

In consideration of the renting by LESSOR of that certain EQUIPMENT described on the face hereof "EQUIPMENT", without operator, to the CUSTOMER named on the face hereof, "CUSTOMER" for the term described herein, upon the terms and conditions herein set forth and for the price specified herein, the CUSTOMER agrees as follows:

1. This Agreement is solely for the purpose of creating a rental transaction which allows CUSTOMER to use the EQUIPMENT as permitted by the Agreement. Title to said EQUIPMENT shall remain vested in LESSOR and CUSTOMER shall have no right to assign, transfer, hypothecate or cause any liens or encumbrances to attach to the EQUIPMENT or any interest therein nor part with possession of, nor sublet EQUIPMENT or any part thereof, without the prior written consent of LESSOR, and CUSTOMER will defend, indemnify and hold LESSOR harmless from all loss, liability and expenses including attorney's fees by reason thereof. No waivers, counter claims or offsets of any kind or nature shall be set up or urged against LESSOR without the prior written consent of LESSOR. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of CUSTOMER and LESSOR. No option to purchase said EQUIPMENT attaches to this Agreement. Any option must be in writing and signed by a manager of LESSOR.

2. Rental rates are for single shift use (up to 8 hours per day). Fraction of day draws full daily charge. Total charge based upon elapsed time whether EQUIPMENT used or not. Additional charges will apply for usage if in excess of 8 hours/day, 40 hours/week, or 160 hours/month. For such excess, if any, a surcharge will be added based upon a prorated of the daily, weekly or monthly rate, whichever is applicable. CUSTOMER will pay LESSOR on demand at LESSOR's facilities designated on the front of the Agreement, all rental, transportation, sales and use tax or tax reimbursement imposed with respect to the EQUIPMENT and other charges and sums, as provided for in the Agreement, including reasonable attorney's fees incurred in enforcement of the Agreement or for collection of any sums due. Any individual signing this Rental Agreement for the CUSTOMER shall thereby make said CUSTOMER liable for full payment of all rental services and any other costs that might be incurred until such time as the EQUIPMENT is returned to the LESSOR. If the CUSTOMER fails to pay any amount that becomes due under this Agreement or fails to pay any invoice to LESSOR in accordance with the terms of such invoice, the CUSTOMER will be obligated to pay a service charge of 1.5% per month (18% per annum) on the delinquent balance.

3. CUSTOMER represents and warrants that he shall not allow any person who is not qualified to operate the EQUIPMENT or use the EQUIPMENT. However, the exact manner in which this EQUIPMENT will be used and the trade and occupation of the user and the qualifications or lack of qualifications of the user are beyond the control of the LESSOR. LESSOR therefore expressly disclaims any responsibility for CUSTOMER's compliance or failure to comply with OSHA and/or any other governmental safety regulations or standards. LESSOR shall not, in any case or under any circumstances, be liable or responsible for any damage to property or injury to persons or death suffered or sustained in the use, operation and/or handling of EQUIPMENT covered by this Agreement or otherwise in connection therewith, no matter how caused or occasioned. CUSTOMER assumes all risk and liability for and in connection with the EQUIPMENT covered by and during the term of this Agreement or any holdover period, and CUSTOMER indemnifies and holds LESSOR harmless from all claims, lawsuits, loss, injuries (including death), liability and expenses including attorney's fees by reason of CUSTOMER's use, operation and/or handling of EQUIPMENT including compliance with OSHA or any other governmental safety regulations or standards excepting any loss due to the gross negligence or intentional misconduct of LESSOR. CUSTOMER has been given and understands operating and safety instructions.

As a supplier of mobile rental equipment, LESSOR disclaims responsibility for any and all permits or licenses necessary to operate the EQUIPMENT due to zoning, air quality, building or construction codes or use permits pertaining to CUSTOMERS' or CUSTOMERS' client's particular application of such EQUIPMENT or any similar type of permit. Note: South Coast Air Quality Management District (SCAQMD) permit conditions may apply to the rented EQUIPMENT. In the event the EQUIPMENT rented has been permitted by SCAQMD, CUSTOMER acknowledges receipt of the SCAQMD permit conditions for operation of the EQUIPMENT. CUSTOMER indemnifies and holds LESSOR harmless from any and all use of said EQUIPMENT in violation of these conditions including any fines, penalties, damages or expenses (including attorney's fees). A copy of the permit to operate is on file with LESSOR and is posted on the EQUIPMENT rented.

4. CUSTOMER acknowledges the receipt in good order and condition of said EQUIPMENT and agrees to take good care of said EQUIPMENT. It is the CUSTOMER's responsibility to fuel, add and change oil and filters, lubricate, make minor adjustments and perform other maintenance in accordance with manufacturer's recommendations. The CUSTOMER agrees to replace cutting edges, bits and teeth or other wear items as required at his expense.

If CUSTOMER does not have the capacity to service the EQUIPMENT, CUSTOMER may contact LESSOR to perform these services at CUSTOMER's expense. The cost for this service will be at the prevailing labor, travel and parts pricing. In the event that the service is not performed, the CUSTOMER will be charged for the cost of performing the service when the unit is returned to LESSOR. CUSTOMER will be held liable for any damages that result from failure to perform the required service.

5. CUSTOMER agrees to pay all the transportation charges on EQUIPMENT covered by this Agreement from the time the EQUIPMENT leaves LESSOR's premises until the time it is returned.

6. CUSTOMER warrants and represents that the EQUIPMENT shall not be exposed to any hazardous, toxic or chemically reactive material while in possession and use by CUSTOMER except for those hazardous materials incorporated into the EQUIPMENT itself. At the expiration or sooner termination of this Agreement, or upon LESSOR's prior demand, CUSTOMER promises to return all EQUIPMENT to LESSOR's premises, in the same good, clean and uncontaminated condition as when delivered to CUSTOMER, subject only to reasonable wear. Reasonable wear shall mean only the normal deterioration of the EQUIPMENT caused by ordinary and reasonable use on a single shift basis. The following will not be deemed reasonable wear: damage resulting from lack of lubrication or lack of maintenance; necessary fluid levels; damage resulting from lack of normal services or preventative maintenance; damage resulting from any collision, overturning, or improper operation of EQUIPMENT including damage in the nature of breakage, bending, or tearing to the EQUIPMENT or any part thereof; damage to tires caused by puncture, bruise, abrasion or cut of by wear at a rate in excess of 1/16" inch per month. Additional items not considered reasonable wear include excessive dust, salt water damage, corrosion and similar occurrences, or exposure to any and all hazardous, toxic, or chemically reactive substances.

7. If the EQUIPMENT is returned in a damaged or excessively worn condition, CUSTOMER shall pay LESSOR the reasonable costs of restoration. In the case of the loss or destruction of said EQUIPMENT, or any of the accessories, or the loss of possession thereof, or inability to return same to LESSOR, CUSTOMER agrees to reimburse LESSOR to the full extent of the current retail replacement value.

8. If the rented EQUIPMENT has been used in compliance with this Agreement, and if CUSTOMER has agreed at the beginning of the rental to the loss and limited damage waiver (LDW) which is NOT INSURANCE, and pays the additional charges as specified for LDW on the face of the Agreement, LESSOR agrees to waive any claim against CUSTOMER for direct physical loss of or damage to the EQUIPMENT for any external cause except as follows:

- A. The greater of \$500.00 or three times the monthly rental charge in effect on the date of the Rental Agreement, for loss or damage as a result of theft, vandalism or malicious mischief.
- B. Accessories such as air hose, tool steel, electric cord, blades, welding cable, LPG tanks, fuel containers and other similar items are excluded from the theft coverage and CUSTOMER shall be responsible for same.
- C. Use of the EQUIPMENT in violation of any of the terms of this Agreement, including exposure to hazardous or toxic substances.
- D. Damage or loss as a result of overloading or exceeding the rated capacity of the EQUIPMENT, damage to crane, derrick or derrick booms, or forklift masts or mast carriages.
- E. Loss caused by negligence or willful neglect of CUSTOMER.
- F. Damage to electrical appliances, motors or other electrical devices caused by artificial electrical current.
- G. Damage or loss as a result of the lack of lubrication or normal servicing of the EQUIPMENT.
- H. Loss or damage to the tires or tubes, such as blowouts, bruises, cuts or other causes inherent in the use of the EQUIPMENT.
- I. Any engine damage which occurs from the use of improper fuel.
- J. EQUIPMENT used outside of the continental United States.
- K. Disappearance of the EQUIPMENT or theft or conversion not documented with the applicable public authorities (such as a police report), and a copy promptly supplied to LESSOR, and any other failure of CUSTOMER to promptly notify LESSOR of any damage or loss, and to cooperate fully with LESSOR supplying all information necessary to document said claim.

NOTE - THIS WAIVER OF SUBROGATION DOES NOT APPLY TO ANY BODILY INJURY OR PROPERTY DAMAGE LIABILITY CLAIMS.

9. If CUSTOMER has not agreed to pay for the loss and limited damage waiver (LDW) at the beginning of rental, CUSTOMER agrees to provide instantaneous and continuous all risk Contractor's Equipment Floater Physical Damage Insurance loss payable to LESSOR for full replacement value on all rental EQUIPMENT while in CUSTOMER's possession and until returned to LESSOR's custody. In all circumstances CUSTOMER agrees to provide LESSOR with a certificate of insurance giving evidence of commercial general liability, automobile liability, worker's compensation, and contractor's EQUIPMENT coverage in such limits satisfactory to LESSOR and having at least thirty days written notice of cancellation to the LESSOR.

10. In the event of any failure of the rented EQUIPMENT of any nature whatsoever, CUSTOMER shall immediately return it to LESSOR's premises. CUSTOMER shall not incur any expense on LESSOR's account for the repair of any rented EQUIPMENT without LESSOR's prior written authorization. LESSOR shall not be responsible to CUSTOMER for any loss, damage, or injury to CUSTOMER or any other party, caused by, resulting from or in any way connected with the failure of the EQUIPMENT, non-performance of the EQUIPMENT, or delay in delivery, or other delay, or any defect in the EQUIPMENT, or from any other cause whatsoever, and all such claims are hereby specifically waived by CUSTOMER. In no event shall LESSOR be responsible for special, incidental or consequential damages whatsoever or howsoever caused including but not limited to loss of use, business interruption or any other economic loss, whether in contract, negligence or any theory of liability.

LESSOR makes no warranty, either oral or written, express or implied including merchantability or that the rented EQUIPMENT is fit for the particular purpose for which CUSTOMER intends to use it.

11. In the event of the loss or theft of or damage to the EQUIPMENT, CUSTOMER hereby agrees to notify LESSOR immediately by telephone and thereafter to immediately report in writing to LESSOR and the appropriate public authorities all information deemed relevant concerning such loss, theft or damage to the EQUIPMENT.

12. CUSTOMER agrees not to take said EQUIPMENT or cause the same to be taken out of the counties of Southern California without prior written permission for LESSOR.

13. Any holdover permitted by the LESSOR beyond the originally estimated rental period as set forth herein shall extend the term of the Rental Agreement on the same terms and conditions as set forth herein except that during any holdover period LESSOR may retake possession of the EQUIPMENT and terminate the Rental Agreement, with or without cause, on twenty-four hours notice.

14. If LESSOR fails to make payments as provided in this Agreement, or fails to abide by the terms and conditions of this Agreement, or if the EQUIPMENT covered by this Agreement is attached, levied upon or taken possession of under any writ, process or order of any court; or if CUSTOMER becomes insolvent or is declared a bankrupt; or if the EQUIPMENT is misused, abused, uncared for, not kept in first class condition, or abandoned; or if the EQUIPMENT is either removed from the area designated in Paragraph 12 or else this Rental Agreement is assigned without the knowledge and written consent of LESSOR if taxes or assessments attached to the EQUIPMENT become delinquent; or if the EQUIPMENT becomes subject to a lien of others, then LESSOR, without notice or demand, may take possession of the EQUIPMENT covered by this Agreement wherever found, and, at its option may terminate this Agreement, after which CUSTOMER shall pay to LESSOR all rentals and other obligations due, together with all costs and expenses of retaking this EQUIPMENT and of returning it to LESSOR, including attorney's fees for consultations or for any action that may be brought for the recovery of the EQUIPMENT or for the enforcement of any of LESSOR's rights. It is further understood that each and all of the remedies given to LESSOR in this Agreement are cumulative and that the exercise of one right or remedy by LESSOR shall not impair its right to any other remedy.

15. Time is of the essence of this Agreement with respect to the performance by the CUSTOMER, and the acceptance by LESSOR of any delinquent payment or any express waiver made by LESSOR shall not waive this provision.

16. This Agreement is made and entered into in the State of California and the laws of the State of California shall apply to it. Should any provision of this Agreement be held invalid such provision shall be deemed to be eliminated insofar as it is declared invalid and the balance of this Agreement shall in no way be affected thereby. The terms and conditions contained herein constitute the entire Agreement between LESSOR and CUSTOMER with respect to the subject matter hereof and supersede all previous oral and written communications and representations. Any contrary terms contained in a purchase order or other writing from the CUSTOMER is hereby rejected and superseded by the terms and conditions contained in this Agreement. This Agreement may not be changed, altered, supplemented or added to at any time except by a writing signed by both parties.