedule is based on a Purchase Order and deposit before October 30, 2024.

All Prices are in US Dollars.

- A. FOB Destination Deposit is due, as indicated in the Payment Schedule, with a formal Purchase Order. The Buyer may cancel the order prior to the Notice to Begin Fabrication, however, the deposit for developing a submittals package is non-refundable.
- B. At Notice to Begin Fabrication, an installment payment is due as indicated in the Payment Schedule, which is scheduled to begin 90 days from the receipt of the Purchase Order. A formal, written Notice to Begin Fabrication must be delivered to Gryphon Environmental, Inc. If formal written Notice to Begin Fabrication is not provided to Seller, payment of the NTBF installation will constitute the Buyer releasing Seller to commence fabrication.
  - 1. Notwithstanding the absence of a price escalation or reduction clause, Buyer and Owner are sophisticated, knowledgeable parties and acknowledge that certain changes in market conditions may be the result of acts or omissions outside the control of the parties. There may occur acts of God or other extraordinary, unforeseen events that may result in material price increases or delays that make the overall project untenable for either or both parties. In the event of such a situation, Seller shall be released from its obligation to Buyer, without liability, in the event Buyer chooses to reject a claim for a price adjustment resulting therefrom. Any and all sums paid to date, shall remain with Seller and all further obligations between the parties shall end.

- C. 60 days from Notice to Begin Fabrication, an installment payment is due as indicated in the Payment Schedule.
- D. Upon Readiness to Ship, scheduled as 240 days from Notice to Begin Fabrication, an installment payment is due as indicated in the Payment Schedule. If delays to shipment occur due to Buyer change orders or Buyer postponement of shipment, payment REMAINS DUE in 240 days from the Notice to Begin Fabrication. Storage fees of 0.5% of total capital equipment cost (e.g. 0.5% of \$1,000,000 = \$5,000) per month shall apply for any Buyer postponement of shipment.

If delays to shipment occur due to Seller's failure to meet the agreed-upon deadline, Seller shall be responsible for refunding additional costs incurred by the Buyer that are directly attributable to the resulting delays in the critical path schedule of the project. However, the Seller's liability shall not exceed \$500 per day, and the Seller will only be liable for the number of days the shipment was delayed.

- E. Performance testing and Commissioning of the dryer(s) shall begin within 90 days of delivery, or 60 days from functional testing completion and/or operation of the dryer(s) equipment, whichever comes first. If performance testing/commissioning cannot begin within the period stated previously, and it is no fault to Seller, the Buyer shall be responsible for making a progress payment to Seller in the amount of 90% of the final Performance Testing/Commissioning payment.
  - 1. Upon Performance Testing/Commissioning of dryer(s), a final installment payment is due. Performance Testing/Commissioning shall be based on the Installation and Material Specifications in section 1.1 Performance Testing/Commissioning is based on a 3-day, 8-hour day-shift operating schedule.
    - a. Gaps in the feedstock to the dryer(s), supply of material that fails to meet the Material Content Specifications Sheet, or material with debris can impact the dryer's performance. If the client is unable to provide proper material and/or volumes to the dryer(s) during the period of time agreed to as performance testing/commissioning, (i) that period of time shall be counted as a successful performance testing/commissioning period(s) and, (ii) shall have no negative impact on Seller; (iii) nor shall it result in the requirement for restarting the mandatory time requirements for performance testing/commissioning of the Gryphon drying unit, (iv) the Buyer shall be responsible for 100% of the final performance testing/commissioning payment immediately.

## 2.4 OPTIONAL EQUIPMENT AND SERVICES

### A. Ancillary Equipment

Optional Ancillary Equipment and Services			
ITEM	Qty.	DESCRIPTION	PRICE
8	1	<i>Additional 1 Year Warranty</i> <i>-Terms See Attachment 1</i>	\$ 150,000
9	1	<i>Additional 2 Year Warranty</i> <i>-Terms See Attachment 1</i>	\$ 250,000

B. Additional warranties may be purchased at the end of the standard 1-year warranty for the price specified in Table 2.4 A. Any additional warranty must be purchased before the standard 1-year warranty expires. If the standard 1-year warranty is rendered null and void for any reason, additional warranties will not be available for purchase.

## 2.5 TERMS AND CONDITIONS

### A. PARTIES

1. GRYPHON ENVIRONMENTAL, INC. IS REFERRED TO AS "SELLER" AND THE PURCHASING PERSON OR ENTITY LISTED ON THE FRONT HEREOF OR DESCRIBED IN THE ATTACHED AGREEMENT IS REFERRED TO AS "BUYER", OR "CLIENT". ALL MATERIALS, GOODS, SYSTEMS, SERVICES, OR WORK DESCRIBED ON THE FRONT HEREOF OR IN THE ATTACHED AGREEMENT, REGARDLESS OF TYPE, ARE REFERRED TO AS "PRODUCTS".
2. PERFORMANCE OF THE GRYPHON DRYER ASSUMES THAT THE BUYER PROVIDES MATERIAL THAT MEETS THE MATERIAL SPECIFICATIONS IN SECTION 1.2.
3. THE BUYER MAY NOT RELOCATE THE DRYER UNIT WITHOUT VOIDING THE WARRANTY UNLESS AGREED IN WRITING BY SELLER.
4. SUBJECT TO APPLICABLE PUBLIC RECORDS LAW, N.C.G.S. CHP. 132, THE BUYER AGREES TO NOT REPRODUCE THE GRYPHON SYSTEM OR SHARE TECHNICAL OR PROPRIETARY OR INTELLECTUAL PROPERTY OF THE GRYPHON DRYER. THE BUYER FURTHER AGREES THAT SELLER DRAWINGS, TECHNOLOGY, AND INTELLECTUAL PROPERTY WILL BE PROTECTED AS AGREED IN THE TERMS AND CONDITIONS SET FORTH BY A MUTUAL NON-DISCLOSURE

AGREEMENT TO BE EXECUTED BETWEEN THE PARTIES AND ANY AMENDMENTS THEREAFTER.

5. ALL PRICES ARE FOB DESTINATION, AND PAYMENT TERMS ARE SPECIFIED IN WRITING BY THE SELLER ON THE FRONT HEREOF OR OTHERWISE, REGARDLESS OF WHETHER OR NOT THE BUYER HAS BEEN PAID BY ITS CUSTOMER FOR SUCH PRODUCT. INVOICES UNPAID AND MORE THAN 15 DAYS PAST DUE WILL BE SUBJECT TO A SERVICE CHARGE ON THE UNPAID BALANCE AT AN INTEREST RATE EQUAL TO THE LESSER OF EIGHTEEN PERCENT (18%) PER ANNUM OR THE MAXIMUM ALLOWABLE INTEREST RATE UNDER APPLICABLE LAW, AND THE BUYER SHALL BE RESPONSIBLE AND LIABLE FOR ALL EXPENSES INCURRED BY SELLER IN COLLECTION, INCLUDING REASONABLE ATTORNEYS' FEES.

#### B. SHIPMENT, DELIVERY, RISK OF LOSS

1. TITLE TO, AND RISK OF LOSS OF, THE PRODUCTS SHALL PASS TO BUYER AS SOON AS THE PRODUCTS ARE DELIVERED BY SELLER TO THE INITIAL CLIENT DESTINATION. SHIPPING ARRANGEMENTS SHALL BE MADE BY THE SELLER. EACH SHIPMENT DATE IS APPROXIMATE, AND THE SELLER SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES OF ANY KIND RESULTING FROM ANY DELAY IN SHIPMENT OR DELIVERY OF ANY PRODUCTS. NO DEFERMENT OF SHIPMENT AT BUYER'S REQUEST BEYOND THE SHIPMENT DATE ACKNOWLEDGED OR QUOTED BY SELLER WILL BE MADE EXCEPT UPON WRITTEN NOTICE TO SELLER AT LEAST THIRTY (30) DAYS IN ADVANCE OF SUCH SHIPMENT DATE AND ON TERMS THAT WILL INDEMNIFY SELLER AGAINST ALL LOSS AND ADDITIONAL EXPENSE, INCLUDING, BUT NOT LIMITED TO, DEMURRAGE, HANDLING, STORAGE, INSURANCE AND CARRYING CHARGES, RESULTING FROM SUCH DEFERMENT. SELLER WILL NOTIFY BUYER ONCE EQUIPMENT IS READY TO SHIP TO ALLOW BUYER TO INSPECT EQUIPMENT PRIOR TO SHIPPING. SHIPPING SCHEDULE WILL BE COORDINATED BETWEEN SELLER AND BUYER. SELLER IS RESPONSIBLE FOR VERIFYING SHIPPING ADDRESS WITH THE BUYER PRIOR TO SHIPMENT.

#### C. WARRANTY



1. ALL SELLER PRODUCTS ARE WARRANTED AGAINST DEFECTS IN WORKMANSHIP AND MATERIALS FOR EIGHTEEN (18) MONTHS FROM DELIVERY OR TWELVE (12) MONTHS FROM SUBSTANTIAL COMPLETION.
2. TO RECEIVE PRODUCT WARRANTY EVALUATION SERVICE, BUYER MUST CONTACT SELLER WITHIN SEVEN (7) DAYS OF PRODUCT DEFECT AND PROVIDE PROOF THAT THE PRODUCT WAS PROPERLY INSTALLED AND MAINTAINED IN ACCORDANCE WITH SELLER'S INSTRUCTIONS AND RECOMMENDATIONS AS OUTLINED IN SELLERS O&M MANUAL AND THAT PRODUCT WAS NOT OPERATED IN EXCESS OF OPERATIONAL LIMITS SET FORTH IN SELLER'S SUBMITTAL DOCUMENTATION.
3. SELLER IS NOT LIABLE FOR ANY LOSS, COST, EXPENSE, INCONVENIENCE, OR DAMAGE THAT MAY RESULT FROM USE OR INABILITY TO USE THE DRYER(S).
4. IF SELLER'S PRODUCT IS DEFECTIVE DUE TO WORKMANSHIP OR MATERIALS AND THE DEFECT OCCURS DURING THE WARRANTY PERIOD, SELLER WILL EITHER REPAIR OR REPLACE THE PRODUCT, WHICHEVER SELLER DEEMS TO BE APPROPRIATE UNDER THE CIRCUMSTANCES.
5. SELLER ACCEPTS NO RESPONSIBILITY FOR ANY REQUIRED SERVICE, REPLACEMENT PARTS, MAINTENANCE OR REPAIRS RESULTING FROM BUYER MODIFICATIONS TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO PLC CODING, UNLESS AUTHORIZED IN ADVANCE IN WRITING BY SELLER.
6. SELLER IS NOT RESPONSIBLE FOR ANY INCIDENTAL OF CONSEQUENTIAL DAMAGES RESULTING FROM THE REMOVAL, SHIPMENT, RE-INSTALLATION, OR OTHERWISE IF THE WORK WAS NOT PERFORMED BY THE SELLER.
7. THIS WARRANTY DOES NOT COVER SELLER LABOR CHARGES FOR REPLACEMENT OF PARTS, ADJUSTMENTS OR REPAIRS, OR ANY OTHER WORK UNLESS SUCH CHARGES ARE AUTHORIZED IN ADVANCE, IN WRITING, BY SELLER.
8. THIS WARRANTY DOES NOT COVER ABRASION, EROSION, AND WEAR, NOR DOES IT COVER ANY PRODUCT WHICH, IN THE REASONABLE JUDGEMENT OF SELLER, HAS BEEN SUBJECT TO MISUSE OR NEGLIGENCE, OR WHICH HAS BEEN REPAIRED OR ALTERED

OUTSIDE SELLER'S FACILITY IN ANY WAY WHICH MAY HAVE IMPAIRED ITS SAFETY, OPERATION OR EFFICIENCY, OR ANY PRODUCT WHICH HAS BEEN SUBJECT TO ACCIDENT.

9. SELLER SHALL NOT BE LIABLE UNDER THIS WARRANTY IF DAMAGE OR DEFECT RESULTS FROM (i) INSTALLATION (ii) DISASTERS SUCH AS FIRE, FLOOD, LIGHTNING, OR IMPROPER ELECTRIC CURRENT; OR (iii) BUYERS FAILURE TO PERFORM PROPER AND TIMELY MAINTENANCE.
10. THIS WARRANTY DOES NOT COVER CORROSION OR OTHER ENVIRONMENTALLY DEPENDENT WEAR RESULTING FROM PROPER, OR IMPROPER, PLACEMENT AT THE BUYER'S FACILITY.
11. THIS WARRANTY SHALL BE NULL AND VOID IF ANY PART NOT MANUFACTURED OR SUPPLIED BY SELLER FOR USE IN ANY OF ITS PRODUCTS SHALL HAVE BEEN SUBSTITUTED AND USED IN PLACE OF A PART MANUFACTURED OR SUPPLIED BY SELLER FOR SUCH USE.
12. PURPOSE GIVEN OR ASSUMED BY OTHERS IN CONNECTION WITH THE SALE OF SELLER'S PRODUCTS BEYOND WHAT IS STATED ON SELLER'S DESIGN DOCUMENTATION.
13. BUYER'S FAILURE TO PAY THE FULL AMOUNT OWED FOR THE PRODUCT WITHIN SIXTY (60) DAYS OF THE DATE OF INVOICE SHALL RELEASE SELLER FROM ANY AND ALL LIABILITY OR OBLIGATION ARISING PURSUANT TO ANY WARRANTY, EXPRESSED OR IMPLIED, WHETHER STATUTORY OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, MADE IN CONNECTION WITH ANY CONTRACT FORMED HEREUNDER. BUYER AGREES THAT SUCH FAILURE TO PAY SHALL CONSTITUTE A VOLUNTARY WAIVER OF ANY AND ALL SUCH WARRANTIES ARISING PURSUANT TO SUCH CONTRACT.

#### D. CANCELLATIONS

1. AFTER ACCEPTANCE BY THE SELLER, AN ORDER SHALL NOT BE SUBJECT TO CANCELLATION BY THE BUYER EXCEPT AS SET FORTH IN SECTION 2.3 PRICING TERMS AND CONDITIONS. FOLLOWING BUYER'S NOTICE TO BEGIN FABRICATION, CANCELLATION OF ALL OR ANY PART OF AN ORDER MUST BE SUBMITTED TO GRYPHON ENVIRONMENTAL, INC AT OWENSBORO, KY IN WRITING AND, UP

TO THE DATE GRYPHON ENVIRONMENTAL, INC RECEIVES THE NOTICE OF CANCELLATION, THE BUYER WILL PAY ALL COSTS AND EXPENSES INCURRED BY GRYPHON ENVIRONMENTAL, INC (INCLUDING BUT NOT LIMITED TO, ENGINEERING, MATERIAL, LABOR, SERVICES, EQUIPMENT, PARTS, AND OPTIONS) AS A RESULT OF THE CANCELLATION PLUS 20% OF THE TOTAL PURCHASE PRICE OF THE EQUIPMENT (NOT TO EXCEED THE TOTAL ORIGINAL CONTRACT PRICE).

E. SELLER'S SPECIFICATIONS: TECHNICAL DATA, ETC.

1. ANY SPECIFICATIONS, DRAWINGS, PLANS, NOTES, INSTRUCTIONS, ENGINEERING NOTICES, OR TECHNICAL DATA OF SELLER FURNISHED TO BUYER SHALL BE DEEMED TO BE INCORPORATED HEREIN BY REFERENCE THE SAME AS IF FULLY SET FORTH HEREIN. SELLER SHALL AT ALL TIMES RETAIN TITLE TO ALL SUCH INFORMATION AND DOCUMENTS, AND BUYER SHALL NOT DISCLOSE ANY OF IT TO ANY PARTY OTHER THAN ANY PARTY DULY AUTHORIZED BY SELLER IN WRITING. UPON SELLER'S REQUEST, BUYER SHALL PROMPTLY RETURN TO SELLER ALL SUCH INFORMATION, DOCUMENTS, AND COPIES THEREOF.

F. CREDIT

1. RIGHTS OF SELLER. IF BUYER SHALL FAIL TO PAY ANY INDEBTEDNESS TO SELLER PROMPTLY WHEN DUE, SELLER MAY, IF IT SO ELECTS, WITH OR WITHOUT DEMAND FOR ANY PAYMENT PAST DUE, AND WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES AVAILABLE TO IT, TAKE SOME OR ALL OF THE FOLLOWING ACTIONS:
  - a. REQUIRE CASH PAYMENT IN ADVANCE OR ON DELIVERY OR PRESENTATION OF A SIGHT DRAFT ATTACHED TO A BILL OF LADING, LETTER OF CREDIT, OR SUCH OTHER SECURITY OR PROOF OF RESPONSIBILITY AS IS SATISFACTORY TO THE SELLER, AS A CONDITION TO MAKING FURTHER SHIPMENTS OF PRODUCTS TO BUYER OR ANY OF ITS CUSTOMERS (IRRESPECTIVE OF WHETHER SUCH SHIPMENTS ARE IN EXPRESSION OF THE TERMS OF SUCH AGREEMENT), ALL PRIOR OR CONTEMPORANEOUS WRITTEN OR ORAL COMMUNICATIONS, AGREEMENTS, ORDERS, FORMS OR NEGOTIATIONS WITH RESPECT TO SUCH SUBJECT MATTER BEING MERGED HEREIN. BY WAY OF ILLUSTRATION AND NOT

LIMITATION, BUYER'S ORDER SHALL BE DEEMED TO INCORPORATE, WITHOUT EXCEPTION, ALL TERMS AND CONDITIONS HEREOF, NOTWITHSTANDING ANY ORDER FORM OF BUYER CONTAINING ADDITIONAL OR CONTRARY TERMS OR CONDITIONS, UNLESS BUYER SHALL HAVE EXPRESSLY ADVISED SELLER TO THE CONTRARY IN A WRITING APART FROM SUCH ORDER FORM AND NO ACKNOWLEDGMENT BY SELLER OF ANY ORDER BY BUYER SHALL BE DEEMED AN ACCEPTANCE BY SELLER OF ANY SUCH ADDITIONAL OR CONTRARY TERMS OR CONDITIONS. ANY ACKNOWLEDGMENT BY THE SELLER OF ANY ORDER BY THE BUYER IS EXPRESSLY CONDITIONAL ON THE BUYER ASSENTING TO, OR OTHERWISE BEING BOUND BY, ANY TERMS AND CONDITIONS HEREOF WHICH ARE IN ADDITION OR CONTRARY TO THE TERMS AND CONDITIONS OF THE BUYER'S ORDER FORM. NO ADDITIONAL OR CONTRARY TERMS, CONDITIONS, OR MODIFICATIONS MAY BE MADE TO THESE TERMS AND CONDITIONS EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY ONE OF THE SELLER'S OFFICERS. STENOGRAPHIC AND CLERICAL ERRORS ARE SUBJECT TO CORRECTION BY THE SELLER AND BUYER.

#### G. INTENDED USE

1. THE GRYPHON UNIT PROPOSED IS DESIGNED TO DRY BUYER-PRODUCED RESIDUALS. UTILIZING THE SYSTEM TO DRY OR PROCESS OTHER MATERIALS MUST BE APPROVED BY THE SELLER IN ADVANCE AND SELLER RESERVES THE RIGHT TO SUPERVISE TRIALS INVOLVING OTHER SUSPENSIONS OR CHANGES TO THE INTENDED USE. EXCEPT AS SET FORTH IN THIS PART, SELLER SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS OF THE PRODUCT FOR A PARTICULAR PURPOSE, CONDITION, OR QUALITY OF THE PRODUCT. ANY TRADE USAGE OR DEALING. ANY DETERMINATION OF THE SUITABILITY OF THE PRODUCT FOR THE USE CONTEMPLATED BY THE BUYER IS THE BUYER'S RESPONSIBILITY. ALL PRE-INSTALL AND POST-INSTALL MODIFICATIONS TO THE SOFTWARE PROGRAMS ARE THE INTELLECTUAL PROPERTY OF THE SELLER. PLC PROGRAM SHALL NOT BE COPIED, MOVED, OR DISTRIBUTED.

## H. LIMITATION OF LIABILITY AND LIMITED REMEDIES

1. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL SELLER BE LIABLE TO THE BUYER FOR ANY LOST OR PROSPECTIVE PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST EARNINGS, LOST PROFITS, OR BUSINESS INTERRUPTION, WHETHER OR NOT BASED UPON SELLER'S NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, IN TORT OR ANY OTHER CAUSE OF ACTION. BUYER'S EXCLUSIVE REMEDY AGAINST SELLER FOR ANY CAUSE OF ACTION UNDER THE AGREEMENT, INCLUDING WITHOUT LIMITATION FOR FAILURE TO DELIVER OR DELIVERY OF NONCONFORMING PRODUCT, IS, AT SELLER'S OPTION LIMITED TO:
  - a. REPLACEMENT OF THE NON-CONFORMING PRODUCT OR
  - b. REFUND TO BUYER OF THE PORTION OF THE PURCHASE PRICE PAID BY BUYER AND ATTRIBUTABLE TO SUCH NON-CONFORMING OR UNDELIVERED PRODUCT. IN NO EVENT SHALL SELLER'S CUMULATIVE LIABILITY EXCEED THE PRICE OF THE PRODUCT SOLD WHICH WAS THE DIRECT CAUSE OF THE ALLEGED LOSS, DAMAGE, OR INJURY. IN ANY EVENT, THE BUYER ACKNOWLEDGES AND AGREES THAT THE RETURN OF THE FULL SALES PRICE FOR THAT PRODUCT SOLD WHICH WAS THE CAUSE OF THE ALLEGED LOSS, DAMAGE, OR INJURY WILL PREVENT THE FOREGOING REMEDIES FROM FAILING IN THEIR ESSENTIAL PURPOSE AND THAT SUCH REMEDY IS FAIR AND ADEQUATE.
  - c. NEITHER PARTY SHALL BE DEEMED IN DEFAULT TO THE EXTENT THAT ANY DELAY OR FAILURE IN THE PERFORMANCE IS DUE TO ANY FORCE MAJEURE EVENT. "FORCE MAJEURE EVENTS" ARE THOSE EVENTS THAT ARE BEYOND THE CONTROL OF BOTH THE SELLER AND THE BUYER, INCLUDING BUT NOT LIMITED TO ACTS OF GOD; NATURAL DISASTERS, ABNORMAL WEATHER CONDITIONS OR ACTIONS OF THE ELEMENTS; LABOR STRIKE, CIVIL STRIKE, WORK STOPPAGES, SLOW-DOWN, OR LOCK-OUT; ACCIDENTS; ACTS OF WAR (DECLARED OR UNDECLARED); TERRORISM; CIVIL UNREST OR DISTURBANCES; MILITARY DISTURBANCES; LOSS OR MALFUNCTIONS OF UTILITIES, COMMUNICATIONS OR COMPUTER (SOFTWARE OR HARDWARE) SERVICES; EPIDEMIC, PANDEMIC OR

QUARANTINE; THE BINDING ORDER OF ANY GOVERNMENTAL OR CIVIL AUTHORITY; THE FAILURE TO ACT ON THE PART OF ANY GOVERNMENTAL OR CIVIL AUTHORITY.

I. GOVERNING LAW

1. THIS DOCUMENT AND THE SALE OF ALL PRODUCTS, AND ANY DISPUTES RELATING THERETO, SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH, AND RESOLVED LAWS OF NORTH CAROLINA. BOTH PARTIES SUBMIT THEIR PERSONS TO THE JURISDICTION OF THE COURTS FOR NORTH CAROLINA. EXCLUSIVE VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT, ITS INTERPRETATION AND BREACH SHALL BE IN THE COURTS FOR HENDERSON COUNTY, NORTH CAROLINA.

## **PART 3 - IMPLEMENTATION**

### **3.1 PROJECT PHASES**

#### **A. Submittals**

1. Submittals will be forwarded to the City of Hendersonville within 60 days of the receipt of the deposit. Delays in site design and delivery of a finalized 2D site layout may negatively impact the delivery of submittals.
2. Submittals will include the following at a minimum:
  - a. Equipment and instrument data and cut sheets, along with a Master Equipment List
  - b. Utility, motors, and junction box location and connection drawings
  - c. Comprehensive P&ID and PFD
  - d. Automation and Instrumentation Plan
  - e. Foundation requirements for individual equipment, including the weight of equipment and any special foundation requirements for specific equipment

#### **B. Fabrication and Shipment**

1. Purchasing and fabrication will not begin until a written Notice to Begin Fabrication, or payment, has been received. Delays in Notice to Begin Fabrication may impact overall system prices.
2. Completed fabrication and Readiness to Ship of Gryphon dryer(s) is 240 Days from payment for the Notice to Begin Fabrication and approval of shop drawings.
3. At the completion of fabrication, Seller will coordinate with the Buyer/Contractor to arrange shipment of the dryer(s) to the site.
4. The dryer(s) will be shipped FOB Destination to the site. The shipment will be scheduled so that a maximum of two (2) truckloads of equipment arrive per day.
5. The Gryphon dryer(s) MUST always be stored and housed in dry storage. Failure to secure dry storage will delay shipment of the dryer(s) and components at no consequence to Seller; Readiness to Ship payment remains due.

#### **C. Installation Supervision**

1. Per 2.1 Itemized Pricing Schedule, Item 7, Gryphon will supervise four (4) trips and Buyer/Contractor Responsibilities, as outlined in section 1.2, must be completed within those four (4) trips.

#### D. Testing, Training, and Substantial Completion

1. Once the dryer(s) has been tested for proper operation, Seller will coordinate with the Buyer/Contractor to begin running material on the dryer(s). During this time, Gryphon employees will work with site operators to tune the primary dewatering equipment to the dryer(s).
2. Gryphon personnel will run the dryer(s) to determine the best setpoints for the given material and measure and record the percent total solids of the wet material into and out of the dryer(s).
3. Once stable infeed material flow and drying has been achieved, the site operators will be trained. Training will be completed by a Gryphon technician/engineer, fully knowledgeable about the design, operation, and maintenance of the dryer(s), to ensure that the City of Hendersonville staff are fully knowledgeable on the operation, maintenance, and troubleshooting of the dryer(s). At a minimum, the following will be addressed during training:
  - a. Emergency operation procedures
  - b. Operation at varying inputs to obtain Class A certificated yield
  - c. Procedures to ensure economical operation under different operating conditions
  - d. Maintenance procedures
  - e. Troubleshooting procedures
  - f. Repair procedures
  - g. Written Operation & Maintenance Manuals
4. Upon successful training, the operators will be issued a training certificate. Should the City of Hendersonville encounter employee turnover of trained dryer operators, Seller offers additional training opportunities on a contract basis.
5. After operators have been trained and are comfortable running the dryer(s), the dryer(s) is considered substantially complete, and the warranty period will begin. Gryphon personnel will leave the site and a return trip will be planned within 60 days of substantial completion to conduct performance testing.

#### E. Performance Testing and Commissioning



1. Performance testing is completed within a 3 day, 8-hour, Day Shift testing period.
2. Dewatering equipment must be operational and produce a consistent supply of material to the dryer(s) to complete performance testing.
3. The Seller will use calibrated IR scales to measure the percent total solids into and out of the dryer(s). The Seller will calculate the dryer(s) throughput and water removed with a combination of TSS and flow rate (gpm) to the dewatering system, bulk density of the dewatered cake, cycle time through the dryer(s), and belt loading height. The Seller will collect data each hour of each Performance Testing day. Average values for that day will then be calculated.
4. The collected Performance Data spreadsheet will be made available to the Buyer for their evaluation. If third party testing such as fecal or additional moisture testing is required, the cost and logistics related to these tests are the responsibility of the Buyer/Contractor.
5. Gas usage will be recorded from the flow meter installed on the process air heater. Electrical consumption will be recorded from the power meter on the main dryer electrical panel display. If MCC's are used, an alternative power meter solution will be required during testing. It is the responsibility of the Buyer/Contractor to provide this resource. During the various testing phases, the Buyer will cover the cost of all utilities needed for the testing period including, but not limited to, electrical, gas, and water.

#### F. Final Payment

1. Final payment to Seller is due immediately upon successful completion of performance testing.

## PART 4 - MAINTENANCE AND REPLACEMENT PARTS

### 4.1 ROUTINE MAINTENANCE SCHEDULE

This is an example of the routine maintenance schedule your equipment will require. Actual routine maintenance schedules may differ depending on model size, material, and throughput.

<u>Description</u>	<u>Frequency</u>
<i>Chamber inspection: Minimal material buildup in chambers, spray bars working properly</i>	Each Shift
<i>Dryer belt-centered, no rips or tears</i>	Each Shift
<i>Check HMI to determine if any alarms are repeating or must be addressed</i>	Each Shift
<i>Exit material temperature within normal operating range: 175°F - 275°F</i>	Each Shift
<i>Air heater temperatures are within normal operating range: Below 450°F</i>	Each Shift
<i>Chamber temperatures are within normal operating range: 100°F - 350°F</i>	Each Shift
<i>Condenser filter inspection: No buildup of residue, no blinding</i>	Each Shift
<i>Condenser in and out temperatures are within normal operating range: Between 80° and 140°F temperature difference</i>	Each Shift
<i>Condenser differential pressure is within normal operating range: Max 7.0 inWC; Normal pressure should be 4.0 inWC or less</i>	Each Shift
<i>Condenser humidity is within normal operating range: humidity in ~45%; humidity out ~80%</i>	Each Shift
<i>Blower inlet temperature less than 190°F</i>	Each Shift
<i>Blower flow is within normal operating range: ~8,000cfm - 20,000cfm depending on dryer size and condenser filter/coil cleanliness</i>	Each Shift
<i>Tension rolls and chamber drain valve air lines are free of leaks</i>	Weekly
<i>Motors: No excessive vibration</i>	Weekly
<i>Sifter brush assembly is working as expected</i>	Weekly
<i>Sifter basket is clean</i>	Weekly
<i>Sifter basket is not experiencing excessive wear, no material thinning or worn holes (Replaced if necessary)</i>	Weekly
<i>Leveling auger and/or leveling brush are clean, no buildup of material on flights or bristles</i>	Weekly
<i>Control cabinet filters are clean (Replace filters if necessary)</i>	Weekly
<i>Control cabinet air conditioner is operating normally, cabinet temperature is below 85°F</i>	Weekly
<i>Control cabinet air conditioner condensate line drain is clean, no blockages</i>	Weekly
<i>Cooling tower basin is clean: No biological growth or signs of hard water (Treat cooling tower water as necessary)</i>	Weekly
<i>Cooling tower fan is operational</i>	Weekly
<i>Cooling tower spray bar is rotating and operating properly</i>	Weekly

<i>Combustion blower filter is clean and free of debris</i>	Weekly
<i>Air heater instrument air line valves have been bled to allow condensate to drain</i>	Weekly
<i>Air heater thermocouples are within normal operating range: This should be comparative to the air heater set point 100°F - 400°F</i>	Weekly
<i>Belt rinse pan and spray bar wands are void of material buildup</i>	Weekly
<i>Exit material temperature sensor at exit hood are clean</i>	Weekly
<u><i>Topside ductwork inspection:</i></u> <i>During start-up, start the process blower but do not initiate the air heater. Walk topside and listen for hissing or other indicators of air leaks or compromised o-rings.</i>	Quarterly
<u><i>Lid bolt inspection:</i></u> <i>While dryer is shutdown and once lids have reached a safe temperature, inspect bolts for loosening and tightened where necessary.</i>	Quarterly
<u><i>Injection plate inspection:</i></u> <i>While dryer is shutdown, follow the Lid Lift Procedure starting on page 22 of the Gryphon O&amp;M manual to lift the lids. Inspect the perforated injection plates for plugging/clogging. Clean as necessary using a Teflon safe cleaning solution.</i>	Quarterly
<u><i>Skirt seal inspection:</i></u> <i>While dryer is shutdown, follow the Lid Lift Procedure starting on page 23 of the Gryphon O&amp;M manual to lift the lids. Inspect the silicone skirt seals for wear or damage. Replace if necessary.</i>	Quarterly
<u><i>Gearbox oil inspection:</i></u> <i>While dryer is shutdown, check the gearbox oil levels and fill as required.</i>	Quarterly
<u><i>Blower flow meter inspection:</i></u> <i>Probe is cleaned, no buildup</i>	Quarterly
<u><i>Condenser inspection:</i></u> <i>While the dryer is shutdown, use the condenser access panels to inspect the coil, filters, and basin for cleanliness. Follow the Condenser Maintenance protocol on page 33 of the Gryphon O&amp;M manual to properly clean the coil. Following the filter and coil cleaning, inspect the condenser basins for blockages and flush as required.</i>	Quarterly
<u><i>Sifter brush replacement:</i></u> <i>Verify sifter mechanical is de-energized. Remove access plates on each side of sifter housing and lockout sifter. Replace brushes that can be accessed by hammering in new brushes against old ones - old brushes will be pushed out the other end of the track by the new brushes. Re-energize sifter to rotate sifter drum until more old brushes are accessible. Repeat the process of replacing old with new. NOTE: It may be beneficial to mark brushes that have been replaced to keep track.</i>	Annually
<u><i>Skirt seal replacement:</i></u> <i>While dryer is shutdown, follow the Lid Lift Procedure starting on page 23 of the Gryphon O&amp;M manual to lift the lids. Remove the existing skirt seals and dispose. Replace with new set running a 1" bead of high temperature silicone every 24-36". Lower the lids.</i>	Annually
<u><i>Preventive maintenance of electrical cabinet:</i></u> <i>To be performed by a qualified electrician. With cabinet de-energized and locked out, verify electrical connection torque on all VFDs, motor starters, and terminal blocks.</i>	Annually
<u><i>Inspect and tighten bolts on injection plates:</i></u> <i>While dryer is shutdown, follow the Lid Lift Procedure starting on page 29 of the Gryphon O&amp;M manual to lift the lids. Once lids and chambers have reached a safe temperature, inspect the injection plate torx bolts for loosening and tightened where necessary.</i>	Annually
<u><i>Gearbox oil change:</i></u> <i>Per the manufacturer's instructions for each gearbox, perform an oil change.</i>	Annually
<i>Schedule NFPA Air Heater Inspection with Gryphon</i>	Annually

## 4.2 REPLACEMENT PARTS SCHEDULE

Standard Replacement Parts: Certain components have established life spans that require replacement on a manufacturer-recommended, scheduled basis. Gryphon reserves the right to forego the replacement of components that show little or no signs of fatigue at the time of their scheduled replacement. Part failures occurring during the period of the original warranty of the dryer(s) are subject to replacement by Gryphon if repairs or replacements are deemed necessary by Gryphon for proper dryer performance. These components/parts are subject to replacement at the expense of the buyer if repairs or replacements are deemed unnecessary by GRYPHON for proper dryer performance and prior to the scheduled replacement date.

The Gryphon dryer requires two crucial spares at the time of installation – nine (9) replacement condenser filters to exchange during routine cleaning, and two (2) standby water supply solenoid valves. These two recommended spares are included in the base cost of Gryphon’s drying equipment.

### A. Spare Parts Recommended at Installation

Below is an example of the recommended spare parts list and includes items necessary to perform annual dryer maintenance as described in Gryphon’s Operation and Maintenance Manual. Actual items may differ depending on the material equipment model.

Spare Parts List - At Installation			
Replacement Schedule - Estimated (7 days/wk of 24 hour operation)			
<u>QTY</u>	<u>DESCRIPTION</u>	<u>LEAD TIME</u>	<u>REPLACEMENT INTERVAL</u>
1	<i>Model 1050 Skirt Assembly Seal</i>	1 Week	Annually
1	<i>Sifter Brush and Wiper Set</i>	2 Weeks	Annually
1	<i>Gearbox Oil - 5 Gallons</i>	1 Week	Annually
1	<i>Lid Lift Hydraulic Oil - 5 Gallons</i>	1 Week	Annually
1	<i>Burner Flame Rod</i>	2 Weeks	Annually

Note: Table indicates the annual part requirements for one (1) dryer.

## B. Estimated Replacement Schedule

Below is an example of the estimated replacement schedule your equipment will require. Actual items and prices may differ depending on the material and equipment model. Prices below are not guaranteed.

Spare Parts List				Replacement Schedule - Estimated (7 days/wk of 24 hour operation)
<u>QTY</u>	<u>DESCRIPTION</u>	<u>LEAD TIME</u>	<u>PRICE EACH</u>	<u>REPLACEMENT INTERVAL</u>
1	Annual parts provided in 1.1			ANNUAL
1	<i>Model 1050 PPS Conveyor Belt</i>	4 Weeks	\$38,300.00	2.5 years
9	<i>Condenser Filter Assembly</i>	2 Weeks	\$ 6,656.00	2 Years
1	<i>Sifter Basket Weldment</i>	3 Weeks	\$ 2,240.00	2 Years
6	<i>RTD (Resistance Temperature Detector) Package</i>	1 Week	\$ 3,763.00	2 Years
18	<i>Duct Clamp Package (2 of each size)</i>	1 Week	\$ 1,401.00	3 Years
2	<i>Washstand Solenoid Valve (1 of each)</i>	1 Week	\$ 1,423.00	2 Years

Note: Table indicates the scheduled parts totals for one (1) dryer over the period of four years.

## PART 5 - ADDITIONAL INFORMATION REQUESTED

### 5.1 UNIT CAPACITY

This section serves to clarify and outline important details regarding the capacity and performance of the 1050 Gryphon Dryer.

#### A. General Capacity

The 1050 Gryphon Dryer is stated to have a general processing capacity of approximately 850 dry pounds per hour.

#### B. Factors Affecting Capacity

Several factors can affect the stated capacity, including but not limited to material type, starting Total Solids (TS), and desired Total Solids (TS).

### 5.2 SCHEDULE OF CONTRACT

<b>Schedule of Contract</b>	
Purchase Order Received	10/30/2024
Submittals Delivered to Buyer	12/31/2024
Submittals Returned to Seller w/Comments	1/15/2025
Submittals Resubmitted to Buyer and Finalized	1/28/2025
Notice to Begin Fabrication	1/28/2025
Ready to Ship	9/25/2025
Equipment Delivered	10/2/2025
Performance Testing Begins	1/5/2026
Dryer Commissioned-Contract Completed	1/8/2026

Note: The dates listed above are based on receipt of a purchase order by 10/30/2024. If delays occur beyond the Seller's control, these dates may be subject to change.

**PART 6 - EXECUTION OF PROPOSAL / AGREEMENT**

THE BUYER MAY EXECUTE THIS AGREEMENT WITH A PURCHASE ORDER  
AND DEPOSIT REFERENCING THIS PROPOSAL.

**Buyer:**  
The City of Hendersonville, NC  
Hereby Agrees to the Terms and Conditions of Sale

_____	_____
Authorized Signature	Date
_____	
Printed Name and Title	

**Seller:**  
Gryphon Environmental, Inc

_____	_____
Authorized Signature	Date
John Prinner - President, CEO	
_____	
Printed Name and Title	



**SAMPLE**

**Extended Warranty Agreement  
Standard Terms & Conditions**

**SECTION 1 - PARTIES**

Seller: Gryphon Environmental, Inc.  
838 Industrial Drive  
Owensboro, KY 42301

Buyer: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All written notifications and communications subject to the Extended Warranty shall be sent or copied to the Primary Contacts, listed as:

Seller:

Contact : \_\_\_\_\_ (email) \_\_\_\_\_

Contact : \_\_\_\_\_ (email) \_\_\_\_\_

Buyer:

Contact : \_\_\_\_\_ (email) \_\_\_\_\_

Contact : \_\_\_\_\_ (email) \_\_\_\_\_

Contact : \_\_\_\_\_ (email) \_\_\_\_\_

**Approved Communications:** Changes to the primary contacts may be made with the same notification procedures. Text messaging, voice calls, or other forms of communication may be used in relation to the Extended Warranty, however, Seller and Buyer agree that **only** email and written notifications shall be considered formal notification.





## **SECTION 2 - EQUIPMENT**

The Equipment shall be defined as: Gryphon Model 1050 Dryer, Serial Number TBD.  
The Seller and Buyer acknowledge that the Equipment is sold NEW with PO # TBD.

## **SECTION 3 – OPTIONAL EXTENDED WARRANTY**

Please note that any warranty services or questions must be accompanied by the order number from the transaction through which the warranted product was purchased. **The order number serves as your warranty number and must be retained.** GRYPHON will offer no warranty service without this number.

As part of the purchase of a new Gryphon Model 1050 Dryer, an optional 1-year parts and limited labor warranty will be available at the rate of \$150,000.00. An optional 2-year parts and limited labor warranty will be available at the rate of \$250,000.00. The warranty begins the day after the Standard Warranty ends. The decision to repair or replace any part will be made by GRYPHON management only.

**Parts Warranty:** In the event of a potential warranty claim, the customer will contact GRYPHON regarding the situation. GRYPHON's service technicians will provide over the phone and remote diagnostics troubleshooting measures to resolve the situation for which the customer is responsible for executing all required troubleshooting steps to determine the problem. Once problem is determined, GRYPHON will send any replacement part(s) required to customer at no charge for the part(s). If expedited freight is required, the Customer must specify and the Customer will be responsible for the expedited freight charges. *See below for individual parts warranty breakdown.* The customer is responsible for labor for installing the new parts(s).



**The Extended Warranties INCLUDE the following individual replacement parts:**

- Gearboxes: Main Drive, Leveling
- Motors: Main Drive, Leveling
- Bearings: Entry Table, Exit Table
- Shafts: Leveling
- Nozzles
- Pneumatic belt tracker

**The Extended Warranties EXCLUDE the following items:**

- Process Blower and associated components
- Air Heater and associated components
- Cooling Tower and associated components
- Custom Lid Lift and associated components
- Condenser Coil
- Belt

**This Extended Warranty covers the following two site visits per year:**

**1 - Bi-Annual Site Visit**

- Onsite Technicians (3-5 days)
- Conduct detailed inspection of maintenance items

**2 - Annual Site Visit**

- Onsite Technicians (5-12 days)
- Annual 'refresher' training
- Replace belt (labor ONLY)
- Chamber inspection, cleaning instruction, and assistance.
- Electrical cabinet PM: Verify electrical connection torque on all VFDs, motor starters, and terminal blocks.
- Interior lid frame inspection.
- Burner maintenance (NFPA) synchronized and included.
- Conduct detailed inspection of maintenance items



**Labor Warranty:** Labor is not included as standard with any part of the warranty unless agreed upon ahead of time by GRYPHON management. During the Extended Warranty, if a warranty claim should arise that both GRYPHON and Buyer agree is a major repair need and all troubleshooting efforts have been fully performed and exhausted by the customer and the problem persists, GRYPHON will send a technician to the customer's facility to resolve the problem. In the event of a major repair need, a Customer-provided 'helper' will be required to aid the GRYPHON technician at no charge to GRYPHON. Labor to repair may be furnished at the customer's plant in the continental U.S. only and only if GRYPHON agrees that the problem is not due to improper use of the machine or wrongful tampering with the machine by the customer or other entity.

**Standard Replacement Parts:** Certain components have established life spans that require replacement on a manufacturer-recommended, scheduled basis. These components/parts are SUBJECT TO REPLACEMENT AT THE EXPENSE OF THE BUYER, unless repairs or replacements are deemed by GRYPHON to be necessary for the proper performance of the equipment and prior to the scheduled replacement date, in which case, the components are covered under this Extended Warranty. GRYPHON reserves the right to forego the replacement of components that show little or no signs of fatigue at the time of their scheduled replacement. At the time of the manufacturer-scheduled replacement, parts deemed by Gryphon to not need replacement are covered under the Extended Warranty up to their next scheduled replacement date.

**Return of Non-Defective Products:** A defective component may be returned to GRYPHON for replacement during the warranty term. Replacement parts shall be shipped from GRYPHON or drop-shipped from the OEM provider. Lead times for parts are subject to availability and potentially GRYPHON's fabrication/assembly time.

#### **SECTION 4 – TERMS AND CONDITIONS OF EXTENDED WARRANTY**

All original parts (parts installed by GRYPHON at the original system build or provided as replacement parts) that GRYPHON or its authorized service center replaces during the warranty term become the property of GRYPHON. Any after-market additions or modifications to the dryer will not be covered under warranty.

GRYPHON makes no other warranty, either expressed or implied, including but not limited to implied warranties of merchantability, fitness for a particular purpose, or conformity to any representation or description, with respect to the dryer other than as set



forth in the Original Purchase Agreement between the parties. GRYPHON makes no warranty or representation, either expressed or implied, with respect to any other manufacturer's product or documentation, its quality, performance, merchantability, fitness for a particular purpose, or conformity to any representation or description other than as set forth in the Original Purchase Agreement between the parties.

Except as provided below, GRYPHON is not liable for any loss, cost, expense, inconvenience, or damage resulting from use or inability to use the dryer. Under no circumstances shall GRYPHON be liable for any loss, cost, expense, inconvenience or damage resulting from misuse, failure of the Buyer to complete timely maintenance, failure of components or systems not supplied by Gryphon, or events that are normally covered by the Buyer's insurance (e.g. Acts of God).

The warranty and remedies set forth below are exclusive and in lieu of all others, oral or written, expressed or implied. No reseller, agent, or employee is authorized to modify, extend, or add to this warranty.

### **Warranty Conditions**

The above Extended Limited Warranty is subject to the following conditions:

1. This warranty extends only to products distributed and/or sold by GRYPHON, as defined above in Section Two - Equipment. It is effective only if the products are purchased and operated within the Continental USA.
2. This warranty covers only normal use of the equipment. GRYPHON shall not be liable under this warranty if any damage or defect results from (i) misuse, accident, abuse, neglect, improper shipping or installation; (ii) disasters such as fire, flood, lightning or improper electric current; or (iii) service or alteration by anyone other than an authorized GRYPHON representative or trained Buyer staff; (iv) placement in an unsuitable physical or operating environment or improper storage or maintenance improperly by Customer, (v) damages incurred through irresponsible use, including those resulting from failure of Buyer to perform proper and timely maintenance, or other non-recommended practices.
3. Properly completed shift, weekly, monthly and annual maintenance logs as outlined in the Gryphon OEM manual will be required for coverage under the Standard or Extended Warranty. Proper and timely maintenance are the full responsibility of the Buyer. Parts or Service required due to the failure of the Buyer to conduct proper and timely maintenance may void part or all of the Standard or Extended Warranty.



4. No warranty extension will be granted for any replacement part(s) furnished to the Buyer in fulfillment of this Warranty.
5. GRYPHON and its Authorized Service Center accepts no responsibility for any required service, replacement parts, maintenance or repairs resulting from Buyer modifications to the Equipment, including but not limited to PLC coding, unless authorized in advance in writing by GRYPHON.
6. All pre-install and post-install modifications to the software programs are copyrighted by and licensed to GRYPHON.
7. Warranty of parts may be void if Buyer neglects to inform GRYPHON of component failures in a timely manner (within 48 hours following an alarm condition or discovery of failed component). Costs for repair or replacement of Parts/Components requiring repair or replacement due to neglect of the Buyer to notify Gryphon in writing of related parts/components failure, shall be the responsibility of the Buyer.
8. Warranty is subject to sludge characteristics remaining in the established 'Sludge Content Specification Sheet' as defined in Attachment B in the Purchase Agreement.



## **SECTION 5 - EXECUTION**

Buyer may execute this document with a purchase order and 5% deposit referencing this proposal.

**Buyer:**

\_\_\_\_\_ agrees to the terms and conditions of  
sale;

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name & title

**Seller/Gryphon Environmental, Inc.:**

**Agreed and accepted:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name & title



# GRYPHON

## Project Information Form

**Buyer Information**

Facility Name:	
Contact Name:	Contact Title:
Contact Phone #:	Contact Email:

**Engineering Firm Information**

Company Name:	
Contact Name:	Contact Title:
Contact Phone #:	Contact Email:

**Contractor Information**

Company Name:	
Contact Name:	Contact Title:
Contact Phone #:	Contact Email:

**Shipping Information**

Shipping Address:		
City:	State:	Zip:
Contact Name:		Title:
Phone Number:		Email:

**Billing Information**

Billing Address:		
City:	State:	Zip:
A/P Contact Name:		Contact Phone #:
Contact Email:		Invoicing Email:
Payment Method: <input type="checkbox"/> Check <input type="checkbox"/> ACH (Gryphon will provide ACH Authorization form)		

**Other Information**

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