

Lessor hereby grants to Lessee and Lessee hereby hires from Lessor the equipment described on the facing page subject to the provisions set forth on the front side of contract and page below.

RENTAL PERIOD

The rental shall start immediately upon delivery to the Lessee or instructed delivery site of the equipment and shall end upon return of the equipment to Lessor's premises and possession. Lessee shall return equipment in the same condition as received and shall deliver same to the Lessor's premises on the date specified in the agreement or sooner. Lessor may terminate rental at any time by written notice to Lessee or by retaking the equipment. Lessee is responsible for the equipment until properly checked in at the Lessors place of business by Lessor.

NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND RENTAL PROTECTION PLAN

Lessee hereby acknowledges **Rental Protection Plan is not insurance**. You are responsible for all damages to the rented equipment even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the equipment, loss of use, and pick up charges. Your own insurance may cover all or part of your financial responsibility for the rented equipment. You should check with your insurance company to find out about your coverage. The Rental Protection Plan WILL NOT COVER YOU IF:

1. Equipment is operated on a job location other than the one authorized in this agreement or otherwise authorized in writing by Lessor;
2. Damage results from willful, wanton, reckless or intentional conduct;
3. Damage results from lack of lubrication or maintenance of necessary oil, water and air pressure levels, or a lack of servicing or preventative maintenance as suggested in the manufacturer's Operation and Maintenance Manual; **Damage to tubes and tires caused by blowout, bruise cuts and road hazards.**
4. Damage results from a natural disaster, mysterious disappearance, theft, or fire; or
5. Damage results from obvious neglect, including but not limited to operating the equipment in excess of its capacity or violation of any restriction of operation noted on this page.

Unless you can specifically provide a certificate of insurance naming Clairmont Equipment Company as loss payee for all rental equipment, **we are required to charge you a 15% fee on the total rental charge**. Lessor leases to the undersigned Lessee the above-described equipment upon the terms and conditions set forth on this page and on the front side hereof. Lessee promises to pay all charges provided herein and to return the above-described equipment no later than the date the equipment is to be returned as set forth above. Lessee warrants and represents that all dates and information furnished to Lessor including identification presented, have been furnished by Lessee as an inducement to Lessor to lease the equipment, and that all such information, data, names, and addresses are true and correct. Lessee warrants and represents that the leased equipment will be used for business purposes only and not for personal, family or household purposes.

REPAIRS

Lessee acknowledges receipt of the equipment covered by this agreement in good working condition and repair, and further acknowledges that Lessee has examined the equipment and understands its proper use. In the case of mechanical failure of Lessor's equipment for any cause, Lessee, at Lessee's expense, shall return it immediately to Lessor's premises and Lessee further acknowledges that without Lessor's specific written authority Lessee has no authority to incur any expense for the repair of the equipment or otherwise.

DISCLAIMER OF WARRANTIES

LESSEE TAKES EQUIPMENT AS IS. 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 or defect in the equipment shall be the right to return the equipment to the Lessor, at which time all rental charges shall cease. Lessor shall not be responsible to Lessee or any agent or employee of Lessee, or to any other party for any loss, damages or injury of any and every nature whatsoever, including any special or consequential damages caused by, resulting from, or in any way connected with the rental of this equipment, the operation or use of this equipment, or any defect or failure of the equipment.

HOLD HARMLESS AGREEMENT

Lessee hereby agrees to hold harmless, indemnify and defend Lessor against any and all costs, defense expenses and court costs, on account of any personal injury or property damage sustained by anyone while Lessee has possession, custody or control of the leased equipment, arising out of the use or misuse of the equipment herein leased, or arising out of any defect in the design or manufacture of said equipment, or arising out of Lessor's negligence or failure to warn people or from any other contributing cause.

SERVICE

Lessee shall perform and pay for all normal periodic and other service adjustments and lubrication of equipment. If equipment should at any time fail to properly operate or need repair, Lessee shall immediately cease using the equipment and notify the Lessor.

COMPLIANCE WITH LAW AND SAFETY REGULATIONS

As Lessor has no control over the use of the equipment by Lessee, Lessor agrees at its sole expense to comply with all laws and regulations, including the Occupational Safety and Health Administration Act of 1970 (OSHA) and all other federal, state, and local laws, regulations, and ordinances which may affect the equipment while it is in the possession of Lessee and Lessee shall indemnify and hold Lessor harmless from any liability or expense including attorney's fees resulting from actual or asserted violations of such laws, regulations and ordinances.

LIABILITY FOR DAMAGED EQUIPMENT

If the equipment is returned in a damaged or excessively worn condition, Lessee shall pay Lessor the reasonable cost of repair and pay rental on the equipment at the regular rental rate until repairs have been completed. Lessor shall be under no obligation to commence repair work until Lessee has paid for rent and repairs. Lessee shall not be responsible for reasonable wear and tear. Reasonable wear and tear shall mean only the normal deterioration of equipment caused by ordinary and reasonable use on a one-shift (8 hours per day, 5 days per week) basis.

The following shall not be deemed reasonable wear and tear:

1. Damage resulting from lack of lubrication or maintenance of necessary oil, water and air pressure levels.
2. Damage resulting from lack of servicing or preventative maintenance suggested in the manufacturer's Operation and Maintenance Manual.
3. Damage resulting from any collision, overturning, or improper operation of the equipment, including overloading or exceeding the rated capacity of the equipment.
4. Damage in the nature of dents, bending, tearing, straining and misalignment to the equipment or any part thereof; and where resulting from use in excess of a one shift basis.

SUBLETTING AND LOCATION OF USE

Subletting, re-letting or assignment of the leased equipment is strictly prohibited. The leased equipment may be operated only at the job location authorized in this contract. Removal of the leased equipment from the authorized location constitutes a breach of contract. Should Lessee desire to use the leased equipment at a job location other than authorized in this contract, Lessee must obtain the prior written authorization of Lessor before the equipment is moved. Failure to fully comply with this provision constitutes a breach of contract, and the use of the equipment at an unauthorized location could result in Lessor reporting the equipment stolen or embezzled.

DEFAULT AND RETAKING OF EQUIPMENT

In the case of default or breach of this agreement by Lessee, or if Lessor for any reason deems it necessary to recall the equipment, Lessor may enter the premises where the equipment is located and remove same with or without process of law, and without notice to Lessee, and may return this agreement without prejudice to any other remedies or claims for rent which Lessor may otherwise have. Lessee waives for himself, agent and employees, all rights of damage and loss, physical and pecuniary caused by the retaking by Lessor. Lessee agrees to pay all costs and expenses incurred by Lessor in retaking the equipment.

RETURN OF EQUIPMENT / DAMAGED & LOST EQUIPMENT

At the expiration of the rental period, Lessee will return the equipment to the Store Location during the Lessor's regular business hours, such equipment to be in the condition and repair as when delivered to Lessee, subject to reasonable wear and tear, as defined below. Lessee shall be liable for all damages to or loss of the equipment from the time the equipment leaves the Store Location until the equipment is returned to and accepted by the Store Location, including any damage during transit to or from Lessee. In the case of the loss or destruction of any equipment, or inability or failure to return same to Lessor for any reason whatsoever, Lessee will pay Lessor the then full replacement list value together with the full rental rate as specified until such equipment is replaced. If the equipment is returned in a damaged or excessively worn condition, Lessee shall pay Lessor the reasonable cost of repair and pay rental on the equipment at the regular rate until all repairs have been completed. Lessor shall be under no obligation to commence repair work until Lessee has paid to Lessor the rent due and estimated cost thereof. Reasonable wear and tear is that normal condition resulting from designed use of equipment.

PAYMENT / INTEREST ON OVERDUE ACCOUNTS

All amounts due hereunder shall be payable in full upon the end of the rental period, return of the equipment to Lessor or 30 days following Lessor's invoice to Lessee, whichever comes first. A late charge of 1.5% per month shall be charged on all past due amounts. All payments received shall be applied first to service charges, then to costs and other expenses relating to this lease and then to rent.

APPLICABLE LAW

Lessor and Lessee agree that this contract shall be interpreted under and governed by the laws of the State of California. Any litigation to enforce or interpret the provisions of this Lease or the party's rights and liabilities arising out of this Lease or the performance hereunder shall be maintained only in the courts in the County of San Diego, California. Both parties agree to WAIVE THE JURY BY TRIAL and accept a Jury by Judge only.

ATTORNEY'S FEES

Lessee agrees to pay Lessor's reasonable costs and attorney's fees incurred in the enforcement of any terms or conditions of this contract. The prevailing party to any litigation to enforce this contract shall also be entitled to his reasonable costs and attorney's fees incurred in enforcing a judgment, defending a judgment on appeal, or prosecuting a successful appeal. It is expressly recognized by the parties to this contract that the allowance of post-judgment attorney's fees, as provided in this paragraph, are distinct and severable from the rights sued upon, and the rights granted hereunder are not to be merged into any judgment.

RENTAL PERIOD / CALCULATION OF CHARGES

Rental charges commence when the equipment leaves the Store Location and ends when the equipment is returned to the Store Location during Lessor's regular business hours. Rental charges accrue during Saturdays, Sundays and Holidays. Rental rates are for normal usage based on an 8 hour day, 40 hours per week and 160 hours per 4 week period. On power equipment, operations in excess of one shift, add 50% for 2 shifts, 100% for 3 shifts. Lessee will truthfully and accurately certify to Lessor the number of shifts the equipment was operated. Lessee's right to possess the equipment terminates on the expiration of the rental period and retention of possession after this time is a material breach of this Rental Agreement. TIME IS OF THE ESSENCE.

DEPOSITS

In addition to securing the payment of rental charges hereunder, Lessee agrees that any rental deposit shall be deemed to be a guarantee by Lessee of the full and complete performance of each and all of the terms, covenants, and agreements to be performed by Lessee hereunder, and in the event of any breach by Lessee, the deposit will be credited against any damages, cost or expense incurred by Lessor as a result of the breach.

TERMS AND CONDITIONS OF SALE (APPLIES ONLY TO ITEMS SOLD, NOT RENTED)

In consideration of the purchase of the equipment described by the undersigned (herein after referred to as the "Buyer") from the company name on the reverse side (herein after referred to as the "Dealer"), upon the terms and conditions and the price herein specified, it is agreed as follows:

"When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board website at <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>." Additionally, "An on-road heavy-duty diesel or alternative-diesel vehicle operated in California may be subject to the California Air Resources Board Regulation to reduce particulate matter and criteria pollutant emissions from In-Use Heavy-Duty Diesel Vehicles. It therefore could be subject to exhaust retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board website at <http://www.arb.ca.gov/dieseltruck>."

USED PRODUCTS

The Buyer hereby acknowledges that the product(s) described on the front side of contract hereof, which is the subject of this sale is a "used product" and is being sold on an "as is" and "with all faults" basis. The Dealer as the seller makes NO expressed warranties of MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE and the DEALER does NOT make any implied warranties of MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE or any other warranties unless the DEALER has so provided in writing and the writing is signed by an AUTHORIZED REPRESENTATIVE of the DEALER. "When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants." I, the buyer, hereby acknowledge that I have read all of the above terms and conditions of sales and that I understand that this is an "as is" sale of used goods.

NEW PRODUCTS

Buyer acknowledges that the ONLY warranties provided with this product(s) are those provided by the manufacturer and that the DEALER makes NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, either expressed or implied.