

NOTICE: DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT. I do hereby certify that I have this date received from the Lessor the items listed above and agree to the rates, terms and conditions of the Rental contract below. I understand there is not purchase privilege on the equipment. I am 18 years of age or over. I acknowledge receipt of a copy of this contract. I UNDERSTAND THAT FAILURE TO RETURN EQUIPMENT OR PROPERTY MAY RESULT IN CRIMINAL PROSECUTION IN ACCORDANCE WITH STATE LAW RCW 9.56.096

TIME PERIOD: Rental starts immediately to Lessee of the leased equipment; rental ends upon return of said equipment to Lessor's premises. No allowance will be made for Sundays, holidays, or time in transit, nor for any period of time the equipment may not be in actual use while in Lessee's possession. Equipment must be returned during Lessor's regular business hours and be checked in by their authorized agent. Lessee shall be liable for all damage or loss of equipment occurring because it was not so returned within Lessor's regular business hours.

RETURN OF RENTED PROPERTY: Rented property is due back at Lessor's premises on or before the date and time specified on the reverse hereof. If rented property is not returned to the possession of Lessor within twenty-four (24) hours following the due date shown on the reverse side hereof or on such other date and time as may be specified by Lessor pursuant hereto, the Lessee shall be deemed to be in unlawful possession of said property and the Lessor shall have the right to notify the police that the property has been stolen and Lessee hereby releases and discharges Lessor from any and all claims arising therefrom including, but not limited to, any claims based on false arrest, false imprisonment, unlawful detention, defamation of character, assault, malicious prosecution, trespass or invasion of civil rights, rights arising out of failure to so return said property.

JOB ADDRESS: The address at which the Lessee represents to Lessor as being the place at which the rented property is to be used. Where no address is specified, the job address is taken to be the same as the Lessee's home or mailing address. Equipment is not to be removed from the job address or home address of Lessee without the written consent of Lessor (except while in transit directly to or from Lessee's premises). Rented property is not to be removed from the State of Washington without the written consent of Lessor.

LIMITATION OF USAGE: Lessee understands that all rental rates contemplate the use of equipment upon a basis not to exceed eight (8) hours per day, and the weekly and monthly rates contemplate usage not to exceed five (5) days per week. If Lessee makes greater use, the rates will be increased upon a prorata basis to compensate Lessor for such increased use. Lessee's use of equipment shall be normal and reasonable, and

Lessee promises not to abuse or harm the equipment in any way while in his possession; in addition to any other remedies available to Lessor, it is empowered to immediately retake the equipment in the event Lessee violates this promise.

WARRANTIES: There are no warranties of merchantability or fitness either expressed or implied which extend beyond the description on the face and reverse sides hereof. There is no warranty that the equipment is suited for Lessee's intended use, or that it is free of defects.

WAIVER OF DEFECTS: Lessee acknowledges receipt of all the equipment in good working condition and repair and declares that they fully understand its property use. Lessee acknowledges and declares that they have examined the equipment, and all hitches, bolts, safety chains, hauling tongues, together with all devices and materials used to connect the equipment to Lessee's towing motor vehicle, and Lessee declares that he has received all of such equipment in a secure condition. Lessee promises to return all of this equipment to Lessor's premises during Lessor's regular business hours, in as good a working condition and state of repair, as it now is, subject to reasonable wear and use. In addition to any other liability, Lessee shall be liable for all damage to or loss of the equipment occurring because it was not so returned within Lessor's regular business hours.

REPAIRS: In case of the mechanical failure of the leased equipment for any cause, Lessee, at Lessee's expense, shall return it to Lessor's premises. Lessee particularly understands that without Lessor's specific authorization, Lessee has no authority to incur any expense for Lessor's account to the repair of said equipment or otherwise.

LIABILITY: Lessee shall be liable for all damage to the leased equipment arising from any accident, including but not limited to, any accident or act caused by the failure of any hitch, bolt, chain, hauling tongue, or any other device or material used in hitching the equipment to the towing vehicle or to other equipment being towed, regardless of who shall furnish such hitch, bolt, chain, hauling tongue and/or other device or material, and regardless of who shall hitch the equipment, Lessee shall be liable for the return of all of the leased equipment and for all damages to and/or loss thereon, regardless of whether the same shall be due to Lessee's negligence or fault or to any other causes. Lessee shall possess and operate the leased equipment in strict conformity with all applicable laws and regulations. Lessee covenants and agrees to keep the Lessor harmless and free from any expense, and all liability arising out of the use, maintenance, and/or return of the leased equipment. Lessee shall indemnify and hold Lessor free from all damages to third persons and/or their property caused by the negligence of Lessee in possessing and/or operating the leased equipment.

SUBLETTING: Neither the whole, nor any part of equipment hereby leased, shall be sublet, or suffered to be sublet or assigned, by Lessee or removed from the location at which it was intended by Lessor obtained in writing before said removal. If the rented equipment is a truck, Lessee further expressly agrees that said vehicle shall not be used or operated by any unlicensed driver or operator, and by no person other than the Lessee or their employees.

RECALL AND RETURN: Lessee agrees to return the leased equipment upon Lessor's demand and strictly in accordance with the provisions as to time and place of return as set out in this contract. Failure to promptly return equipment may result in criminal prosecution.

TITLE: Title to the leased equipment now and all times hereafter shall remain and be vested only in the name of Peninsula Equipment Rental LLC as master leased exclusively to Prelude Coast Construction LLC (Lessor). If the equipment is levied upon my marshal, sheriff or constable by reason of execution, garnishment, or attachment or for any reason whatsoever, then this lease immediately shall terminate and the Lessor may retake the equipment with or without notice and with or without legal process, and may use all force necessary so to do; and Lessee hereby expressly waives all damages, physical and pecuniary, so caused, if any, by Lessor in the process of taking, or repossessing said equipment.

NOTICE OF NON-WAIVER: The failure by the Lessor at any one or more times to insist upon strict performance by the Lessee of the conditions and/or terms of this agreement shall not be construed as a waiver of Lessor's right to demand strict compliance. Time is expressly made the essence of this contract. It is understood that no option of any kind actual or implied, is given by the Lessor to the Lessee for the purchase by Lessee of this equipment at stipulated value or upon any basis whatever.

WAIVER OF EXEMPTIONS: The Lessee, hereby expressly waives all rights in and to any and all exemption laws as set forth in the laws of the State of Washington which are within the powers of the Lessee to waive.

RETAKE: If by reason of any breach of any of the terms of this contract by Lessee, or if by reason of the termination of this lease or the insolvency of the Lessee, or if by any other contemplated reason, it becomes necessary for the Lessor to retake or repossess the equipment, then it shall be permissible for the Lessor, and it and its agents are hereby so authorized, to go upon the Lessee's property and/or remove all of the Lessee's employees and/or impediments of whatever kind with or without notice and with or without legal process, and retake the equipment using all necessary force so to do: and the Lessee hereby expressly waives for itself and its employees all damages and/or loss, if any, physical and/or pecuniary, suffered and/or caused by reason of said

retaking by the Lessor. Should Lessor place this contract in the hands of an attorney for enforcement of any of the provisions hereof, and/or to recover any sums due hereunder, and/or the equipment or assist the recovery thereof, the Lessee agrees to pay in addition to Lessor's incidental and consequential damages all costs and expenses incurred by Lessor in such collection or retaking, a further sum, equal to twenty percent (20%) of the damages and/or value involved and, if suit is instituted, a sum equal to thirty-five percent (35%) of said damage and/or value involved, for Lessor's attorney's fees; or a sum not less than the \$250.00 whichever is larger.

PROHIBITED USES: Use of the equipment in the following circumstances is prohibited and constitutes a breach of this contract.

- a. Use for illegal purposes or in an illegal manner.
- b. Use when the equipment is in bad repair or is unsafe.
- c. Improper, unintended use or misuse.
- d. Use by anyone other than Lessee or their employees with Lessor's written permission.
- e. Use at any location other than the address furnished Lessor without Lessor's written permission. (Does not apply to mobile equipment.)

REPLACEMENT OF MALFUNCTIONING EQUIPMENT: If the equipment becomes unsafe or in disrepair as a result of normal use, Lessee agrees to discontinue use and notify Lessor who will replace the equipment with similar equipment in good working order, if available. Lessor is not responsible for any incidental or consequential damages caused by delays or otherwise.

DIRTY, DAMAGES OR LOST EQUIPMENT: Lessee agrees to pay for any damage to or loss of the goods, as an insurer, regardless of cause, except reasonable wear and tear, while the goods are out of the possession of the Lessor. Lessee also agrees to pay a reasonable cleaning charge for equipment returned dirty. Accrued rental charges cannot be applied against the purchase or cost of repair of damaged or lost goods. Equipment damaged beyond repair will be borne by Lessee, whether performed by Lessor, or, at Lessor's option, by others.

LOADING AND UNLOADING GOODS: Lessee is responsible for loading and unloading the goods. If Lessor's employees assist in loading or unloading the goods, Lessee agrees to assume the risk of, and hold Lessor harmless for, any property damage or personal injuries, including damage or injuries attributable to the negligence of the Lessor or their employees.