

1. **DEFINITIONS** - The "Lessor means Champion Equipment, LLC, the entity on the front page from whom the Customer has rented the Equipment." "Equipment" means any one or more of the items identified as such on the front page of this agreement, and shall include any accessories, attachments or other similar items delivered to Customer, including, but not limited to, air hoses, electric cords, blades, welding cables, and any other similar items. "Customer" means the person or entity identified as such on the front page of this agreement, including any representative, agent officer or employee thereof. "Store Location" means the Lessor's address identified on the top of the front page of this agreement.

2. **AUTHORITY AND ENFORCEABILITY** - Customer represents and warrants that it has full power and authority and, if an individual, legal capacity to execute this agreement is a valid binding obligation of Customer enforceable against Customer in accordance with its terms.

3. **DISCLAIMER OF WARRANTIES** - LESSOR LEASES THE EQUIPMENT TO CUSTOMER "AS IS" AND EXPRESSLY DISCLAIMS AND LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE DESIGN, QUALITY, MERCHANTABILITY FITNESS FOR ANY PARTICULAR PURPOSE, OR SUITABILITY OF OR ANY WARRANTIES AGAINST LATENT, HIDDEN, AND/OR REDHIBITORY DEFECTS OF, OR ANY OTHER MATTER CONCERNING, THE EQUIPMENT, EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS AGREEMENT. LESSOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, MADE IN CONNECTION WITH THIS AGREEMENT.

4. **INDEMNIFICATION** - Customer acknowledges and assumes all risks inherent in the operation and use of the Equipment by Customer, and will take all necessary precaution to protect all persons and property from injury or damage while in possession of the Equipment. EXCEPT AS SPECIFICALLY LIMITED IN THIS AGREEMENT, CUSTOMER WILL PAY, WHEN DUE, AND WILL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS AND EXPENSES, INCLUDING ATTORNEY'S FEES, COURT COSTS, EXPENSES, OF EVERY KIND AND NATURE WHATSOEVER, IN ANY WAY ARISING OUT OF THE MANUFACTURE, DELIVERY, ACCEPTANCE, OR REJECTION OR POSSESSION, MAINTENANCE, INSTRUCTION, OPERATION, REMOVAL, RETURN, REPOSSESSION, SALE, LEASE OR OTHER DISPOSITION OF THE EQUIPMENT OR THE NEGLIGENCE OF LESSOR, INCLUDING, WITHOUT LIMITATION, ANY OF SUCH AS MAY ARISE FROM PATENT OR LATENT DEFECTS THEREIN, ANY CLAIMS BASED ON STRICT LIABILITY THEORY, EXCEPT TO THE EXTENT THAT SUCH LIABILITY RESULTS FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR.

5. **DAMAGES** - CUSTOMER WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY IN TORT OR IN CONTRACT) THAT MIGHT BE ASSERTED AGAINST LESSOR OR ANY OF ITS EMPLOYEES, AGENTS OR OTHER PERSONS, FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL LOSS OF PROFITS, BUSINESS INTERRUPTION OR OTHER SPECIAL OR CONSEQUENTIAL DAMAGES) OR EXPENSE CAUSED BY RESULTING FROM, OR IN ANY WAY CONNECTED WITH, THE EQUIPMENT OR BY ANY DEFECT WITH RESPECT THERETO, OR BY CUSTOMER'S LOSS OF USE THEREOF FOR ANY REASON WHATSOEVER, OR WHICH MIGHT BE CAUSED BY LESSOR'S FAILURE OR INABILITY TO DELIVER ANY EQUIPMENT BY ANY SPECIFIED DATE OR TIME.

6. **RECEIPT & INSPECTION OF EQUIPMENT** - Customer acknowledges that Customer has inspected the Equipment prior to taking possession thereof, finds it in good working order and repair, and suitable for Customer's needs, Customer is familiar with the proper operation and use of each item of Equipment. Customer has inspected or will inspect all hitches, bolts, safety chains, hauling tongues and other devices and materials used to connect the Equipment to Customer's towing vehicle, if any. Lessor is not responsible for any damage to Customer's towing vehicle caused by detachable hitches or mirrors. If requested by Lessor, Customer agrees to execute and deliver a certificate of acceptance satisfactory to Lessor relating to the delivery and acceptance of the Equipment.

7. **USE OF EQUIPMENT** - This agreement is a commercial lease. Customer represents and warrants to Lessor that the Equipment is leased and will be used for business and/or commercial purposes and not for any personal or private purpose. Customer will not use or allow anyone to use the Equipment: (a) for any illegal purpose or in an illegal manner; (b) without a license, if required under any applicable law; or (c) who is not qualified and trained to operate it. Customer agrees, at Customer's sole expense, to comply with all applicable municipal, state, and federal laws, ordinances and regulation (including O.S.H.A.) which may apply to the use of the Equipment. Customer agrees to check filters, oil, fluid levels, tire pressure, clean and visually inspect the Equipment daily and immediately notify Lessor when the Equipment needs repair or maintenance. Customer acknowledges that Lessor has no responsibility to inspect the Equipment while it is in Customer's possession.

8. **MALFUNCTIONING EQUIPMENT** - If the Equipment becomes unsafe, malfunction or require repair, then Customer shall immediately cease using such Equipment and immediately notify Lessor. If such condition is the result of normal operation. Lessor will repair or replace the Equipment with similar Equipment in working order if such replacement Equipment is available. Lessor has no obligation to replace equipment rendered inoperable by misuse, abuse or neglect or in violation of any terms of the agreement. Customer's use of the Equipment or any failure or defect in Equipment shall be the termination of any rental charges accruing after the time of failure. The Equipment must be returned to the Store Location within twenty-four hours from the time of failure in order to terminate rental charges.

9. **RETURN OF EQUIPMENT DAMAGED & LOST EQUIPMENT** - At the expiration of the rental period set forth on the front page of this agreement. Customer will return the Equipment to the Store Location during Lessor's regular business hours, such Equipment to be in the condition and repair as when delivered to Customer, subject to reasonable wear and tear (as defined in Section 10). Customer shall be liable for all damages to or loss of the Equipment, including any damage during transit to or from Customer. In the case of the loss or destruction of any Equipment, or inability or failure to return same to Lessor for any reason whatsoever. Customer will pay Lessor the then full manufacturer's list price together with the full rental rate as specified until such Equipment is replaced. If Lessor has agreed to deliver the Equipment to Customer or to pick up the Equipment for Customer, Customer shall be responsible for all loss or damage to the Equipment from the time of delivery to Customer until picked up by Lessor. If the Equipment is returned in a damaged or excessively worn condition, Customer shall pay Lessor the reasonable cost of repair and pay rental on the Equipment at the regular rental rate until all repairs have been completed. Lessor shall be under no obligation to commence repair work until Customer has paid Lessor the estimated cost there for.

10. **REASONABLE WEAR AND TEAR** - Reasonable wear and tear of the Equipment shall mean only the normal deterioration of the Equipment caused by ordinary and reasonable use on a one shift (eight hours per day, 40 hours per week) basis. The following shall not be deemed reasonable wear and tear, (a) damage resulting from lack of lubrication or maintenance of necessary oil, water and air pressure levels, (b) except where Lessor expressly assumes the obligation to service or maintain the Equipment, any damage resulting from lack of servicing or preventive maintenance suggested in the manufacturer's operation manual, (c) damage resulting from any collision, overturning, or improper operation including, but not limited to, (i) damage resulting from the use of the Equipment for purposes other than those intended, tearing, staining and misalignment to or of the Equipment or any part thereof; (e) wear resulting from use in excess of shifts for which rented; and (f) any other damage to the Equipment which is not considered ordinary and reasonable in the equipment rental industry. Repairs to the Equipment shall be made to the reasonable satisfaction of Lessor and in a manner that will not adversely affect the operation, manufacturer's design or value of the Equipment.

11. **LATE RETURN** - If the Equipment is not timely returned, in addition to the rental rates set forth in this agreement. Customer agrees to pay an additional charge of 1/6th of the daily rate for each hour the Equipment is retained beyond the expiration of the rental period. Customer agrees to pay for any damage or loss of the Equipment occurring between the time the Equipment is returned and the commencement of Lessor's next business day in the event the Equipment is returned to the Store Location at a time other than Lessor's regular business hours.

12. **RENTAL PERIOD & CALCULATION OF CHARGES** - Rental charges commence when the Equipment leaves the Store Location and end when the Equipment is returned thereto. Rental charges accrue during Saturdays, Sundays and Holidays. Rental rates are normal usage base on an eight-hour day, 40 hours per week, and 160 hours per month. On power equipment, operations in excess of one shift will be at Lessor's standard rental rates. Customer will truthfully certify to Lessor the number of shifts the Equipment was operated. Customer's right to possess the Equipment terminates on the expiration of the rental period set forth on the front of this agreement and retention of possession after this time is a material breach of this agreement. TIME IS OF THE ESSENCE in this agreement.

13. **DEPOSIT** - In addition to securing the payment of the rental charges hereunder. Customer agrees that any rental deposit shall be deemed to be a guaranty by Customer of the full and complete performance of each and all the items, covenants, and agreements to be performed by Customer hereunder and in the event of any breach by Customer thereof said deposit shall be credited against any damages, cost or expense incurred by Lessor as a result of such breach.

14. **PAYMENT** - All rentals shall be payable in full upon return of the Equipment to Lessor or prior to 30 days following Lessor invoice to Customer, whichever comes first. Customer acknowledges that timely payment of rental charges is essential to Lessor's business operation and it would be impractical and extremely difficult to fix the actual damage caused by late payment. Customer and Lessor agree that there shall be added to all past due rental charges a late payment fee equal to the lesser of 1.5% per month (18% per annum) on any such past due amounts, or the maximum amount as may be allowed by applicable law. Customer shall pay the rental charge without any offsets, deductions or claims.

15. **TITLE/NO PURCHASE OPTION/NO LIENS** - This agreement is not a contract of sale, and title to the Equipment shall, at all times remain with Lessor. Unless otherwise expressly agreed to by Lessor in writing, the Customer has no right to purchase the Equipment. Customer shall keep the Equipment free and clear of all mechanics and other liens and encumbrances.

16. **TIRE/TUBE REPAIR OR REPLACEMENT** - Repair or replacement of tires and tubes is the responsibility of the Customer and is not included in the rental rate.

17. **DEFAULT** - Should Customer in any way fail to perform observe or keep any provision of this agreement, any other rental agreement with Lessor or Lessor deems itself insecure, Lessor may exercise any of the following remedies: (a) terminate this agreement; (b) declare the entire rent immediately due and payable and commence legal action therefor; (c) enter upon the Equipment and remove the same to a store location and retake possession of the Equipment without notice to Customer, and with or without legal process; (d) cause Customer, at its expense, to promptly assemble the Equipment and return the same to Lessor at such place as Lessor may designate; (e) sell, release or otherwise dispose of all or any Equipment in a public or private sale or lease transaction; and (f) exercise any other right or remedy available to Lessor under applicable law, proceed by appropriate court action to enforce the terms hereof, recover damages for the breach of this agreement or to rescind this agreement. Customer shall also be liable to and shall pay upon demand all reasonable costs and expenses, including attorney's fees incurred by Lessor in the collection of any amounts due under this agreement, by reason of the occurrence of any such breach or default under this agreement of the exercise of Lessor's remedies with respect thereto. Customer waives all claims for damages and losses, physical and pecuniary, caused thereby, and shall pay all costs and expense incurred by Lessor in retaking the Equipment. No remedy referred herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or available to Lessor at law or in equity. The exercise or commencement of exercise by Lessor of any one or more such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies.

18. **CUSTOMER'S INSURANCE COVERAGE** - Customer agrees to maintain and carry, at its sole cost, adequate liability, physical damage, public liability properly damage and casualty insurance for the full replacement cost of the Equipment, including all risks or loss or damage covered by the standard extended coverage endorsement to cover any damage or liability arising from the handling, transportation, maintenance, operation or use of the equipment during the entire rental period. When requested, Customer shall supply to Lessor proof of such insurance by Certificate of Insurance clearly setting forth the coverage for the Equipment and naming Lessor as loss payee and additional insured; such insurance and evidence thereof to be in amounts and form satisfactory to Lessor. The Certificate of Insurance and policy shall provide that Lessor shall receive not less than thirty (30) days notice prior to any cancellation of the insurance required hereunder.

19. **ACCIDENTAL DAMAGE WAIVER PROVISIONS** - The Accidental Loss or Damage Waiver is not a form of Insurance. Solely in the event that Customer has previously elected in writing to accept and pay for the Accidental Loss or Damage Waiver, the following terms and conditions in this Section 19 (the "Accidental Loss or Damage Waiver") shall be part of this agreement. A Lessor agrees that, notwithstanding the terms and conditions set forth in this agreement to the contrary, Customer shall not be responsible, subject the terms and conditions of this Section 19, for an Accidental Loss or Damage (as defined below) of the Equipment. The failure to comply by Customer with the terms and conditions of this section 19 shall render this Section 19 null and void. An Accidental Loss or Damage means direct physical damage to or physical destruction, loss or theft of the Equipment, but does not include under any circumstances: (i) any loss, destruction, or damage (a) to Equipment as a result of or caused by overloading or exceeding its rated capacity; (b) to motors, generator, drills or other electrical appliances or devices caused by portable electric current, whether or not said portable current is supplied by Lessor; (c) to hydraulic cylinders; (d) to tires and tubes caused by blow out, bruises, cuts, punctures or other causes inherent in the use of the equipment; (e) resulting from a lack of or negligent lubrication or from a lack of proper or from improper servicing or maintenance of the Equipment; or damage resulting from misuse, abuse, failure to maintain, operation or use of the equipment during the entire rental period; (f) associated with the Equipment or pressure levels; (g) associated with accessories, including, but not limited to, air hoses, electric cords, blades, welding cable, fuel tanks and other similar items and accessories; (h) as a result of or caused by striking overhead objects with the Equipment, or caused by boom or mast damage from overloading or from collision or striking of other objects when the boom or mast is in motion; (i) as a result of or caused by exposure to radioactive, contaminated, or hazardous material of any kind; (j) as a result of or caused by or during loading, unloading or transportation of the Equipment; (k) as a result of or caused by any mysterious or unaccounted disappearance, conversion or theft of the Equipment that is not a theft for which the requirements under subparagraph (i) of this paragraph are met; (l) as a result of or caused by a traffic accident or collision with any vehicle or equipment under the control of a third party, unless Customer promptly ascertains to the extent reasonably possible the identity, contact information and insurance coverage of the other person or persons involved in such traffic accident or collision and takes all other steps that any reasonable owner of a vehicle would take in the event of such traffic accident or collision; (m) as a result of or caused by any act, conduct or omission prohibited or not permitted under this agreement or any use, maintenance or possession of the Equipment in violation of, or contrary to, any terms of this agreement. Lessor is or the manufacturer's operation, maintenance or safety instructions or manual, or any law, statute, ordinance, regulation or order of any governmental authority; (n) as a result of or caused by any act of omission, gross negligence or willful misconduct of Customer, any employee, agent or person under the control of Customer, any person authorized to use the Equipment under this agreement or any other person provided or given control of the Equipment by the Customer; or (ii) any theft or vandalism of the Equipment where (a) (i) any theft or vandalism resulted from or was caused by Customer, an employee, agent or person under the control of Customer, a person authorized to use such Equipment under this agreement or any other person provided or given control of the Equipment by the Customer; or (ii) the Equipment was not kept in a secure environment with keys removed, locked and secured; (b) Customer fails to promptly (but in any event within twenty-four hours of Customer's discovery of such theft or vandalism) file a formal report of such theft or vandalism with the appropriate police or law enforcement authorities in which Customer identifies Lessor as the owner of such Equipment, (c) such report does not substantiate the forced entry into a building, enclosed area or fencing at which the Equipment is located or forced entry into the Equipment itself or (d) Customer fails to promptly provide Lessor a copy of such report following its availability to Customer; or a copy of such report or a report number within 72 hours of Customer's discovery of such theft or vandalism. C. Subject to the terms and conditions of this paragraph, if Customer fails to file a report of such theft or vandalism with the appropriate police or law enforcement authority within U.S. Dollars (US \$5,000.00) for a piece of Equipment having a manufacturer's list price of less than ten thousand U.S. Dollars (US \$10,000.00) or five thousand U.S. Dollars (US \$5,000.00) for a piece of Equipment having a manufacturer's list price of ten thousand U.S. Dollars (US \$10,000.00) or more (the "Loss or Damage Threshold") applies separately to any Accidental Loss or Damage or Loss sustained with regard to a separate piece of Equipment and to any Accidental Damage or Loss resulting from a separate event or circumstance. Customer's prompt written notice of the Accidental Loss or Damage is a condition precedent for the application of this paragraph c. Customer shall remain fully liable for any damage, operation, or use of the equipment during the entire rental period, to the extent it does not, in writing, file a report of such theft or vandalism with D. If Customer has any insurance covering any Accidental Loss or Damage to which this provision relates, the Accidental Loss or Damage Waiver becomes secondary and shall only apply to the extent such Accidental Loss or Damage is not covered by Customer's insurance as if the amount of such Accidental Loss or Damage consisted only of the amount exceeding such coverage by Customer's insurance. Customer shall exercise all rights available to Customer under said insurance and take an action necessary to process said claim. Customer further agrees to promptly assign said claim and any and all proceeds from such insurance to Lessor. Upon request of Lessor, Customer shall fully and promptly cooperate with Lessor to enable Lessor to receive all benefits under such insurance or any claims, rights, remedies, or causes of action that Customer has or may have against any third party in connection with the Accidental Loss or Damage, including, without limitation, by promptly furnishing the name of Customer's insurance agent, insurance company, and information concerning Customer's insurance coverage and, upon Lessor's request, by promptly providing any information and documents, executing any documents and affidavits, providing any testimony, and rendering any other reasonable assistance.

20. **ENTIRE AGREEMENT** - This agreement represents the entire agreement between the Customer and Lessor. There are no oral or other representations or agreement not included herein. None of Lessor's rights may be changed and no extension of the terms of this agreement may be made except in writing, signed by both Lessor and Customer. The use of Customer's purchase order number on this agreement is for Customer's convenience only. This agreement supersedes any purchase order or other Customer provisions or forms whether sent to received prior, or subsequent of this agreement.

21. **NO ASSIGNMENT, LENDING OR SUBLETTING** - Customer shall not sublease, subrent, assign, pledge, encumber or loan the Equipment, and any such action by Customer shall be void. Customer agrees to use and keep the Equipment at the job location set forth on the front page of this agreement unless Lessor approves otherwise in writing.

22. **DTPA WAIVER TO THE MAXIMUM EXTENT NOT PROHIBITED BY APPLICABLE LAW FROM TIME TO TIME IN EFFECT.** THE CUSTOMER KNOWINGLY, VOLUNTARILY AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AFTER THE CUSTOMER HAS CONSULTED WITH HIS OWN ATTORNEY, IRREVOCABLY AND UNCONDITIONALLY WAIVES THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES - CONSUMER PROTECTION ACT (TEXAS BUSINESS AND COMMERCE CODE, CHAPTER 17, SECTION 17.41 -17.63).

23. **NOTICES** - All notices required under this agreement shall be in writing and shall be deemed to have been given when delivered personally or when received if delivered via overnight courier or certified mail return receipt requested or three business days after being mailed with proper postage, first class mail prepaid, addressed to Lessor or Customer, as the case may be, at their respective addresses as set forth on the front page of this agreement or at such other address as either of them shall from time to time designate in writing to the other.

24. **OTHER PROVISIONS** - Any failure of Lessor to insist upon strict performance by Customer of any terms and conditions of this agreement shall not be construed as a waiver of Lessor's right to demand strict compliance. Customer has carefully reviewed this agreement and waives any principle of law, which would construe any provision hereof against Lessor as the draftsman of this agreement. The federal and state courts in the county in which the Store Location is located shall have exclusive jurisdiction over all matters relating to this agreement. TRIAL BY JURY IS WAIVED. Service of process may be effected by certified mail, return receipt requested. In the event that any one of more of three provisions contained herein, or their application in any circumstance, is held invalid, illegal or unenforceable in any court for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law. Customer will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may from time to time reasonably request to carry out the purpose of this agreement and to protect the rights and remedies of Lessor under this agreement. Customer agrees that this agreement shall remain expressly subject and subordinate to any financing agreement in which Lessor is a party and any security interest granted by Lessor in connection therewith.

**Criminal Warning: The use of false identification to obtain Equipment or the failure to return the Equipment by the end of the rental period set forth on the front page of this agreement may be considered a theft subject to criminal prosecution pursuant to applicable criminal or penal code provisions.**