

TERMS AND CONDITIONS FOR EQUIPMENT RENTAL

1. **Rental Period.** The initial rental period begins on and includes the date of shipment to Lessee or date of pick-up of equipment by Lessee and shall end on the day indicated on the Rental Agreement. Lessee shall give written notice to Lessor at least 30 days prior to the end of the initial rental period if Lessee desires to extend the rental period for an additional term. The terms of an extended rental period will be set forth in a separate writing between Lessor and Lessee.

2. **Rental Payment.** Lessee shall pay the rental amount set forth on the Rental Invoice, which shall include an initial payment and security deposit set forth in the rental agreement, unless otherwise agreed to by Lessor. Lessor reserves the right to require an additional damage deposit.

3. **Lessor Inspection Prior to Shipment.** The Lessor shall use reasonable care to see that the equipment is in proper working condition before shipment to Lessee. It is not to be actually operated or tested unless such operation or test is deemed necessary by Lessor or unless Lessee shall request such operation or test in writing, in which event the Lessee will be notified of the time and place of said operation and test and shall be permitted to be present during said operation and test. If having requested it, Lessee fails to be present at the time of operation and test Lessee agrees that said equipment as turned out is in proper operating condition. By accepting the equipment via delivery or pick-up, Lessee acknowledges that the equipment is in proper operating condition.

4. **Damage in Shipment.** All costs of transporting the equipment are the responsibility of Lessee. Should any of the machinery equipment or appurtenances be received and accepted by the Lessee from any drayman, railroad company or any other carrier transporting same in a damaged condition, or with any of the machinery, equipment, parts or appurtenances missing, it shall be the duty of the Lessee to obtain from said drayman, railroad company or other carrier a written acknowledgment of the damage or shortage. The failure on the part of the Lessee to obtain such statement or acknowledgment upon his receipt and acceptance of said machinery, equipment, parts and appurtenances shall be treated as an acceptance of said machinery equipment, parts and appurtenances in good, safe, serviceable condition and fit for use. Any damage or loss which has occurred and is not covered by a written acknowledgment or statement as aforesaid, or which occurs after acceptance of said property, shall be repaired and replaced at the expense of the Lessee. If the machinery, equipment, parts or appurtenances are damaged or lost in transportation and the Lessee furnishes to the Lessor a written detailed acknowledgment and statement from the carrier setting forth the character of damage and loss, the Lessor agrees to within a reasonable diligence in having said damage repaired and loss replaced within a reasonable time, but the equipment shall be deemed to have been delivered on the date of the acceptance thereof from the carrier.

5. **Use of Equipment.** The Lessee shall use reasonable care to ensure that the equipment is in proper working condition before each start-up or use of the equipment by the Lessee. Lessee agrees to care for the equipment properly, to use it within its rated capacity, to restrict use to the Lessee's authorized personnel and to prohibit anyone other than Lessee's or Lessor's authorized personnel to maintain and repair the equipment and to notify the Lessor immediately of accidents or failures of the equipment or any impact on the use of the equipment. The Lessee shall enter into a Maintenance Agreement with Lessor for routine maintenance services unless otherwise agreed in writing by the parties, including but not limited to supplying fuel, oil, greases, coolant, filters, etc. Daily checking of the general condition, including tires, oil levels, cooling system, water and batteries, recharging batteries and the like will be performed in a routine preventive maintenance fashion by the Lessee. Lessee must timely produce at the request of Lessor satisfactory evidence of Lessee's preventive maintenance inspections with respect to the equipment. In the event the equipment is damaged or not operational, the lease term shall continue and all payments due shall continue to be paid. The Lessee agrees not to use the equipment and machinery hereby leased more than the number of hours indicated in the Rental Agreement unless provision for additional compensation for overtime is made with Lessor. Lessor reserves the right to terminate this rental agreement without notice if the equipment is being misused by Lessee.

6. **Maintenance and Repairs.** Lessee shall, unless there is a specific waiver by Lessor, enter into a Maintenance Agreement with Lessor pursuant to which Lessor will exclusively provide basic maintenance for the equipment for the Lessee under the terms of the applicable Maintenance Agreement. In the event of accident to or breakage of any part of the equipment, Lessor shall be contacted and shall do the applicable repairs at Lessee's expense, unless circumstances make such repairs impracticable, at which point, Lessor may consent to have Lessee have the equipment repaired by any competent person, firm or corporation at its own expense. All such third party repair records shall be provided to Lessor. The ultimate reconciliation of maintenance and repair costs will occur at the time the equipment is returned to Lessor.

7. **WARRANTY. THE LESSOR AND THE MANUFACTURER OF THE EQUIPMENT MAKE NO REPRESENTATIONS OR WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** It is Lessee's obligation to determine if the equipment and the use of the equipment comply with any laws, rules, specifications or contracts which provide for special machinery, apparatus or special methods. In the event the Lessee accepts the equipment as herein provided and thereafter the said equipment proves defective or unfit for use because of accident or otherwise, or if for any other reason Lessee desires to discontinue the use of said equipment, the only remedy of Lessee shall be to return the equipment to Lessor and terminate the agreement as herein elsewhere provided by paying all rental charges and other charges herein provided for, which in no event shall be less than the transportation charges on the said equipment and minimum rental herein provided for.

8. **Compliance with Laws.** The Lessee agrees to comply with and conforms to all municipal, state and federal laws relating to the operation of machinery and to pay all costs and expenses of every character occasioned by or involving the use or operation of the machinery or equipment and to pay all legal assessment, taxes or public charges which may be levied upon said equipment while in the possession of the Lessee.

9. **Acts of God.** The Lessee agrees to pay the Lessor for all loss and damages occasioned by fire, flood, accident, explosion, wreck, an act of God or any other causes that may occur during the life of this lease and until such equipment has been returned into the possession of the Lessor and accepted by it. For the purpose of finding the valuation of said property in order to determine the loss, damage or injury thereto, it is agreed by the parties hereto that the value as hereinbefore stated shall be a true and just value forming a basis for such adjustment. In making such adjustment it is understood that no rentals therefore paid or due shall apply to the payment of such loss

10. **Risk of Loss.** The Lessee agrees to assume all risk of loss and to indemnify and hold Lessor, its officers, agents and employees, harmless of and against all liabilities, demands, claims, suits, closes, damages, cause of action, fines or judgments, including costs, reasonable attorney and witness fees, and expenses incident thereto, for personal injury (including without limitation death) and for loss of, damage to, or destruction of property (including without limitation environmental liability and property of Lessor) arising out of or in connection with this rental agreement, including but not limited to, the operation, handling or transportation of any equipment during the rental period while such equipment is in the possession or under the custody and control of Lessee, unless caused by the gross negligence or willful misconduct of Lessor. Lessor shall not be liable to the Lessee for any loss, delay or damage of any kind or character resulting from defects in, or the inefficiency of the equipment or accidental breakage of the equipment.

LESSEE INITIALS: _____

11. Title, Return of Equipment. The title to the property herein and to all replacements thereof, and substitutions therefore, is and shall remain in Lessor, and said machinery and equipment shall not become a part of any building, by being placed therein or by being annexed thereto. This is a rental agreement only and nothing in this agreement conveys to the Lessee any right, title or interest in or to any of the equipment. Retention of possession of the equipment after the lease period has expired constitutes a material breach of this Agreement. If the equipment is not returned for whatever reason at the end of the rental period, the Lessor may retake possession without any notice or legal process whatsoever. Lessee agrees to indemnify, defend and hold Lessor harmless from any and all claims and costs arising such retaking of the equipment, including attorneys fees.

12. Location of Equipment. The Lessee agrees, whenever requested by Lessor, to give Lessor the exact location of all machinery and equipment covered by this agreement and further agrees to give Lessor immediate notice of any levy attempted upon said equipment or if said equipment from any cause becomes liable to seizure and to indemnify Lessor against all loss and damage caused by any such action. The Lessor shall have the privileges at all times of entering any job, building, or location where the above property is being used for the purpose of inspection, and reserves the privilege of removing said machinery and equipment on twenty-four hours' notice if it is being overloaded or taxed beyond its capacity or in any manner being abused or neglected.

13. No Assignment. The lease or any interest hereunder shall not be assigned, nor shall the equipment or any part therefore, nor shall Lessee part with possession of the same, without the prior written permission of Lessor. Lessee agrees not to use the equipment outside of the United States of America without prior written consent.

14. Breach of Rental Agreement. Should any of the provisions of this rental agreement be violated by Lessee the rental for the entire period herein specified shall become due and payable, and the Lessor or its agents may, without notice enter the premises occupied by Lessee without being a trespasser thereon and take possession of and remove said equipment with or without process of law. In the event any action as hereinbefore set forth becomes necessary the Lessee agrees to pay all freight demurrage, storage, labor or other charges on or against said property incurred during or by the removal, shipping and return to the possession of the Lessor or to a place designated by Lessor.

15. Payment Obligations. Unless otherwise agreed to with Lessor, Lessee shall (a) make the first month's rental payment plus any applicable security deposit, prior to taking possession of the equipment; and (b) Lessee shall provide ACH instructions on a form satisfactory to Lessor for all future rental payments. All damages and other sums due Lessor under this agreement accrue as soon as the loss occurs or services are rendered or materials are furnished. At the conclusion of the lease and final inspection, Lessor will determine any remaining amounts due. Lessee will be legally liable for such amounts, whether or not, Lessee signs the rental agreement on return of the equipment. All past due amounts shall bear interest at the highest lawful contract rate, except that, if Lessee is a corporation then interest shall be at the rate of 1.5% per month. If it becomes necessary to effect collection through assistance of an attorney, the Lessee agrees to pay reasonable attorney fees in connection herewith.

16. Consent to Return Equipment. Lessee agrees that if any of the lease provisions are violated and Lessor demands the return of the equipment that this lease shall constitute authority to the watchman or other persons responsible for the equipment to deliver all or any part of the equipment to the Lessor or its agents and in the event of refusal of watchman to permit removal of such equipment the Lessee shall thereupon be liable to Lessor of the additional sum of Five Hundred Dollars (\$500.00) per day to cover delay and expense in the return of the equipment. This penalty shall be in addition to any other rental charges due under this agreement. Lessor shall have all rights to a self-help repossession and shall not be required to seek any legal process prior to repossessing any equipment which is either not returned when due or arising as a result of a breach of this agreement.

17. Modifications to Agreement. Any and all changes to this agreement must be in writing and approved in writing by both Lessor and Lessee in order to be effective.

18. Governing Law & Jurisdiction. This lease shall be construed in accordance with the laws of the State of Minnesota. Lessor shall at its option have the right to resolve any disputes under the agreement in federal and state courts of Minnesota, including the Hennepin County District Court. Lessee consents to jurisdiction, and agrees that service of process by certified mail on Lessee of any such complaint shall be valid service of process.

19. Insurance and Insurance Certificate. The Lessee shall insure the equipment for its full replacement value under an ALL RISKS POLICY, including insurance against bodily injury including death and property damage with coverage of at least \$1,000,000. Lessor shall be an additional insured under the insurance policy. A copy of the insurance certificate shall be provided to the Lessor prior to the commencement of the rental. Failure of the insurance company to honor a claim in no way changes the obligation of the Lessee to compensate the Lessor for all damages sustained by Lessor as a result of a breach of this agreement or the negligence or other misconduct of Lessee.

20. General Terms and Conditions. This document is subject to the General Terms and Conditions, the Mechanic's Lien Rider, the Abandoned Vehicle Rider, the storage Fee & Lien Rider, Tampered Emission Policy, and Code of Conduct, which are expressly incorporated herein by reference, and are available at: <https://www.istate.com/terms-conditions> or in hard copy upon request. All claims must be accompanied by this invoice. Diagnostic and Technical service charge may apply.

Dated this _____ day of _____, 20____.

LESSOR:

INTERSTATE POWER SYSTEMS, INC.

By: _____
Name: _____
Title: _____

LESSEE:

By: _____
Name: _____
Company: _____
Title: _____