



CALIFORNIA

COMPACTION

For and in consideration of the covenants and agreements to be kept and performed by the LESSEE, LESSOR hereby leases to the LESSEE the following personal property, hereinafter termed "equipment":

1. RENTAL PERIOD: Rental is due and payable from the time that the equipment is removed from LESSOR'S yard to the time that it is returned to LESSOR'S yard. Rate charged is based on operation of equipment 8 hours per day, 40 hours per week or 176 hours per month. If greater use is made, the rates shown above will be increased on a pro-rata basis. No allowance will be made for Sunday, Holidays, or time in transit, or for any period of time equipment may not be in actual use while in LESSEE'S possession. Weekly rate applies only if equipment is out at least one full week. Monthly rate applies only if equipment is out at least four full weeks. Applicable Tax will be charged on the above rates.
2. TRANSPORTATION: Transportation from LESSOR'S yard and back to LESSOR'S yard is the LESSEE'S responsibility and done at LESSEE'S expense unless arrangements are made in advance, in writing, and approved by LESSOR
3. The LESSEE agrees to take good care of the equipment, to keep the same free and clear of all liens, claims and encumbrances of whatsoever kind, and to keep the same in good order. If the equipment should be lost, destroyed or rendered unfit for service, it is hereby agreed that the LESSEE shall thereupon be obligated to pay the LESSOR the full stipulated insurable value.
4. LESSEE hereby acknowledges that upon its receipt of each item of equipment, the equipment is in good condition and repair, and LESSEE further agrees that it shall be conclusively presumed, as between LESSOR and LESSEE, that LESSEE has fully inspected and acknowledged that the equipment is in good condition and repair, and LESSEE is satisfied with and has accepted the equipment in such good condition and repair.
5. LESSEE agrees to provide at his expense: operator, fuel, lubricants, filters, all wearing surfaces such as bucket teeth, end bits, cutting edges, etc.: and LESSEE will provide all daily maintenance including: but, not restricted to air cleaner, hydraulic lines, and all minor mechanical work. LESSOR will be responsible for major power-train repairs. If power-train failure is caused by LESSEE by not adding oil, water or operator error, repairs will be at LESSEE'S expense. In the case of rubber-tired equipment, LESSEE will pay for any tire damage unwarrantable by the tire manufacturer. In the event of tire failure, resulting in a non-repairable carcass, LESSEE will pay for tread value remaining and there will be an additional disposal fee of \$500.00 for the casing.
6. LESSEE will at its sole cost and expense maintain broad form commercial general liability and property damage insurance. The coverage limits of the insurance will be no less than \$1 per occurrence and in the aggregate for claims for bodily injury and property damage, and not less than the Stipulated Insurable Value of the equipment rented for loss or damage to the equipment. California Compaction Equipment Inc. shall be named an ADDITIONAL INSURED on the public liability insurance and LOSS PAYEE on the property damage insurance. LESSEE must also provide ALL RISK or SPECIAL FORM coverage. LESSEE shall carry workers' compensation insurance in compliance with all applicable laws. All insurance shall be in form and amount, and with companies, approved by LESSOR, and shall provide that written notice be given to California Compaction Equipment Inc. at least 30 days prior to any termination, cancellation, or reduction of coverage. LESSEE will provide LESSOR with Certificates of Insurance with respect to all such insurance prior to delivery of equipment.
7. LESSOR reserves the right to shut down the equipment or remove it from the LESSEE'S job site, if rental payments are not paid within 30 days of the date of the invoice or, in the opinion of LESSOR'S representative, the equipment is being improperly operated, wrongly applied, abused or that the daily preventative maintenance is not being satisfactorily performed by the LESSEE.

8. LESSOR makes no warranties, either expressed or implied as to any matter whatsoever, including, and without limitation, the condition of the equipment, its productivity, or its fitness for any particular purpose. LESSOR and LESSEE acknowledge and agree that LESSOR is not the manufacturer of the equipment, nor the agent of said manufacturer, and that no warranty against patent or latent defects in material or workmanship or capacity is hereby given.
9. LESSEE shall indemnify LESSOR against, and hold LESSOR harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment, including without limitation the manufacture, selection, delivery, loading and unloading, possession, use, operation or return of equipment.
10. This agreement is not to be construed as a sale contract or a conditional sale contract. It is understood and agreed that said equipment shall remain personal property at all times, notwithstanding the manner of its annexation to realty.
11. In the event that LESSEE fails to perform anything herein required and/or if any attachment is levied against said equipment, and/or attempted, by a creditor of LESSEE, the LESSOR may, at its option and without notice, enter the premises in which said personal property, or any part thereof is located, and without hindrance, directly or indirectly on the part of the LESSEE, take possession of said equipment, and LESSEE hereby agrees to pay all expenses, including a reasonable attorney's fee, that may be incurred by LESSOR in enforcing this agreement, and/or in collecting the rent provided herein, and/or in repossessing said equipment.
12. The equipment shall not be used in violation of any federal, state, or municipal statute, ordinance or regulation and shall be used only in connection with LESSEE'S business. LESSEE agrees to keep said equipment, during the full period LESSEE is renting the same from LESSOR, in LESSEE'S custody and at the location specified herein, and not to remove and/or sublease or re-rent same without the LESSOR'S consent in writing first obtained.
13. LESSEE agrees not to make any changes or modifications to said equipment. LESSEE agrees to pay or reimburse LESSOR, on return of said equipment to LESSOR, for all charges incidental to all breakages, shortages or damage, other than ordinary wear to said equipment, during the term hereof.
14. LESSEE agrees to pay invoices in accordance with their terms. If LESSEE fails to pay any invoice within 30 days thereof, LESSEE agrees to pay a late payment charge at the rate of 1 1/2% per month. 15. The terms and conditions herein set forth are agreed to by LESSEE and LESSOR, and LESSEE acknowledges that he has fully read this agreement and assents to all of its terms and conditions. 16. This agreement shall not be considered in full force until accepted by the LESSOR and executed by its proper officers at Woodland, CA.
17. Time is of the essence of this agreement and all of its provisions.