

Anderson Equipment Company Rental Policies

Term of the Lease:

Equipment rentals (also referred to as Lease) commence on the date the equipment leaves Anderson Equipment's (Anderson's) premises and continues until the equipment is returned, unless otherwise agreed in writing by Anderson, to Anderson's location from which the rental originated. All equipment shall be returned in the same condition as when delivered to the customer, ordinary wear and tear excepted. If the equipment is returned in an unusable condition, the rental shall continue until Anderson is able to restore the equipment to a usable-rentable condition.

All units remain the property of Anderson and under no circumstance shall title pass to the customer. All rented equipment is subject to sale to other parties at any time. If the equipment is sold, Anderson may elect trade of the rental piece with an acceptable equivalent unit at no additional expense to the customer.

Billings:

All rentals are based on the applicable daily, weekly or monthly term. Periods of use or operation of the equipment are on a basis not to exceed 8 hours per day (1 business day), 40 hours per week (5 business days) or 160 hours per four-week period (20 business days). A monthly rental is based on a 28-day month (20 business days). No deductions shall apply if the equipment is used for less than 8 hours per day, 40 hours per week or 160 hours per four-week period.

For any equipment usage in excess of the above amounts, the customer will pay an additional charge, computed on a pro-rata basis, as follows:

- If Equipment is used between 8 and 16 hours per business day for any period(s) during the rental, the customer shall pay an overtime charge ("Overtime Charge") allocable to such period(s). The overtime charge is defined below and will not be more than 50% of the agreed upon daily, weekly, or monthly rate (the "Standard Rate")
- If the Equipment is used more than 16 hours per business day for any period(s) during the rental, the customer shall pay an overtime charge allocable to such period(s). The overtime charge is defined below and will not be more than 100% of the agreed upon Standard Rate.

The Overtime Charge is determined by dividing the agreed upon daily, weekly, or monthly rate by 8, 40 or 160 respectively, and then multiplying this figure by the number of overtime hours. The Overtime Charge will not exceed the limits specified above. The number of hours the equipment has been used will be determined by the standard hour meter attached to the equipment, if the equipment has an hour meter.

Customers who return damaged equipment will continue to be billed at the specified rental rate until the equipment is fully repaired and returned to a rentable condition.

Rental charges are earned in advance and are due regardless of actual equipment use, breakdown, downtime or acts of nature (including without limitation rain, snow, etc.). Except for cash in advance transactions, all rental invoices are due net 30 days from receipt of invoice. A finance charge equivalent to 1% per month will be imposed on any past due balances. Payments, when made, shall apply first to accrued late or delinquency charges and the remainder shall apply to the rentals due hereunder.

Transportation Charges

All transportation and storage expenses in connection with the rental are the customer's responsibility unless otherwise agreed in writing. This includes transporting the equipment from Anderson's branch to the job site and back to the Anderson branch where the rental originated. All rentals are F.O.B. Anderson's branch. The customer shall be responsible for loading and unloading from the transport vehicle, erecting and dismantling the equipment at the job site, and reloading the equipment on the transport vehicle at the job site. If requested, Anderson will furnish service technicians on site for technical assistance during the erection or dismantling period. The customer is responsible for the appropriate service charge for this service.

Who May Operate The Equipment

Only the customer, the customer's employees, or non-employees approved by the customer in writing may operate the equipment. All operators must be at least 21 years old and be properly qualified to operate the equipment. Use of the equipment by a non-authorized operator will be at customer's sole risk.

Use And Maintenance of Equipment; Inspection; Repairs

The customer will use the equipment in the regular course of its business and only for the purpose intended, within equipment's rated capacity, in a safe manner, and in accordance with all federal, state, local and foreign laws and regulations. The customer also agrees to use and maintain the equipment in accordance with the operator's manual accompanying the equipment (in the event such manual is provided) and any and all instructions communicated by Anderson Equipment to the customer. The customer shall not make any modification, alternation or addition to the equipment without Anderson's prior written consent. The customer will keep the equipment in good operating condition, repair and appearance, and return the equipment to Anderson in as good a condition as when received. **THE CUSTOMER IS SOLEY RESPONSIBLE FOR ALL REPAIRS AND DAMAGE TO THE EQUIPMENT MADE NECESSARY BY ITS USE OF THE EQUIPMENT, OTHER THAN ORDINARY WEAR AND TEAR.** The customer will furnish all labor, parts, mechanisms and devices required to maintain and repair

the equipment, at its sole expense, unless otherwise agreed in writing by the parties. The customer will purchase all repair parts from Anderson and such parts will be Original Equipment Manufacturer ("OEM"). If Anderson has to replace non-OEM repair parts installed by the customer, all related costs will be at the customer's sole expense.

Equipment Damage

The customer shall bear the entire risk of loss, damage, destruction or theft of the equipment from **ALL** causes whatsoever, including acts of God, whether or not due to the fault of the customer, during the term of the Lease and thereafter until returned to Anderson. In the event of loss, damage or destruction of any item of equipment, the customer, at its sole expense, and at Anderson's option, shall (a) repair the equipment, returning it to its previous condition, unless damaged beyond repair, (b) pay Anderson's cost to repair the equipment (in the case of damage) or (c) pay the current market value of the equipment (in the case of loss or destruction).

Insurance:

The customer will be the absolute insurer of the equipment during the term of the Lease. The customer agrees during the full term and any renewal of the Lease and while the equipment is in transit to and from Anderson's premises to keep the equipment fully insured and to pay all insurance premiums, at its expense. The customer agrees to obtain and maintain comprehensive general liability coverage with the minimum limits of (a) \$1,000,000 per person and \$1,000,000 per occurrence for personal injury (including death) and (b) "all risk" physical damage coverage on the equipment for not less than the total replacement value of the equipment as of the commencement date of the lease (unless the customer purchases the Damage Waiver defined below). Both policies must name Anderson Equipment Company as an additional insured and shall waive rights of recovery and subrogation against each other. All policies shall be endorsed specifically to provide that the coverage required under the lease will be primary and that any insurance carried by Anderson shall be excess and noncontributory. The customer shall furnish Anderson with certificates of insurance and shall promptly notify Anderson of any changes or cancellations of said insurance coverage and immediately obtain substitute comprehensive general liability coverage and "all risk" physical damage coverage per the above requirements.

Damage Waiver:

If the customer is not able to obtain sufficient property insurance, the customer may elect to purchase a Damage Waiver from Anderson. Under Anderson's Damage Waiver program, if the equipment is used in compliance with the terms and conditions of the Lease and the customer pays all charges when due, the customer shall not be required to reimburse Anderson for any loss of or damage to the equipment, except for the first \$1,000 (or such other amount as may be specified on the DW) of loss or damage to any single item of equipment from any cause. **THERE ARE EXCLUSIONS TO ANDERSON'S DAMAGE WAIVER PROGRAM THAT THE CUSTOMER SHOULD BE FAMILIAR WITH PRIOR TO PURCHASING THIS OPTION. SEE YOUR ANDERSON SALES REPRESENTATIVE FOR MORE DETAILS. IT SHOULD ALSO BE NOTED THAT ANDERSON DAMAGE WAIVER PRODUCT DOES NOT PROVIDE LIABILITY INSURANCE. THE CUSTOMER IS RESPONSIBLE FOR PROVIDING ITS OWN COMPREHENSIVE GENERAL LIABILITY COVERAGE.**

Sale of Equipment:

All equipment remains the property of Anderson and is subject to sale to other parties at any time unless the customer has executed an agreement to purchase the equipment from Anderson. **ANDERSON'S RENTAL AGREEMENTS DOES NOT PROVIDE THE CUSTOMER WITH AN OPTION TO PURCHASE THE EQUIPMENT.** Any sales agreement for the equipment must be separately agreed upon in writing by both parties. If Anderson agrees to sell the equipment to the customer, a portion or none of the previously paid rental charges may be applied towards the purchase price of the equipment. The customer should contact his sales representative for full details on Anderson's existing policies regarding the purchase of rental equipment.

THE INFORMATION ON THIS SHEET IS INTENDED TO ONLY PROVIDE A SUMMARY OF ANDERSON EQUIPMENT'S RENTAL POLICIES. THE ABOVE INFORMATION IS NOT COMPREHENSIVE AND IS NOT BINDING ON ANDERSON AND/OR THE CUSTOMER. THE SPECIFIC TERMS AND CONDITIONS WHICH GOVERN ANDERSON'S LEASE CONTRACTS APPEAR ON ANDERSON'S RENTAL ORDER AND LEASE AGREEMENT FORMS. THE CUSTOMER IS ENCOURAGED TO THOROUGHLY READ THESE FORMS PRIOR TO EXECUTING A RENTAL CONTRACT WITH ANDERSON.