

Machinery Northwest LLC Rental Agreement: The equipment shall remain the sole property of Machinery Northwest LLC; no sale is intended. This is the original contract between the Lessee and Machinery Northwest LLC and any variations, additions, or modifications may only be made in writing, signed by both Lessee and Lessor. If the equipment is not returned to Lessor at the expiration of the term specified on the face of the lease, the lease may be extended at the sole option of the Lessor, termination of the lease is automatic and continued possession by Lessee may be deemed, at the option of the Lessor, a "holdover will create a tenancy from week to week subject to all of the provisions of the lease except the provisions for the term and renewal. Lessee's holdover tenancy may be terminated at any time by Lessor and Lessee waives any right to notice of such termination which may be required by law or otherwise.

- 1.) **Rent, Overtime and Service Charges:** Payment is due in advance. If payment is not received within ten days of the date of invoice, a service charge of 5 percent per month will be added to the past due balance until paid in full. The rent for the rental period specified on the face of this agreement shall be wholly earned upon execution of this lease: freight, taxes, and fuel are not included in the rental rate and will be added to the amount due. An amount equivalent to one day's rent will be added for equipment returned dirty. Failure to return the equipment to Lessors' yard upon termination of the leases shall result in liquidation damages payable to Lessor in the amount of the full regular daily rental rate for the type of equipment not returned, multiplied by the number of days beyond the rental term the equipment is out of Lessor's possession and control. Lessor shall also be entitled to its other remedies at law and in equity. Overtime charge will be charged if excess use is determined by the Lessor.
- 2.) **Insurance: LESSEE IS REQUIRED AT ITS OWN RISK AND EXPENSE TO OBTAIN BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE ON ALL EQUIPMENT AND TO MAINTAIN SUCH INSURANCE FOR AS LONG AS LESSEE HAS POSSESSION OR CONTROL FOR THE EQUIPMENT, THE LEASE IS IN EFFECT, OR UNTIL THE EQUIPMENT IS RETURNED TO LESSOR, WHICHEVER IS LONGER.** Proof of liability insurance and a valid driver's license is required to rent a licensed vehicle.
- 3.) **Equipment Damage: Lessee is responsible to Lessor for all damage done to the equipment and theft or other loss of the equipment. Lessee must immediately report to Machinery Northwest operators of any loss or damage and must make the equipment available or return the unit to the yard.**
- 4.) **Failure and Repair of Equipment:** Lessee shall maintain the equipment in good repair and working order. However, in the event of failure of the leased equipment, Lessee shall immediately notify Lessor and return the equipment to Lessor's yard, at Lessee's sole expense. Lessee is not authorized to incur any expense to be paid by Lessor for the repair of the equipment.
- 5.) **Lessee's Responsibility for Equipment:**
 - a. **OPERATOR TRAINING IS LESSEE'S RESPONSIBILITY.** Lessee represents and warrants that only qualified, experienced and properly licensed personnel will use and operate the leased equipment. Manufacturer operator and maintenance information has been provided with the equipment and must be followed.
 - b. **Inspection;** Lessee has or will promptly inspect the equipment and notify Lessor of any deficiencies. Failure to notify Lessor of any problems or deficiencies within 24 hours of delivery of the equipment to Lessee constitutes an acknowledgement by Lessee that the equipment was received in good, safe and serviceable condition, and fit for Lessee's use. When renting a towed vehicle, Lessee warrants he has the proper towing devices, hitches, and materials for use with the towed and towing vehicles and that they are in good, safe, and operable condition. Lessee is responsible for all damage caused by Lessee, in conjunction with towing, and by Lessee's vehicle, devices, hitches and materials. Lessee shall conduct daily inspection and routine maintenance of the equipment, as per the operating handbook.
- 6.) **No Warranty:** Lessor, not being the manufacturer of the equipment, makes NO WARRANTY, express or implied as to the quality, design, condition, capacity, suitability, merchantability, or performance of the equipment or material or workmanship thereof. It is agreed that all such risks are to be borne by Lessee during the term of this lease and any extensions thereof, at Lessee's sole risk and expense. Lessor expressly DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED PURPOSE.
- 7.) **Indemnity:** Lessee shall indemnify Lessor against and hold Lessor harmless from any and all claims, actions, suits, proceedings, cost, expenses, damages, and liabilities, including but not limited to consequential and incidental damages and including, without limitation, attorney's fees and costs, arising out of, connected with or resulting from the selection, delivery (including, but not limited to loading, or towing), possession, use, operation, handling or transportation for the equipment, Lessee shall defend, at its own expense, any and all suits brought against Lessor, either alone or in conjunction with others upon any such liability or claims and shall satisfy, pay and discharge any and all judgements and fines that may be recovered against Lessor in any such action(s).
- 8.) **Lien Rights Reserved:** Lessee acknowledges that Machinery Northwest does not rely exclusively on Lessee's general creditworthiness when it applies Lessee's lease or rental invoices to Lessee's Account. Lessee agrees that Machinery Northwest also has a right to rely on state mechanics' and materialman's lien laws in recovering lease or rental payments owing on this equipment. The remedies provided to Machinery Northwest in this and the credit account agreement are intended to be cumulative, and Machinery Northwest is not required to exhaust its remedies under lien or contract law before pursuing any other remedy.
- 9.) **Lessor's Rights:** Lessor reserves the right to remove the equipment from Lessee's possession and, at Lessor's option, terminate the lease, wherever situated and without notice, if, in, Lessor's sole discretion, the equipment is being or has been used improperly; Lessor considers the equipment, or payment therefore, to be jeopardized; Lessee fails to make payment hereunder, or is otherwise in default or threatened default under this agreement. Lessor also reserves the right to replace the specific piece of equipment rented with another, comparable piece of equipment for the duration of the lease term. Lessee grants to Lessor the right to enter onto Lessee's Jobs and premises for the purpose of inspecting and removing the equipment. In the event Lessor gives written notice to Lessee at its last Known address to return the equipment to Lessor, and, after ten days of mailing the notice the equipment is not returned to Lessor's yard, it is agreed that said failure shall be deemed a willful conversion Lessor's equipment and Lessor shall have the right to claim punitive damages against Lessee at the rate of Five Hundred Dollars Per day for each day thereafter that Lessee fails to return the equipment. Lessor is also entitled to pursue its other remedies at equity and in law.
- 10.) **Attorney's Fees and Costs, Jurisdiction, Venue and Applicable Law:** Lessee agrees to reimburse and pay for all expenses, costs, and attorney's fees expended by Lessor in enforcing its rights under this agreement. Lessee waives any venue rights it may have and agrees to enforcement of this agreement in Kootenai County, Idaho. Lessee submits to the personal jurisdiction of Idaho courts and expressly consents to enforcement of this contract pursuant to Idaho law.
- 11.) **Initial _____ The lessee will be responsible for return of the equipment in like condition as received.**
- 12.) **Initial _____ Equipment cannot be loaned or transferred to a third party. Nor can it be modified.**
- 13.) **Initial _____ The lessee fully understands all operational and safety requirements of the equipment leased.**
- 14.) **Initial _____ The lessee understands that everyone within 100 feet of operation must wear proper safety equipment.**

By signing below, you acknowledge that if equipment is returned damaged, you agree to pay loss of use damages in same sum as rent until the machine is repaired to rentable status. Lessee agrees to lease from Machinery Northwest the machine, vehicle (including not limited to licensed and unlicensed trailers and motor vehicles). Equipment and accessories described above (collectively, "the equipment") for the period pursuant to the terms, and at the rates set forth on the face hereof and the reverse side. This is a rental agreement only and this equipment is not intended for sale. I have read the above information and agree to the terms and conditions herein contained.

Customer Signature: _____ Date: _____

Machinery Northwest authorized representative Signature: _____ Date: _____