



EQUIPMENT RENTAL TERMS AND CONDITIONS

- 1. TERMS.** Customer's rental of the Equipment is conditioned upon customer's agreement with the terms of this contract. All of the terms herein are incorporated into all future contracts between Blue LLama Supply CO. and Customer upon Customer's use of Blue Llama's equipment under those contracts without objection, unless subsequently modified in writing by BLUE LLAMA . Any reference in Customer's purchase order or any other Customer document (except for any executed Customer credit application or additional terms which are required by law) shall be void and deemed rejected. "Customer" is identified on the Contract and includes any representatives, agents, officers, or employees of Customer and anyone signing the Contract on their behalf. "Equipment" is the equipment and/or services identified on this Contract, together with all replacements, repairs, additions, attachments and accessories thereto. Customer represents that the "Site Address" is the location where the Equipment will be located throughout the Rental Period and is identified on the Contract. "Store" is the BLUE LLAMA location identified on the Contract. "BLUE LLAMA" is Blue LLama Supply CO.. and its affiliated companies, their respective officers, directors, employees, or agents.
- 2. FORCE MAJEURE.** BLUE LLAMA is not liable for any delay or failure to deliver the Equipment due to causes beyond BLUE LLAMA 's control, including, but not limited to, acts of God, fires, strikes, lockouts, floods, government laws, regulations, embargoes, shortages of material, components, or labor disputes, change of design, or discontinuances of manufacture. Any delivery dates stated on the

lease agreement shall be extended by the time resulting from any such delay.

3. **RENTAL CONTRACT.** BLUE LLAMA hereby rents to Customer and Customer rents from BLUE LLAMA the Equipment pursuant to this Contract. Customer shall pay BLUE LLAMA the rental rates (including any minimum rental identified on the Contract, and other charges described herein when due, return the Equipment to BLUE LLAMA as required herein and otherwise comply with the Contract. This Contract is a true lease. The Equipment is and shall remain the personal property of BLUE LLAMA . The Equipment shall not be considered affixed to real property. The Equipment shall be maintained by Customer such that the Equipment may be removed without damaging any building or property.
4. **PERMITTED USE.** Customer agrees that BLUE LLAMA has no control over the manner in which the Equipment is operated during the Rental Period by Customer or any third party that Customer implicitly or explicitly permits. Customer warrants that prior to each use of the Equipment, Customer has or will inspect the Equipment to confirm that the Equipment is in good condition, without defects, includes readable decals and operating and safety manuals and is suitable for Customer's intended use. Customer warrants that any apparent agent at the Site Address is authorized to accept delivery of the Equipment. Customer shall immediately notify BLUE LLAMA if the Equipment is lost, damaged, stolen, unsafe, disabled or malfunctioning, defects are discovered, the Equipment is levied upon, or threatened with seizure, or if an Incident occurs. Customer has received from BLUE LLAMA all information needed or requested regarding the operation of the Equipment. BLUE LLAMA is not responsible for providing operator or other training unless Customer specifically requests and pays for training that BLUE LLAMA has agreed to provide. Customer is responsible to obtain all training that Customer desires from third

parties if BLUE LLAMA does not provide such training, prior to the Equipment Use. Only Authorized individuals, those who are familiar with and properly trained to use the Equipment, and are not under the influence of drugs or alcohol shall use and operate the Equipment. The Equipment's use shall be in a careful manner, in compliance with all operation and safety manuals and other instructions provided on, in or with the Equipment and all Federal, State, and local laws and licenses, including but not limited to OSHA, as revised. All Equipment shall be kept in a secure location.

5. **PROHIBITED USE.** Customer shall not alter, disfigure, or cover up numbering, lettering, decals, or insignia on the Equipment or remove any operation or safety manuals. Customer shall not assign its' rights under this Contract. Customer shall not move the Equipment from the Site Address without BLUE LLAMA written consent of the new location. Customer shall not intentionally damage the Equipment. Customer shall not use the Equipment in a negligent, reckless, illegal, unauthorized or abusive manner nor allow the operation of the Equipment for an illegal purpose or by any unauthorized individual. Customer acknowledging that the Equipment may be dangerous if used improperly or by untrained parties.
6. **MAINTENANCE.** Customer shall perform routine maintenance of the Equipment, including inspections and maintenance of fuel levels, grease, filters, cooling system, water, batteries, and cleaning in accordance with the manufacturer's specifications (all other maintenance or repairs may only be performed by BLUE LLAMA , but BLUE LLAMA has no responsibility during the Rental Period to inspect or perform any maintenance or repairs unless Customer requests a service call). If BLUE LLAMA determines that repairs to the Equipment are required, other than Ordinary Wear and Tear, Customer shall pay the full cost of repairs, and rental of the Equipment until the repairs are completed. "Ordinary Wear and Tear" means normal deterioration

considered reasonable in the equipment rental industry for one shift use. BLUE LLAMA has the right to enter, inspect, and observe the use of the Equipment, wherever located. Customer has the authority to and hereby grants BLUE LLAMA the right to enter the physical location of the Equipment for the purposes set forth herein. BLUE LLAMA shall be responsible for repairs needed because of Ordinary Wear and Tear. Customer agrees that repair or replacement of the Equipment is Customer's exclusive remedy for BLUE LLAMA breach of this Contract. Notwithstanding BLUE LLAMA service commitment, BLUE LLAMA shall have no obligation to (a) repair or replace Equipment damaged by Customer's breach of this Contract or other misuse, abuse or neglect; or (b) stop the rental period, commence repairs or rent other equipment to Customer until Customer or Customer's insurance company has inspected such Equipment and agreed to pay or paid for such costs.

- 7. CUSTOMER LIABILITY FOR DAMAGE AND LOSS. CUSTOMER ASSUMES DURING THE RENTAL PERIOD (DEFINED BELOW) ALL RISKS ASSOCIATED WITH THE POSSESSION, CUSTODY, AND OPERATION OF AND FULL RESPONSIBILITY FOR, THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY, DEATH, RENTAL CHARGES, LOSSES, DAMAGES AND DESTRUCTION, INCLUDING TRANSPORT, LOADING, AND UNLOADING.** "Incident" is any fine, citation, theft, accident, casualty, loss, injury, death or damage to person or property, claimed by any person, or may be or appears to have occurred on, in connection with, or around the Equipment. After an incident, Customer shall (a) immediately notify the police and BLUE LLAMA ; (b) secure and maintain the Equipment and the surrounding premises in the condition existing at the time of such Incident, until BLUE LLAMA and/or its designees investigate such Incident (c) immediately after receipt submit to BLUE LLAMA copies of all police or other third party reports

and notify BLUE LLAMA of any other reports; and (d) pay BLUE LLAMA , in addition to other sums due herein the rental rate for Equipment until the repairs are completed or Equipment replaced plus (i) the manufacturer's list price on the date of the loss ("MSLP") of the lost or destroyed Equipment ("lost" being when Equipment location is unknown, or Customer in unable to recover for a period of 30 days): or (ii) the full cost of repairs of damaged Equipment. Accrued rental charges shall not be applied against such additional amounts. BLUE LLAMA shall have the immediate right, but not obligation, to reclaim any Equipment involved in any Incident.

8. **NO WARRANTIES.** BLUE LLAMA does not design or manufacture the Equipment and is not the agent of the party (ies) that do. BLUE LLAMA disclaims any and all representations and warranties, express or implied, with respect to the Equipment and its durability, condition, merchantability, or fitness for any particular purpose. Customer acknowledges acceptance of the Equipment on an "AS IS WHERE IS" basis with "ALL FAULTS" and without any recourse whatsoever against BLUE LLAMA . Customer assumes all risks associated with the Equipment and releases BLUE LLAMA from any and all liabilities and damages (including lost profits, personal injury, and special and incidental, and consequential damages) in any way connected with the Equipment, its operation or use or any defect or failure thereof or a breach of BLUE LLAMA obligations herein.
9. **RELEASE AND INDEMNIFICATION.** To the fullest extent permitted by law, Customer indemnifies, releases, holds BLUE LLAMA harmless and at BLUE LLAMA request, defends (with counsel approved by BLUE LLAMA) from and against all liabilities, claims, losses, damages, and expenses (including attorney's fees and expenses) however arising or incurred, related to any incident, any damage to property, injury to, or death of any person or any contamination or alleged contamination, or violation of law or regulation caused by or

connected with the use, possession, or control of the Equipment during the rental period or breach of this contract, whether or not caused by the active or passive negligence or other fault of any party indemnified herein and any of the foregoing arising or imposed in accordance with the doctrine of strict or absolute liability. Customer's indemnity obligations shall survive the expiration or termination of this contract. If any part of this section is determined invalid by a court or competent jurisdiction, customer agrees that this release and indemnification shall be enforceable to the fullest extent permitted by law.

10. **INSURANCE.** During the Rental Period, Customer shall maintain, at its' own expense, the following minimum insurance coverage (a) general liability insurance of not less than \$1m per occurrence, including but not limited to, coverage for Customer's contractual liabilities herein (including the release and indemnification clause contained in Section 8); (b) property insurance against loss by all risks to the Equipment, in an amount at least equal to the MSLP thereof; and (c) worker's compensation insurance as required by law; and (d) if the Equipment is to be used on any roadway, automobile liability and physical damage insurance (including comprehensive and collision coverage, a non-owned vehicle and endorsement and uninsured motorist coverage), in the same amounts set forth in subsections (a) and (b). Such policies shall be primary (and not on an excess basis), on an occurrence basis, name BLUE LLAMA as an additional insured and loss payee, and provide for BLUE LLAMA to receive at least 30 days prior written notice of any cancellation or material change in such coverage. Customer shall provide BLUE LLAMA with certificates of insurance evidencing the coverage's required above prior to any rental and any time upon BLUE LLAMA (failure to provide such certificates may constitute a breach of this Contract). The insurance required herein does not relieve Customer of any of Customer's responsibilities,

indemnification or other obligations herein, or for which customer may be liable by law or otherwise.

11. **RENTAL PERIOD.** "Rental Period" commences when the Equipment is delivered to Customer or the Site Address and continues until the Equipment is returned to BLUE LLAMA during normal business hours, provided the Customer has otherwise complied with this Contract and the Equipment is in the condition required herein. BLUE LLAMA may terminate this Contract at any time, for any reason, after the estimated Rental Period identified on the Contract. If Customer elects for BLUE LLAMA to pick up the Equipment, Customer must call BLUE LLAMA and receive a Pick Up Number (defined below). Customer may receive a credit for the rental charges from the date the Pick Up Number is given (so that the Rental Period ends on the date the Pick Up Number is given), provided Customer has otherwise complied with this Contract and the Equipment is in the condition required herein.
12. **RENTAL RATES.** The total charges specified in this Contract are: (a) estimated based upon Customer's representation of the estimate Rental Period identified on the Contract (rental rates beyond the estimated Rental Period may change); and (b) for the Equipment's use for "one shift" being not more than 8 hours per day and 40 hours per week unless otherwise noted. Weekly and monthly rental rates may or may not be prorated and/or the daily rental rate may apply. Customer shall notify BLUE LLAMA if the Equipment is used in excess of the above number of hours or the estimated Rental Period, and if so used, Customer shall pay additional fees. In addition to the rental rates and other fees for the Equipment, Customer is responsible for (i) all licenses, fees and taxes based on Customer's use of the Equipment; (ii) delivery and pickup costs to and from the store; (iii) maintenance, repairs and replacements to the Equipment as provided herein; (iv) a cleaning fee if the Equipment is returned unclean; (v) fees for lost keys; (vi) fuel used during the Rental Period (Customer may either return the

Equipment fully fueled or a fuel charge shall be assessed (designed to cover BLUE LLAMA direct and indirect costs of refueling the Equipment)); and (vii) an environmental charge (designed to cover BLUE LLAMA direct and indirect costs of handling and disposing of wastes and hazardous materials.) The environmental charge is not a government mandated charge. Payment for all estimated charges is due at the time of rental, in cash or by credit card, unless BLUE LLAMA approves Customer's executed credit application.

13. **PAYMENT.** Customer is liable for and shall pay all rental charge(s) and applicable federal, state and/or local taxes, without offsets, deductions or claims, in full no later than the end of the Rental Period, or if an approved credit customer, upon receipt of BLUE LLAMA invoice within agreed to terms. Customer must notify BLUE LLAMA in writing of any disputed amounts, including credit card charges, within 15 days of receipt of the invoice/contract or Customer shall be deemed to have irrevocably waived its right to dispute such amounts and the amounts shall be deemed final and binding. At BLUE LLAMA discretion, any credit account with a delinquent balance may be placed on a cash basis, deposits may be required, and the Equipment picked up without notice. Due to the difficulty in fixing actual damages caused by a late payment, Customer agrees that a service charge equal to the lesser of 1.5% per month or the maximum rate permitted by law shall be assessed on all delinquent accounts, until paid in full. Deposits are only required to be returned after all fees and expenses paid in full. Customer agrees that if a credit card is presented to pay for charges or to guarantee payment, Customer authorizes BLUE LLAMA to charge the credit card the estimated charges specified in this Contract, any required security deposit and all additional charges subsequently incurred by Customer, including but not limited to, loss of or damages to the Equipment. Customer's obligations to return and pay for the

amounts due herein shall survive the Rental Period and termination of this Contract.,

14. **DEFAULT.** Customer shall be in default if Customer: (a) fails to pay sums when due; (b) breaches any provision of this Contract; (c) becomes a debtor in a bankruptcy proceeding, or goes into receivership; (d) places the Equipment at risk if BLUE LLAMA , in good faith deems itself insecure; (e) fails to return Equipment immediately upon BLUE LLAMA demand; or (f) is in default under any other contract with BLUE LLAMA . If a Customer default occurs, BLUE LLAMA shall have, in addition to all rights and remedies at law, or in equity, the right to enter the Site Address or wherever the Equipment is located to repossess the Equipment without judicial process or prior notice. Customer shall pay all of BLUE LLAMA costs, including reasonable costs of collection, court costs and attorney's fee incurred in exercising any of its rights or remedies herein. The use of false identification to obtain Equipment or the failure to return Equipment by the end of the Rental Period may be considered theft, subject to criminal prosecution and civil liability where permitted, pursuant to applicable laws. Customer waives any right of action against BLUE LLAMA for such entry or repossession.
15. **FINANCING.** This contract and all of Customer's rights in and to the Equipment are subject and subordinate to all rights, title and interest of all persons (including BLUE LLAMA secured lenders) who have financed or leased the Equipment or provided financing to BLUE LLAMA .
16. **LIMITATION OF BLUE LLAMA LIABILITY.** In consideration of BLUE LLAMA rental of the Equipment to Customer, Customer agrees that BLUE LLAMA liability with respect to his contract, including any liability arising from BLUE LLAMA or any third party's comparative, concurrent, contributory, passive or active negligence or that arises as

a result of any strict or absolute liability, shall not exceed the total Rental Charges paid by Customer under this Contract.

17. **JURY TRIAL WAIVER.** To the extent permitted by law, in any action to enforce or interpret the terms of this Contract, the parties hereby knowingly, voluntarily and intentionally waive any right they may have to a trial by jury, this waiver being a material inducement for the parties entering into this Contract.
18. **COMPLIANCE WITH EXPORT AND IMPORT LAWS.** Customer acknowledges and agrees that removal of the Equipment from the United States is prohibited under this Agreement. If Customer desires to transport or cause the transport of the Equipment from the United States and /or operate the Equipment outside of the United States, Customer must notify BLUE LLAMA prior to taking such action, and subject to agreement by BLUE LLAMA , a separate Rider to this Agreement shall be executed and the terms of such Rider shall be incorporated herein. Although prohibited under this Agreement, if Customer exports or re-exports the Equipment, Customer acknowledges its understanding that the Equipment is subject to export control laws and regulation of the US Government including but not limited to the Export Administration Regulations, and that Customer is responsible for complying with such laws and regulations. Customer further acknowledges that it is responsible for (a) determining whether export or re-export licenses or other authorizations are required; (b) obtaining any required license(s), or documentation prior to exporting or re-exporting the Equipment; (c) obtaining any required documentation necessary for the return of the Equipment, and; (d) ensuring no unauthorized transfers or diversions of the Equipment occur. Refer to www.bis.doc.gov for information.
19. **MISCELLANEOUS.** If this Contract identifies any Equipment that is to be purchased by Customer, BLUE LLAMA sells and delivers such Equipment to Customer on an "AS IS WHERE IS" basis, with all faults

and without any warranties (other than manufacturer warranties, if any) in consideration for Customer's payment to BLUE LLAMA of the full purchase price of the Equipment. BLUE LLAMA retains title to the Equipment until Customer has paid in full. This Contract (a) together with any Customer executed credit application constitutes the entire agreement of the parties regarding the Equipment and may not be modified except by written amendment signed by the parties' and (b) shall be governed by the laws of the the State of Idaho, without regard to any conflicts of law principles. If any provision of this Contract is prohibited by law in any state, such provision shall, as to such state, be ineffective to the extent of such prohibition without invalidating the remaining provisions. Headings in this Contract are for convenience only. Any failure by BLUE LLAMA to insist upon strict performance of any provision of this Contract shall not be construed as a waiver of the right to demands strict performance in the future. Customer, and the person signing the EQUIPMENT RENTAL AGREEMENT, represent that; (i) they both have full authority to execute, deliver and perform this contract; and (ii) this Contract constitutes a legal, valid, and binding obligation of the Customer, enforceable in accordance with its terms. When Customer is a buyer of Equipment, they are hereby notified that BLUE LLAMA has assigned its rights (but not its obligations) in the agreement to sell the asset(s) described herein to BLUE LLAMA

The total charges in this Contract are an estimate based on the estimated rental period provided by customer. Customer assumes all risks associated with the Equipment during the Rental Period, including injury and damage to persons, property, or the equipment. Customer is responsible for and shall only permit properly trained, authorized individuals, who are not under the influence of drugs or alcohol, to use the Equipment. If the Equipment does not operate properly, the Equipment is not suitable for customer's intended use, the Equipment did not come with operating and safety instructions or customer has any questions regarding the use of the Equipment, do not operate the Equipment and contact BLUE LLAMA immediately. Misuse of the Equipment or using damaged or malfunctioning Equipment may result in serious bodily injury or death. Customer has received, read, understand and agrees to the estimated charges herein and all the terms and conditions of this contract, including the Release and Indemnification provision in section 9. Customer must call to request pickup of Equipment, retain Pick Up Number given by BLUE LLAMA and is responsible for Equipment until actually retrieved by BLUE LLAMA .

By signing the Rental Purchase Agreement the customer acknowledges these Terms and Conditions