

TERMS AND CONDITIONS OF RENTAL

In consideration of the renting of the Equipment described, without operator, by the undersigned (hereinafter referred to as the "Lessee") from Contractors Equipment, Inc., (hereinafter referred to as "Lessor") upon the terms and conditions and for the price herein specified, it is agreed as follows:

- 1. RENTAL TERM.** The rental term begins and terminates on the date and time specified on page one, regardless of weather. Rental charges commence on delivery of Equipment to Lessee and end upon return of Equipment to Lessor's premises. Lessee shall not be obligated to pay rent for days the Equipment is out of service due to mechanical failure, unless caused by Lessee. Lessee agrees to pay on return of Equipment to Lessor's premises, all charges and costs for the use thereof. Lessee's right to use the Equipment terminates on the termination date set forth on page one, unless extended in writing by Lessor and Lessee. In the event of breach of this rental agreement by Lessee, or when Lessor deems it reasonably necessary to protect the Equipment, Lessee has the right to take immediate possession of the Equipment without releasing Lessee from Lessee's obligations pursuant to this agreement.
- 2. CONDITIONS OF RENTAL, INSPECTION PRIVILEGE AND WAIVER OF DEFECTS.** Lessee accepts and rents the Equipment on an "as is" basis. Lessee acknowledges receipt of all of the equipment in good working condition and repair and declares that Lessee fully understand its proper operation and use. Lessee acknowledges and declares that Lessee has examined the Equipment and all hitches, bolts, safety chains, hauling tongues, together with all devices and materials used to connect the Equipment to Lessee's towing motor vehicle, if any, and Lessee declares that Lessee has received all of such Equipment in a secure and operative condition. Lessee is responsible for loading and unloading the Equipment. If the Lessee's employees assist in loading and unloading the Equipment, the Lessee agrees to assume the risk of, damage or injuries attributable to the negligence of the Lessee or Lessee's employees. Lessee shall not abuse, damage or misuse the Equipment. Lessee shall transport and operate the Equipment within the Equipment normal operating capacity, for the purposes for which the Equipment is intended, and in accordance with any operating manuals or instructions on or furnished with the Equipment. When not in use, the Equipment shall be stored in a protected area. Lessee agrees to return the Equipment to Lessor's premises on the termination date clean and in as good condition as when received by Lessee, ordinary wear and tear expected. "Ordinary wear and tear" shall mean only the normal deterioration of the Equipment caused by ordinary and reasonable use on a one shift (eight hours per day, five days per week) basis. Lessee agrees to pay immediately all charges and costs incurred for repair of the Equipment caused by Lessee beyond ordinary wear and tear. Lessee shall not permit any repairs to be made or lien to be placed upon the Equipment without Lessor's written consent. Lessee shall pay for all fuel and shall provide proper lubrication to the Equipment at all times.
- 3. EQUIPMENT BECOMES UNSAFE OR IN DISREPAIR.** Lessee will immediately discontinue use of the Equipment should it at any time, following the execution of the agreement or any subsequent agreement, become unsafe or in a state of disrepair. Furthermore, the Lessee will immediately notify Lessor that the Equipment is unsafe or in disrepair and until such time as Lessor has regained possession the Lessee agrees to take all steps reasonably necessary to prevent injuries to any person and all property from the Equipment.
- 4. COMPLIANCE WITH LAWS AND INSTRUCTIONS.** Lessee acknowledges that Lessor has no control over the use of Equipment by Lessee, and Lessee agrees at Lessee's sole expense to comply with all municipal, county, state and federal Laws, ordinances and regulations, including the Occupational Safety and Health Administration Act of 1970 (OSHA) which may affect the Equipment while it is in the possession of and use by the Lessee. Lessee shall not permit any person who is not legally qualified to use or operate the Equipment. Lessee is responsible for reviewing all instructions and operating manuals furnished on or with the Equipment before transporting or operating the Equipment.
- 5. PERMITTED AREA OF USE OF EQUIPMENT.** Without Lessor's written consent, Lessee shall not remove the Equipment from the county in which it is rented.
- 6. LESSEE'S LIABILITY FOR ACCIDENT OR CASUALTY.** In the event of any accident or casualty resulting in bodily injury or property damage arising out of Lessee's use and rental of the Equipment, Lessee agrees to accept all liability for such injury and damages. Lessee shall furnish Lessor with a complete report of any accident involving said Equipment, including names and addresses of all persons involved and all witnesses. Unless otherwise specified herein, in case of the loss or destruction of any part of the Equipment, loss of possession thereof, or inability to return the Equipment to Lessor on the termination date for any reason whatsoever, Lessee shall pay Lessor the actual replacement cost thereof, and in addition thereto Lessor's loss of use of said Equipment.
- 7. DISCLAIMER OF WARRANTIES, REMEDIES.** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. Lessee's sole remedy for any failure of or defect in the Equipment shall be the termination of the rental charges at the time of failure, provided the Equipment is returned to Lessor within 24 hours after such failure. Lessor shall not be responsible for any loss, damage or injury to Lessee or Lessee's property, including incidental, special or consequential damages in any way connected with the operation use defect in or failure of the Equipment.
- 8. USE OF DEPOSIT AND LIABILITY FOR LATE PAYMENT.** Lessee acknowledges that the purpose and intent of the deposit paid by Lessee hereunder is to secure the payment of rental charges hereunder and to guarantee the full and complete performance of each of all of the terms, covenants, and agreements to be performed by Lessee hereunder. Lessee agrees to pay a late payment penalty at the rate of one and one-half percent (1½%) per month on all accounts not paid within 30 days following the due date.
- 9. INDEMNIFICATION OF LESSOR BY LESSEE.** Lessee expressly indemnifies, defends, and holds Lessor harmless of, from and against (a) any and all claims, loss, costs, damages, attorney's fees, and/or liability in connection with or arising from the Lessee's rental and operation of the Equipment, including, but not limited to, property damage and personal injuries, regardless of whether a lawsuit is filed against Lessor or Lessee; (b) in the event a suit is instituted by Lessor to recover for damage to or possession of said Equipment; or (c) to enforce any terms, conditions or provisions hereof. Lessee agrees to pay all costs and reasonable attorney's fees of Lessor incurred in connection therewith.
- 10. THEFT WARNING.** Failure to return Equipment on the termination date, in certain circumstances, will be considered a theft resulting in criminal prosecution.
- 11. TAXES.** Lessee agrees to pay any and all taxes, license fees, or permit fees arising out of the rental and use of the Equipment. Lessor agrees to pay taxes whether said taxes are stated on page one or whether said taxes are later claimed by the governmental authority. In the event of a claim by any governmental authority for taxes arising out of this transaction, Lessee agrees to pay to Lessor said taxes upon demand.
- 12. TITLE AND SUBLEASE.** Title to the Equipment is and shall remain in Lessor. If the Equipment is levied upon for any reason whatsoever, Lessor may retake the Equipment without notice or legal process, and may take all action reasonably necessary to do so. Lessee shall not assign this agreement or sublet the Equipment. The Equipment is to be used solely by Lessee and kept within Lessee's possession and control.
- 13. INSURANCE.** Lessee shall maintain liability insurance coverage for personal injury and property damage arising out of Lessee's transportation and operation of the Equipment in an amount sufficient to protect Lessee from such claims. Lessee shall maintain Workers' Compensation Insurance for Lessee's employees transporting or operating the Equipment. Lessee shall also maintain property insurance coverage for physical loss or damage to the Equipment including but not limited to, fire, theft, and vandalism.
- 14. CONSTRUCTION.** The paragraph headings used herein are for convenience only and are not to be used in construing the meaning or intent of any of the terms or provisions of the lease. The term "Lessee" includes Lessee's agents and employees.

By signing I have read and understood the above terms and conditions set forth from this contract. _____