

## TERMS AND CONDITIONS

### **1. THESE TERMS AND CONDITIONS SHALL PREVAIL OVER ALL INCONSISTENT PROVISIONS IN ANY OTHER CONTRACT DOCUMENTS, INCLUDING ANY PURCHASE ORDER ISSUED AT ANY TIME, RELATING TO ANY QUOTE, BID, OR PROPOSAL.**

Customer shall be conclusively deemed to have accepted these Terms and Conditions (hereinafter 'Agreement'), and to have entered into this Agreement with Lessor, also known as Company. This Agreement shall be interpreted in accordance with the laws of the State where the main office of Company is located and the laws of the United States of America, including, but not limited to, federal transportation law while the Cargo or Equipment is in transit. For work performed outside the State(s) set forth in paragraphs 3 & 4 below, paragraphs 3 & 4 are deleted and incorporated by reference into this Agreement are the state specific Indemnity and Insurance provisions found at URL: <http://heavyironops.com/incbyref/allstatesv1.pdf>. Company and Customer, each shall be known as a Party and together they shall be known as Parties.

**2. CHANGE IN CONDITIONS.** Any changes to the condition of the site or work from the time of the proposal to the time when Company starts the work shall be the responsibility of the Customer. Customer shall immediately notify Company by email of any changes not previously disclosed regarding the setup or site conditions. In the event of an increase in the work, the contract price shall be increased by a fair and reasonable valuation based upon the original contract rates. In either an increase or decrease in work, Customer shall provide an extra work notification to Company. Signing a time sheet is an automatic or extra work notification & serves as authorization of overtime pay.

**3. SOUTH DAKOTA INDEMNIFICATION AND RELEASE PROVISIONS. IT IS THE PARTIES INTENT THAT THIS PROVISION IS SPECIFICALLY IN COMPLIANCE WITH ALL SOUTH DAKOTA LAWS, AND TO THE FULLEST EXTENT PERMITTED BY SOUTH DAKOTA LAW, LESSEE AGREES TO INDEMNIFY, RELEASE, AND SAVE LESSOR, ITS EMPLOYEES AND AGENTS HARMLESS FROM ALL CLAIMS OR LOSS FOR DEATH OR INJURY TO PERSONS INCLUDING LESSOR'S AND LESSEE'S EMPLOYEES, OF ALL LOSS, DAMAGE OR INJURY TO PROPERTY, INCLUDING THE EQUIPMENT, ARISING IN ANY MANNER OUT OF LESSEE'S OPERATION OR USE OF THE EQUIPMENT. LESSEE'S OBLIGATION TO INDEMNIFY SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, INDEMNITY FOR ANY AND ALL LIABILITY OF LESSOR ARISING OUT OF ANY STATUTE, REGULATION OR DUTY IMPOSED BY LAW. LESSEE'S OBLIGATION TO INDEMNIFY SHALL ALSO INCLUDE, BUT NOT BE LIMITED TO, LESSOR'S COMPLETE SCOPE OF WORK, INCLUDING ALL SERVICES, ADVICE, RECOMMENDATIONS, PLANS AND SPECIFICATIONS PROVIDED. IT IS THE PARTIES' INTENT THAT THIS DUTY TO INDEMNIFY IS AS BROAD AS PERMITTED BY SOUTH DAKOTA LAW.** -- Lessee's duty to indemnify hereunder shall include all costs or expenses arising out of all claims specified herein, including all court and/or arbitration costs, filing fees, attorneys' fees and costs of settlement. Lessee shall not be required to indemnify or hold harmless Lessor against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of Lessor or its agents, employees, or indemnitees. The Lessee's obligations hereunder shall further not be limited by the amount of its liability insurance and the purchase of such insurance for Lessor shall not operate to waive any of the above obligations. This provision is separate and distinct from any other provision or paragraph in this contract, including any provision or paragraph concerning partial indemnification or procurement of insurance. If this paragraph is declared invalid, then all other paragraphs of this contract shall stand.

Furthermore, as part of Lessee's additional obligations hereunder, Lessee shall bear the cost of any investigation or adjustment (including but not limited to, attorneys' fees and costs, private investigator/adjuster fees and costs, expert fees and costs, costs of storage and down time for inability to use the Equipment, and costs of testing of property, Equipment, or other items) initiated by the Lessor, Lessor's insurance carriers or Lessor's third party adjusters into any accident of any kind, when such accident, or occurrence happens, involving directly or indirectly the leased Equipment, whether or not such accident involves personal injury, death or damage to the leased Equipment or other property or all of these.

**4. SOUTH DAKOTA INSURANCE.** To the fullest extent permitted by South Dakota law, the Lessee agrees to purchase, maintain and carry the following insurance coverages prior to the Equipment's arrival on the job site. The Lessee shall procure the following coverages for Lessor: a) worker's compensation and employer's liability insurance, with limits of at least the statutory minimum or \$1,000,000, whichever is greater; b) primary non-contributory commercial general liability ("CGL") insurance on an occurrence basis, including bodily injury and property damage coverages with minimum limits of \$1,000,000 per occurrence and \$2,000,000, in the aggregate; c) excess/umbrella following form non-contributory insurance in the amount of at least \$5,000,000 and Lessee's primary and excess/umbrella policies must be endorsed so that they are primary and non-contributory to all of Lessor's insurance policies; d) inland marine/all-risk and or builder's risk which includes an all-risk physical damage insurance, on a primary non-contributory basis, to cover the full insurable value of the Equipment, including any boom or jib, for its loss or damage from any and all causes, including, but not limited to, overloading, misuse, fire, theft, flood, explosion, overturn, accident, and acts of God during the rental term and Lessee shall pay all deductibles and or coinsurance requirements of the inland marine/builders risk policies provided by Lessee and Lessee shall also provide the greater of 6 months or \$500,000.00 rental reimbursement coverage or similar coverages for the Lessor's benefit for any loss or if the equipment is damaged, stolen, lost or destroyed; e) all policies are to be written by insurance companies acceptable to the Lessor; f) for all liability insurance policies (including any excess/umbrella policies) Lessee shall name as an

additional insured, Lessor and Lessor's officers, directors, shareholders, members, managers, partners and employees, all affiliated partnerships, joint ventures and corporations of Lessor and anyone whom Lessor is required by contract to name as an additional insured; g) Lessee shall use all of the following ISO endorsements to provide additional insured status and coverage to Lessor: CG 2001 04 13, CG 20 10 10 01, CG 20 37 10 01, CG 20 28 07 04, CG 20 34 03 97, CG 20 26 04 13, CG 25 03 03 97, and CG 24 04 05 09; h) Additional Insured coverage shall include, but not be limited to, coverage for any and all liability of Lessor arising out of any statute, regulation or duty imposed by law; i) Additional Insured coverage shall include, but not be limited to, coverage for Lessor's complete scope of work, including all services, advice, recommendations, plans or specifications provided; j) Lessee shall provide punitive damage coverage for Lessor's benefit on all liability policies, unless prohibited by state law; k) Lessee shall name Lessor as a Primary Loss Payee on all insurance policies, l) Lessee shall provide all insurance certificates to Lessor when requested by Lessor and prior to start of work by Lessor; m) all of Lessor's policies, and the policies of anyone Lessor is required to insure shall be excess over all of Lessee's policies; n) all Lessee's policies shall be endorsed to require the insurer to give at least thirty (30) days advance notice to all insured's, including additional insured's, prior to cancellation or non-renewal; o) all Lessee's policies must remove any exclusion for explosion, collapse and underground operations (XCU); p) all Lessee's policies must remove the "employer's liability exclusion" for all additional insureds; and q) all Lessee's policies must include coverage for blanket contractual liability for the obligations assumed here-under and also for the liabilities assumed in the Indemnity section above. In the event of loss, proceeds of property damage insurance on the Equipment shall be first made payable to Lessor. Lessee's agreements to indemnify and hold Lessor harmless from any liability, damage, and loss are in addition to, and not an alternative to, these insurance provisions and the purchase of any of the above coverages shall not operate to waive any of the above indemnity provisions. To the extent that the Lessee may perform under this Agreement without obtaining the above coverages, such an occurrence shall not operate, in any way, as a waiver of the Lessor's right to maintain any breach of contract action against the Lessee. Lessee hereby agrees to waive any and all rights of subrogation and any and all lien rights (including those arising from worker's compensation/employer's liability policies or other employee benefit programs, commercial general liability policies, or similar policies) which may accrue to it or its insurers. This shall include, but not be limited to, rights of subrogation and lien rights. The Lessee understands that this waiver shall bind its insurers of all levels and agrees to put these insurers on notice of this waiver and to have any necessary endorsements added to the insurance policies applicable to this Agreement. LESSOR SHALL BE CERTIFICATE HOLDER, LOSS PAYEE AND ADDITIONAL INSURED.

**5. OPERATION AND USE OF EQUIPMENT.** Customer shall, at all times, transport, store and/or operate the Equipment (also referred to as load handling Equipment or "LHE") in a safe and competent fashion and shall be responsible for the actions of all those persons involved in the transportation, storage and/or operation of the Equipment. Customer shall, at all times, comply with all applicable local, state, federal and provincial statutes, rules and regulations relating to the operation of the LHE. During transportation, delivery, set-up, use and operation of the Customer, directly and through its agents, servants and employees, shall at all times, assume the roles and fulfill all the responsibilities of the: a) A/D director (Assembly/Disassembly director), b) controlling entity, c) Lift Director, d) Lift Planner, e) Site Supervisor, f) Site Safety Officer, g) Crane User and/or LHE User, i) Crane Operator and or LHE Operator, j) Signalperson, k) Rigger, l) Spotter; and m) Transport Operator, as those terms are defined in 29CFR1926.1400 OSHA), ASME P30.1 Lift Planning and ASME B30.5 Mobile and Locomotive Cranes. Customer shall, at all times, (i) comply with all federal, state, provincial and local laws and regulations in all material respects relating to this Agreement; and (ii) have in place and maintain any and all licenses, permits, and other authorizations required by federal, state, provincial and local laws. If Company supplies any Lift Plans for use by the Customer and/or the Lift Director, Customer agrees that the Lift Plan are supplied for informational purposes only, and the Lift Director is ultimately responsible to review and approve the Lift Plan for use. Company is not responsible for any information used in the preparation of the Lift Plan. Customer is solely responsible for the gathering of all information used in the Lift Plan. Customer hereby guaranties that those agents, servants and employees assigned the roles and functions set forth above shall be, at all times, through education, training, experience, skill and physical fitness, as necessary, be competent and capable to perform the functions they are assigned. Customer specifically agrees that Company has absolutely no control over any person operating or assisting in operating, repairing, or maintaining the leased Equipment ("Operator"). Company may provide an operator with the Equipment. Customer may reject this operator; however, if operator is not rejected, the operator is under the Customer's exclusive direction and control and is Customer's agent, servant, and employee. Customer further agrees to use said Equipment in accordance with the manufacturer's instructions and agrees not to exceed the manufacturer's rated load capacities for such or similar Equipment. Customer expressly agrees that counter-weight in excess of the manufacturer's specification shall not be used. It is expressly agreed by and between the parties hereto that the Equipment and all persons operating the Equipment are under the exclusive jurisdiction, supervision and control of Customer under this Agreement. It shall be the duty of Customer to give specific instructions and directions to all persons operating, maintaining, and assembling/disassembling, mobilizing or demobilizing the Leased Equipment. Customer specifically agrees that the Company has absolutely no control over any person operating or assisting in operating, using, maintaining or assembling/disassembling the Equipment. Customer agrees to at all times provide, at Customer's sole cost and expense, any operating personnel that may be required to operate the Equipment and competent and experienced supervision (including a "Lift Director") to direct use of the Equipment and the activities of furnished operating personnel.

**6. LIFT DIRECTOR.** It shall be the duty of the Customer's agent, hereinafter known as the "Lift Director" to give specific instructions

and directions to all persons operating, mobilizing/demobilizing, maintaining, and assembling/disassembling the Leased Equipment. Customer specifically agrees that the Company has absolutely no control over the Lift Director. The Lift Director has the exclusive right to supervise and control the use of the Equipment and the Operator. The Company and Customer agree that the prevention of accidents is the goal of all parties working on the job. Actions taken by the operator to ensure safe working conditions, shall not change or alter the Lift Director's exclusive right to supervise and control the use of the Equipment and the operator. The Customer further agrees that all Equipment used, and all work performed and all persons operating the Equipment, shall be solely within and in furtherance of, Customer's contractual scope of work on any given project. The Company has no right to replace or substitute personnel and any such replacement or substitution shall only be at the direction of and with the approval of the Lift Director and the Lift Director shall have the right to control, including the right of termination, and the Lift Director shall be deemed to have exercised that right as to all details or operation of the Equipment and the personnel operating the Equipment. If Company supplies an operator with the Equipment, any such operator may not use the Equipment without Customer's acceptance and approval of that operator, as a borrowed servant of Customer, under Customer's sole direction, supervision and control.

**7. LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT, IN NO EVENT WILL COMPANY BE LIABLE FOR ANY LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, INDIRECT, SPECIAL, LIQUIDATED, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND IN CONNECTION WITH OR ARISING OUT OF THE FURNISHING, PERFORMANCE OR USE OF THE EQUIPMENT OR SERVICES PERFORMED HEREUNDER, WHETHER ALLEGED AS A BREACH OF CONTRACT OR TORTIOUS CONDUCT, INCLUDING NEGLIGENCE, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY'S LIABILITY ON ANY CLAIM OR ANY KIND OF LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR FROM THE PERFORMANCE OR BREACH THEREOF BY COMPANY SHALL IN NO CASE EXCEED THE PAYMENTS RECEIVED BY COMPANY FROM CUSTOMER FOR THE EQUIPMENT OR SERVICES PROVIDED UNDER THIS AGREEMENT DURING MOST RECENT THREE (3) MONTHS, OR \$10,000.00, WHICHEVER IS GREATER, (HEREAFTER REFERRED TO AS "DAMAGES CAP"). COMPANY SHALL NOT BE LIABLE TO CUSTOMER, UNDER ANY CIRCUMSTANCES, WHETHER PURSUANT TO AGREEMENT, WARRANTY (EXPRESS OR IMPLIED), TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, OR PRODUCTS AND/OR STRICT LIABILITY) OR OTHERWISE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT OR SERVICES, OR BY ANY INADEQUACY THEREOF, OR BY ANY DEFECT THEREIN, OR BY ANY ACT OF OMISSION IN CONNECTION THEREWITH IN EXCESS OF THE DAMAGES CAP. NOTWITHSTANDING THE FOREGOING, THE DAMAGES CAP ON CARGO TRANSPORTED BY COMPANY IS LIMITED TO A RELEASE VALUE OF \$2.50 PER POUND, WITH A MAXIMUM RECOVERY OF \$100,000 PER TRUCK LOAD.

**8. ASSUMPTION AND RELEASE.** The Customer assumes all of the risks associated with the performance of any and all work occurring under or arising out of this Agreement. This includes, but is not limited to, any risks, claims, suits, or causes of action that may arise from negligence or carelessness on the part of the Customer, Lift Director or the Customer's agents, servants or employees, independent contractors or anyone else. Further, the Customer waives, releases and discharges Company and its agents, servants or employees, from any and all liability, including but not limited to, liability arising from any and all negligence or fault, for any death, disability, personal injury, property damage, or actions of any kind which may hereafter occur or arise out of the performance of any and all work under, or arising out of this Agreement.

**9. CONDITIONS – GROUND/POWERLINES.** The Customer hereby agrees that it assumes all responsibility and shall be solely responsible for the ground conditions and the proper use of supporting materials during the transportation, storage and the placement of the Equipment for operation of the Equipment. "Ground conditions" means the ability of the ground to support the Equipment (including slope, compaction, and firmness). "Supporting materials" means blocking, mats, cribbing, or similar supporting materials or devices. The Equipment must not be assembled or used unless ground conditions are firm, drained, and graded to a sufficient extent so that, in conjunction (if necessary) with the use of supporting materials, the Equipment manufacturer's specifications for adequate support and degree of level of the Equipment are met. The Customer shall ensure that ground preparations necessary to meet the requirements of this paragraph are provided, which includes, but is not limited to, the identification, communication and elimination of hazards in, around and beneath the Equipment set-up area, including below grade. If the work site is inadequate to provide clear passage or to support the operation of heavy equipment, or subsurface conditions necessitate reinforcement and/or relocation of facilities and/or services, all such work and the co-ordination of same required to permit the work to proceed in a timely manner shall be the responsibility of Customer and at Customer's expense. Customer shall perform or have performed all necessary inspections or testing to determine the nature of the ground or soil and its ability to support the Equipment while in operation or otherwise. Suitable ground conditions referenced to herein means ground conditions meeting or exceeding the requirements of AASHTO H-20 / HS-20. If additional towing or pushing of the Equipment is required because of inadequate site conditions, additional costs incurred (including costs of repairing damage to our equipment) will be billed extra at cost plus fifteen (15%) percent. Customer assumes all responsibility to protect the Equipment and persons in or around the Equipment from the danger of power lines. Customer shall not expose the Equipment or any persons in or around such Equipment to the danger of energized power lines. All power lines in the work area shall be identified prior to the work beginning. All power lines are to be de-energized prior to the Equipment being operated in or around such

power lines. Customer shall contact the local electric utility or other such authorized entity to arrange to have the power lines de-energized prior to beginning work. Even if power lines are de-energized, Customer shall keep the Equipment clear of such power lines at the distances required by OSHA, ANSI and any other safety regulations or standards. If it is not possible to de-energize power lines, then the Customer shall be responsible for the insulating of any power lines, the grounding of all Equipment and will be required to use safety measures or other equipment designed to prevent electrocution.

**10. LOCATION OF EQUIPMENT.** The Customer shall not remove the Equipment from the location shown herein as the place of use of the equipment, without prior written approval of the Company. The Customer shall inform the Company by email upon demand of the exact location of the Equipment while it is in the Customer's possession.

**11. DAMAGE TO OR DESTRUCTION OF EQUIPMENT.** Following delivery of possession of the Equipment to Customer, Customer solely and entirely assumes all risk of loss of and damage to the Equipment from any and all causes, including, but not limited to, loss and/or damage due to theft, vandalism, fire, accident, casualty and acts of God. No loss of or damage to the Equipment will reduce or impair any obligation of Customer under this Agreement, which will continue in full force and effect. In the event of loss or damage that is not beyond repair as authorized by the manufacturer, Customer shall, at Customer's sole cost and expense, promptly restore the Equipment to substantially the same condition and repair as it was in at the commencement of this Agreement, in which case this Agreement shall remain in full force and effect and Customer will be entitled to use and operate the Equipment for the balance of the term of this Agreement. If the Equipment is damaged beyond repair or is lost or stolen (an Event of Loss), then Customer shall promptly pay to Company an amount equal to the Replacement Value, whereupon Company shall have the option to either (a) replace the Equipment with Equipment that is substantially similar to the Equipment, in which case this Agreement shall continue in full force and effect and all references in this Agreement to the Equipment shall be deemed to refer to such replacement equipment; or (b) terminate this Agreement effective upon Company's receipt of such payment from Customer. Company shall give Customer written notice as to which of the foregoing options Company has elected within thirty (30) days after the date on which the Event of Loss occurred. If Company elects the option described in (b) above, then Customer shall be obligated to make any Rent payments that become due and payable prior to Customer's payment of the Replacement Cost to Company. Customer shall furnish to Company such proof of the Event of Loss as Company may reasonably require. Company may enter the premises where the Equipment is kept in order to inspect it and to arrange for its disposal. Company shall pay to Customer an amount that is equal to the lesser of the Replacement Cost paid to Company by Customer or the total amount of any insurance or other proceeds received by Company (less any deductible paid by Company) from the disposition of the Equipment suffering an Event of Loss, upon Company's receipt of such proceeds.

**12. MAINTENANCE AND INSPECTION.** Customer shall allow Company entry upon or access to any premises where the Equipment is stored or used, at all reasonable times, to locate and inspect the state and condition of the equipment. Customer agrees to inspect the Equipment and wire rope upon taking delivery. Customer's failure to notify Company in writing of any deficiencies in the Equipment within 24 hours after taking delivery or such other period of time as may be mutually agreed upon in writing is Customer's acknowledgement that the Equipment was, when delivered, in good, safe and serviceable condition in full compliance with the terms of this Agreement, in good condition and repair and is the type of Equipment that Customer has requested and fit for its intended use by Customer. Customer shall call into Company the hours that the Equipment has been used on a monthly basis so that Company can calculate any excess hours used on the Equipment. Customer agrees to allow Company access to all records and documents which Customer has concerning all maintenance or other work performed on the Equipment with a forty-eight (48) hour oral notice from Company. Customer shall conduct all maintenance on the Equipment in accordance with the manufacturer's requirements including completion of all required inspection and shall bear all costs of whatever nature incurred in doing so. Customer will supply Company with monthly maintenance reports. Customer acknowledges that it has been provided with the manufacturer's required maintenance and inspection schedules with the "Equipment" and that it is the Customer's responsibility to comply with those schedules at the Customer's expense. Failure to comply with these requirements will result in the Customer being charged for the applicable maintenance due at the time Customer returns the equipment. Customer will be invoiced for parts and labor required to perform this service at the Company's normal rates. In all instance if the Equipment is damaged or made inoperable, in any way during the period of possession, Customer shall notify the Company in writing, within two working days of such occurrence, specifying the nature and extent of the damage. Without first obtaining Company's written consent, Customer shall not incur any liability or expend any money for Company's account. The title to all parts, materials and supplies furnished to the Equipment becomes the property of the holder of the title to the equipment. All accessories or attachments not listed herein or necessarily includable, as part of the Equipment shall be furnished by Customer at its own expense. Customer shall maintain the Equipment in good, safe operating condition and shall bear all cost of whatever nature incurred while doing so.

**13. ACCIDENT INVESTIGATION.** As part of Customer's obligations hereunder AND PURSUANT TO SECTION 3, Customer shall bear the cost of any investigation initiated by Company, Company's insurance carriers or Company's third party adjusters (designated below as Company's "representatives") into any accident of any kind, when such accident occurs during the term of this Agreement, and directly or indirectly involving the Equipment, whether or not such accident involves personal injury or death or damage to the Equipment or other property or any or all of the above. The decision to initiate any such investigation and the scope of any such investigation shall be at the sole discretion of Company or Company's representatives. The cost of any such investigation that is to be

paid by Customer shall include, but not be limited to, attorneys' fees for site inspections, Agreement and document review and interviews with witnesses of any kind, including cost of travel, fees of private investigators for site inspections, obtaining and reproducing agreements and documents and interviews of witnesses, including costs of travel, costs of obtaining and reproducing related agreements and documents, adjusters fees, costs for photography, expert fees including expert forensic fees, all costs of site inspections and destructive and/or non-destructive testing, as needed, and costs of dismantling, storing and maintaining property, equipment or other items as evidence. These costs shall be invoiced to Customer along with rental fees and other costs incurred under this Agreement and shall be payable according to the terms of this Agreement.

**14. NO WARRANTIES; EQUIPMENT "AS IS".** COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS DESIGN, ITS CAPACITY, ITS PERFORMANCE, ITS CONSTRUCTION OR WORKMANSHIP, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. COMPANY FURTHER DISCLAIMS ANY LIABILITY WHATSOEVER FOR LOSS, DAMAGE, OR INJURY TO CUSTOMER OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE EQUIPMENT. AS TO COMPANY, CUSTOMER HAS MADE THE DECISION TO RENT THIS EQUIPMENT AND OPERATOR/OILER BASED ON CUSTOMER'S REQUIREMENT'S FOR THIS PROJECT. COMPANY MADE THIS EQUIPMENT, OPERATOR/OILER AVAILABLE FROM A POOL OF AVAILABLE PERSONNEL AND MACHINES FOR CUSTOMER'S USE AND THE DECISION TO USE THIS EQUIPMENT, OPERATOR/OILER IS SOLELY CUSTOMER'S DECISION. CUSTOMER RENTS THE EQUIPMENT "AS IS". COMPANY SHALL NOT BE LIABLE TO CUSTOMER FOR ANY LOSS, DELAY, OR DAMAGE RESULTING FROM DEFECTS IN THE EQUIPMENT OR ANY ACCIDENTAL BREAKAGE. NOTWITHSTANDING THE FOREGOING, COMPANY SHALL REPLACE THE EQUIPMENT WITH SIMILAR EQUIPMENT IF THE EQUIPMENT FAILS TO OPERATE IN ACCORDANCE WITH THE MANUFACTURERS SPECIFICATIONS AND/OR OPERATING INSTRUCTIONS. SUCH REPLACEMENT SHALL BE MADE AS SOON AS REASONABLY POSSIBLE AFTER CUSTOMER RETURNS THE NON-CONFORMING EQUIPMENT.

**15. SUIT LIMITATION.** Any action, demand, lawsuit, arbitration or any other claim by Customer against Company arising out of or related to this Agreement must be commenced within one (1) year from the date on which any such right, claim, or cause of action shall have first accrued.

**16. RIGGING.** If rigging is not part of Equipment, Customer is required to provide any and all rigging to be used with the Equipment including, but not limited to, chokers, slings, straps, chains, hooks, spreaders, fittings, rope or wire. Customer and the Lift Director assume the responsibility for the method of rigging, the condition of the rigging, the condition and use of any lifting lugs and hereby guaranties that those agents, servants and employees involved in the rigging of any load shall be, at all times, through education, training, experience, skill and physical fitness, as necessary, be competent and capable to perform the functions they are assigned.

**17. LOAD CALCULATIONS AND DEVICES.** If any Equipment has been fitted with a load measuring device, the Customer hereby acknowledges and agrees that the Company has made no warranties or representations whatsoever with respect to the ability of the said load measuring device to accurately or consistently measure the weight of loads being lifted by the Equipment and Customer will not rely upon said device. Customer shall independently determine the weight of every load to be lifted by the Equipment and Customer shall independently calculate the lifting capacity of the Equipment for each and every lift and shall make the decision to proceed with any lift, based only on the expertise and judgment of the Customer and the Lift Director.

**18. OPERATOR / EMPLOYEE.** If an operator is provided with the equipment, the Customer shall be responsible for payment of the operator's wages and benefits in the rental payment, which shall be included as part of the rental charges, even though such wages and benefits may be administered by the Company. The term "employee" or "operator" shall include all operators, oilers, riggers, millwrights, helpers, technicians, or any other person that is assembling, disassembling, mobilizing, demobilizing and performing maintenance work or repair work on the Equipment, or providing any other work on the Equipment.

**19. DEFAULT AND REMEDIES.**

(a) If: (i) Customer fails to make any payment, as and when required under this Agreement; (ii) Customer breaches or fails to perform at the time and in the manner herein specified any term, covenant or condition contained in this Agreement and such breach or failure continues for five (5) days after written notice thereof to Customer; (iii) Customer files or has filed against it a petition in bankruptcy, or a custodian, receiver or trustee is appointed for Customer or for a substantial part of its assets, or Customer becomes insolvent or unable to pay its debts as they become due, or any substantial part of Customer's property becomes subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency; or (iv) Customer is acquired by or merges with any other entity, unless this Agreement is assumed in writing by the new entity and such assumption is agreed to by Company ; then

(b) In the case of any of the foregoing events, each an "Event of Default", then Company shall, without notice, demand or action of any kind by Company, all of which are hereby waived by Customer:

(i) Take possession of the Equipment (damages occasioned by such taking of possession being expressly waived by Customer) or otherwise require Customer to assemble the Equipment and to make it available to Company at any place designated by Company, and thereupon Customer's right to the possession of the Equipment will terminate, and Customer shall remain and be liable for the payment of the remaining Rent and all other obligations imposed upon Customer hereunder, all of which will become immediately due and payable;

- (ii) Rent the Equipment or any portion thereof for the remainder of the term of this Agreement to such third party as Company may elect, in which event Company will apply the net proceeds from any such Agreement in payment of the Rent and other obligations due from Customer to Company hereunder (by acceleration or otherwise), and Customer shall remain liable to Company for any deficiency;
- (iii) Sell the Equipment or any portion thereof to a third party at public or private sale without demand or notice of intention to sell or of such sale, in which event Company will apply the net proceeds of any such sale in payment of the Rent and other obligations due from Customer to Company hereunder (by acceleration or otherwise), and Customer shall remain liable for any deficiency;
- (iv) Deduct all costs and expenses incurred in connection with the recovery, repair, storage, renting or sale of the Equipment from the proceeds of such renting and/or sale; and/or
- (v) Terminate Customer's rights hereunder.
- (c) No right or remedy conferred upon or reserved to Company by this Agreement is exclusive of any other right or remedy granted herein or provided by law; all rights and remedies of Company conferred upon Company by this Agreement or by law are cumulative and in addition to every other right and remedy available to Company.
- (d) In the event of any default or failure specified above, Customer shall be liable for all costs and expenses expended or incurred by Company in the enforcement of its rights hereunder (including reasonable attorneys' fees and court or Arbitration Costs).
- (e) If any of the above Events of Default occur to any guarantor or any other party liable for payment or performance of Customer's obligations under this Agreement, such event shall also be considered an Event of Default under this Agreement.
- (f) Company has the right to choose among the remedies available to it and to exercise any or all of them at any time after a default by Customer.
- (g) A waiver of one default by Company does not apply to any future or other default.

**20. TITLE TO EQUIPMENT.** The Equipment shall at all time remain the property of Company and Customer shall do nothing to encumber or interfere with those rights and shall take all actions necessary to protect those rights. Customer shall not acquire any interest in or rights to the equipment, other than the rights of use set forth in this Agreement.

**21. DEMURRAGE.** If as a result of the Customer's actions and unless permission is granted by the Company, if the Equipment is not returned during or at the end of the term, then for every hour, or portion thereof, from the end of the term to the time when the Equipment is returned to the Company, as required herein, the Customer shall pay a rental rate equal to three (3) times (x) the standard hourly rental rate for such equipment.

**22. SUSPENSION PERIOD.** If Customer notifies Company in writing that Customer will not need the Equipment for such period(s) of time as are specified in such notice (the "Idle Periods"), and Company desires to rent the Equipment to a third party during some or all of the Idle Periods, then Company shall have the right to suspend this Agreement by notifying Customer **in writing (no oral approval of Suspension Period is allowed)** of those portions of the Idle Periods during which this Agreement will be suspended (each, a "Suspension Period"; together, the "Suspension Periods"). During each Suspension Period: (i) Subject to the provisions of (ii) below, this Agreement will remain in full force and effect; (iii) all of Customer's obligations under this Agreement are not suspended except for Customer's obligation to pay Rent during the Suspension Period or Periods; (iv) Company will have the right to rent the Equipment to one or more other third parties; and (v) Customer will not be entitled to use the Equipment during the Suspension Period or Periods. At the end of each Suspension Period, Company shall once again make the Equipment available to Customer in substantially the same condition and repair as it was in at the start of such Suspension Period, normal wear and tear excepted.

**23. RENTAL PERIOD AND CHARGES.** The rental period shall start at the time the Equipment first leaves the Company's yard/terminal. The rental period includes all time necessary for the transport, mobilization, demobilization, assembly and disassembly of the Equipment and continues until the Equipment is returned and accepted by the Company. Equipment will not be accepted by the Company until it is returned in the same condition as when the Equipment left the yard. If the Equipment is returned in a damaged state, this Agreement is extended until the Equipment is restored to its condition at the time it left the Company's yard at the inception of this Agreement. If a periodic rental rate is charged by Company, rental charges will be billed to the Customer for each period or portions of the period from the time the equipment leaves the Company's yard, until it is returned and accepted by Company. If a term rental rate is charged by Customer, rental charges are billed to the Customer for the full term even if the equipment is returned before the end of the term. Each piece of Equipment is charged based upon a 160-hour monthly use of the Equipment. Any Equipment used more than 160 hours in a calendar month will be charged for each additional hour or fraction thereof per month as follows: Hours of operation in excess of 160 hours per month ÷ 160 hours x monthly rental rate. There are no unused hour carryovers allowed from month to month. No allowance without a prior written amendment to this Agreement will be allowed for any equipment, or accessory, which is claimed not to have been used. The Customer further covenants and agrees to open for inspection by the Customer, any and all payroll records and hour meters for the purpose of verifying the actual hours worked.

**23. RENTAL PAYMENTS; NO SET-OFF.** All invoices submitted by Company shall be due and payable by Customer within ten (10) days of receipt. Customer shall pay to Company an interest penalty of the highest rate allowed under applicable law, or 1.5% per month, whichever is greater, on the total balance of any and all invoices, or any portion of any and all invoices, that remain unpaid thirty (30) days after receipt by Customer. Company may, upon reasonable notice, require Customer to pay rentals in advance if customer falls more than (30) days behind in making any payment at any time. All charges for use of the Equipment must be paid as billed by the Company in

accordance with the Prompt Pay statute of the state where the Equipment is being used. All notices in accordance with the prompt pay statute must be made in accordance with the notice provisions of this Agreement. Customer acknowledges that a fundamental principle of this Agreement is that it shall pay the sums due under this Agreement as and when required. Accordingly, Customer unconditionally and irrevocably waives any and all rights to withhold from, set-off against, reduce or delay any amount owed to Company, for any reason or by any amount whatsoever, including by any amount claimed to be owed by Company to Customer.

**24. SECURITY DEPOSIT.** Any security deposit paid by Customer to Company, is paid to guarantee Customer's full and faithful performance of all terms, conditions and provisions of this Agreement, including rental payments. When Customer performs all such terms, conditions and provisions, an equal sum shall be repaid without interest to Customer.

**25. TAXES; FEES; PERMITS.** Customer shall be responsible for any sales, use, excise, value added, utility, personal property or other taxes and any license fees, permits and/or assessments relating to Customer's use or possession of the equipment. Customer shall pay such taxes and other charges to Company in accordance with invoices submitted by Company.

**26. COMPLIANCE WITH LAW; SPECIFIC FEDERAL LAWS.** Customer shall, at all times, (i) comply with all federal, state, provincial and local laws and regulations in all material respects relating to this Agreement; and (ii) have in place and maintain any and all licenses, permits, and other authorizations required by federal, state, provincial and local laws. Customer certifies that: (i) it is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity, or nation. Finally, Customer shall, at all times, perform its obligation under this Agreement in compliance with all applicable financial sanction laws, rules and regulations, including, but not limited to, all applicable laws, rules and regulations regarding bribery or money laundering. Customer further agrees that any and all transactions or funds transfers occurring under this Agreement shall be subject to scrutiny for compliance with all such laws, rules and regulations and that any and all transactions or funds transfers may be embargoed or otherwise restricted until compliance with these laws, rules and regulations can be verified.

**27. INTERPRETATION.** This Agreement shall be interpreted as an understanding of parties on equal footing and without resort to any rule of construction resolving ambiguity against the drafter.

**28. INDEPENDENT SERVICE PROVIDER.** This Agreement does not create or evidence a partnership or joint venture and Customer and its agents, servants and employees, shall at all times, be an independent service provider, and employees of Customer shall in no event be considered employees of Company, nor shall they be eligible for any employee benefits or other benefits from Company.

**29. SURVIVAL- SEVERABILITY.** To the fullest extent permitted by the laws of the state where the Equipment is being used, provisions of this Agreement shall be interpreted to be valid and enforceable under applicable law; provided, however, that if any provision is held invalid or unenforceable, such provision will be deemed deleted from the Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The Agreement's remaining provisions will stay in effect. This document is a complete and exclusive statement of all the terms of this Agreement and includes all the representations of the parties. All prior discussions and negotiations are incorporated into this Agreement as the final Agreement of the Parties. All of the representations, warranties and indemnities contained in this Agreement shall survive the expiration, suspension or termination of this Agreement.

**30. ATTORNEY'S FEES.** Customer shall pay or reimburse to Company all costs and expenses, including attorneys' fees, incurred by Company in exercising any of its rights or remedies or enforcing any of the terms or conditions found in this Agreement.

**31. NO ASSIGNMENT.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, except that Customer shall not be permitted to assign this Agreement without the express written consent of the Company.

**32. WAIVERS.** No delay or failure to exercise any right or remedy accruing to Company or any breach or default of Customer under this Agreement will impair any such right or remedy of Company or be construed as a waiver of any such breach or default, or an acquiescence therein, or a waiver of or acquiescence in any breach or default thereafter occurring; nor will waiver of a single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Company of any breach or default by Customer under this Agreement, or any waiver on the part of Company of any provision or condition of this Agreement, must be in writing and will be effective only to the extent specifically set forth in such writing.

**33. TRADE SECRETS.** The Parties shall keep all Trade Secrets as defined by the Defense of Trade Secret Act ( which include any quote, bid, drawing, operational sequence, lift plan, site plan or job and project specific details, ("Submission") along with this Agreement and its terms confidential and the Customer shall not share the Submission with any competing entity of Company. Each party shall keep the Trade Secret (as defined below) of the other party confidential and shall not use any of that Confidential Information for any purpose other than in connection with this Agreement and the Submission. The "Trade Secret" of a party is any, financial information or other confidential or proprietary information in any way relating to that party's services, including all forms and

types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing. A party may, without violating this paragraph, make such disclosures (i) to its directors, officers, employees, attorneys, and other agents as may be necessary to permit that party to perform its obligations and to exercise its rights hereunder, and (ii) as it reasonably deems are required by law, though a party will use its reasonable best efforts to notify the other party in advance of any such disclosure required by law. The parties' respective obligations under this paragraph shall survive the termination of this Agreement. The parties hereto acknowledge that disclosure of the Submission will cause irreparable harm; consequently, each explicitly agrees that the other party shall be entitled to seek injunctive relief, without needing to post a bond or to prove the inadequacy of damages, to prevent any violation or imminent violation of, or to compel specific performance with this paragraph. Furthermore, all parties understand and agree that the Submission and this Agreement is also protected by each state's laws on Trade Secrets including the adoption by each state of the Uniform Trade Secrets Act.

**34. FORCE MAJEURE.** Except as otherwise expressly set forth herein, in the event a party shall be delayed or hindered in, or prevented from, the performance of any act required of it hereunder by reason of strike, inability to procure materials, failure of power, telecommunications or connectivity failure, restrictive governmental laws or regulations, riot, insurrection, war, act of God, or other event outside the reasonable control of that party (each such cause or event being hereinafter referred to as a "Force Majeure"), then performance of such acts will be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay. Any time a party is experiencing a Force Majeure that is expected to result in a significant failure or delay, the party will endeavor to give notice to the other party describing the Force Majeure and the nature of the failure or delay and giving an estimate as to how long the delay will last. A party claiming an excusable delay or failure under this paragraph shall use reasonable efforts to alleviate or overcome the Force Majeure as soon as practicable.

**35. THIRD PARTY BENEFICIARY.** Nothing in this Agreement, expressed or implied, is intended to confer upon any person or entity, other than the parties and their legal successors and permitted assigns, any rights, benefits, or obligations.

**36. CHOICE OF LAW; VENUE.** This proposal and any Contracts arising from acceptance hereof shall be governed by and interpreted in accordance with the laws of the State where work is being performed, and the Federal laws of the United States of America applicable therein, including, but not limited to, federal transportation law while the cargo is in transit. However, if a state law requires that a construction indemnity statute apply to Equipment rented in the state where the Equipment is being used, then that State's laws shall apply. The venue for all disputes among and between the parties concerning the validity, construction, or effect of this Contract, or the rights and obligations created hereunder, shall be in the city, county and state where the Supplier is located. This section applies only to claims not covered by the Dispute Resolution provisions of this Agreement.

**37. NOTICE.** All notices to be given pursuant to this Agreement shall be provided to the respective party at the addresses contained in this Agreement shall be deemed to have been properly given when either (i) personally delivered, or (ii) mailed by registered or certified mail, postage prepaid with return receipt requested, or (iii) delivered by private courier, or (iv) email, electronic receipt requested. A copy of any such notice, although not constituting official notice, shall be provided to the respective party by electronic mail. Notice by electronic mail shall become official notice under this Agreement, upon acknowledgment of receipt sent by the Parties through an email system such as Microsoft Outlook.

**38. HEADINGS.** The section or section headings in this Agreement are inserted only as a matter of convenience and for reference and in no way, define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement or its interpretation.

**39. VALIDITY OF PROVISIONS.** If any provision of this Agreement is ever held to be invalid or unenforceable, that provision will be severed from the rest of this Agreement, and all of the other provisions of this Agreement will remain in effect. The Parties agree that it is the intention of the Parties that this Agreement is valid and complies with all laws.

**40. EXECUTION/COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same, document. The terms of this Agreement shall not be altered in any manner except by written instrument signed by Company and Customer and shall be binding upon and inure to the benefit of their permitted successors and assigns.

**41. AUTHORIZED SIGNATURE.** In the event this Agreement has been executed by an individual on behalf of a corporation or other business entity, the person whose signature is affixed hereto and the entity for which the individual has signed this Agreement, represent to Company that the individual signing has full authority to execute this Agreement on behalf of said corporation or other business entity.

**42. RIGHT TO CURE.** If Customer fails to pay or perform any of its obligations under this Agreement, then Company may itself pay or perform such obligations and the amount of any payment plus Company's reasonable expenses in connection with such payment or performance, together with any interest due hereunder, shall be deemed additional Rent, payable by Customer on demand.

**43. The scope of work will proceed, when directed by the Customer in accordance with these TERMS AND CONDITIONS. The parties agree that these TERMS AND CONDITIONS OF CONTRACT WILL BIND THE PARTIES EVEN IF THE QUOTE OR BID HAS NOT BEEN SIGNED AND CUSTOMER SHALL BE CONCLUSIVELY DEEMED TO HAVE ACCEPTED THE TERMS AND**



CONDITIONS AND TO HAVE ENTERED INTO THIS AGREEMENT WITH COMPANY. IF CUSTOMER REQUESTS COMPANY TO PERFORM ANY WORK AFTER THE CUSTOMER'S RECEIPT OF ANY QUOTE, BID, PROPOSAL OR THESE TERMS AND CONDITIONS, THESE TERMS AND CONDITIONS SHALL BE DEEMED EXECUTED AND BINDING. IF CUSTOMER CALLS COMPANY AND REQUESTS COMPANY TO SUPPLY EQUIPMENT AND/OR PERSONNEL, THEN CUSTOMER AGREES TO AND SHALL BE BOUND BY THESE TERMS AND CONDITIONS.

44. **DISPUTES.** All disputes will be resolved according to the terms and conditions set forth below.

## DISPUTE RESOLUTION AGREEMENT

### Section 1. Dispute Resolution

(a) In the event of a dispute between the Lessor and Lessee arising out of or relating to this Agreement, or any underlying contract or agreement whether written or oral, or the work to be performed by Lessor or Lessee, or a breach of this Agreement, or any underlying contract or agreement, whether written or oral, by any party, any and all disputes shall be decided in accordance with these conditions. Such disputes include, but are not limited to, any claim the Lessee or Lessor may have related in whole or in part concerning the conduct of any other party or Lessor and/or their employees or agents. Lessor and Lessee each shall be afforded a reasonable opportunity to present information and testimony involving its claims, rights or defenses and shall be solely responsible for the presentation of any information or testimony concerning its claims, rights or defenses.

(b) Lessor and Lessee agree to continue performance of all Work, and payments on all non-disputed amounts despite the existence of disputes between them. The existence of a dispute shall not be sufficient cause or justification for any failure to otherwise comply with this Agreement or with any underlying contract or agreement.

### Section 2. Mediation

(a) **Negotiation Prior to Arbitration ("Mediation"):** Prior to any arbitration and/or litigation after arbitration being instituted by any party arising out of or relating to this Agreement, or any underlying contract or agreement whether written or oral, or a breach of this Agreement, or any underlying contract or agreement, whether written or oral, the parties shall each appoint an executive corporate officer to meet to negotiate the claim/dispute through an in-person settlement meeting ("Mediation"). An Insurance representative for each party shall attend the Mediation in order to bind the insurer to any settlement. Corporate officers attending shall have full settlement authority to resolve the claim/dispute. This Mediation shall be a condition precedent to the filing of any arbitration and shall be in accordance with Section 2(b). Prior to engaging in any mediation, all parties shall provide notice of any dispute to their respective insurers.

(b) **Submission of Itemized Claims.** Within Thirty (30) business days of the Lessor or Lessee filing and serving a demand for Mediation, the party filing the Mediation demand ("Claimant") shall provide the other party ("Respondent") with a written, itemized statement of its claim, that shall include copies of all documents supporting its liability statement and damages along with citations to specific provisions of the Agreement that support Claimant's position ("Claimant's Itemized Statement of Claim"). The Claimant shall make all requests for documents from the Respondent when the demand for Mediation is filed. The Respondent shall have 15 days to respond and turn over the requested documents. Claimant's Itemized Statement of Claim shall be served via Federal Express or equivalent overnight delivery service that provides proof of delivery and shall be deemed served as of the date of Respondent's receipt from Federal Express records or equivalent overnight delivery service of the Itemized Statement of Claim. Within Thirty (30) business days after Respondent receives Claimant's Itemized Statement of Claim, Respondent shall provide the Claimant with its answer, affirmative defenses and counterclaim, if any, which shall include a written, itemized statement in support of its defense and/or counterclaim, along with copies of all documents supporting its damages and citations to specific provisions of any underlying contract or agreement, whether written or oral. (Respondent's Itemized Statement of Claim). The Respondent shall make all requests for documents from the Claimant when the Respondent's Itemized Statement of Claim is filed. The Claimant shall have 15 days to respond and turn over the requested documents. Respondent's Itemized Statement of Claim shall be served via Federal Express or equivalent overnight delivery service that provides proof of delivery and shall be deemed served as of the date of Claimant's receipt from Federal Express records or equivalent overnight delivery service of the Itemized Statement of Claim. If any party fails to turn over any reasonably requested documents, or either party fails to participate in the Mediation process in good faith, the arbitrator may make such a finding and take such finding into account when determining liability and damages, in any later arbitration of these claims. Each party shall provide copies of all Statements of Claim and relevant supporting documents to their respective insurers. The parties shall meet and mediate all claims as soon as possible thereafter. Notwithstanding the foregoing, the Mediation process, including the exchange of information and documents shall be completed with 90 days of the filing of a demand for Mediation.

(c) **Venue for Mediation.** All claims, counterclaims or disputes between Lessor and Lessee, which are subject to Mediation

pursuant to Section 2, shall be mediated in the county in which the related job or project is located, or as otherwise agreed.

(d) Offers of Settlement. Within thirty (30) days of receiving Respondent's Itemized Statement of Claim, or if Respondent does not serve one, within thirty (30) days from when Respondent's Itemized Statement of Claim was due, Claimant shall serve Respondent with a written settlement offer that will include both Claimant's Itemized Statement of Claim and Respondent's Itemized Statement of Claim, if any. Claimant's settlement offer shall be served via Federal Express or equivalent overnight delivery service that provides proof of delivery and shall be deemed received upon Respondent's receipt of Claimant's settlement offer. Claimant's settlement offer shall state the amount it will accept from or pay to Respondent to settle all claims asserted in the arbitration. Within thirty (30) business days of Respondent's receipt of Claimant's settlement offer, Respondent shall serve a written settlement offer to Claimant that will include both Claimant's Itemized Statement of Claim and Respondent's Itemized Statement of Claim, if any. Respondent's settlement offer shall be served via Federal Express or equivalent overnight delivery service that provides proof of delivery and shall be deemed served upon Claimant's receipt of Respondent's settlement offer. Respondent's settlement offer shall state the amount it will accept from or pay to Claimant to settle all claims asserted in the arbitration. Claimant's filing of an amended demand for arbitration or Respondent's filing of an amended counterclaim shall in no way alter the timing requirements set forth herein for purposes of determining the prevailing party. If Respondent does not submit a written settlement offer to Claimant as provided herein, then Respondent's settlement offer for purpose of determining the prevailing party shall be considered the greater of: (i) the amount set forth in Respondent's Itemized Statement of Claim, (ii) the amount requested in Respondent's initial counterclaim, (iii) the amount requested by Respondent at the final arbitration hearing, or (iv) \$0.00.

### Section 3. Arbitration

(a) Scope and Venue of Arbitration: All claims, counterclaims or disputes between Lessor and Lessee arising out of or relating to this Agreement, or any underlying contract or agreement, whether written or oral, or the work to be performed by Lessor or Lessee at any applicable job site, or a breach of this Agreement, or any underlying contract or agreement, whether written or oral, whether based on contract or tort, which are not resolved pursuant to Section 2, shall be decided by a final, binding, non-appealable arbitration, to take place in the county in which the related job or project is located, or as otherwise agreed. The arbitration shall be in accordance with the Construction Industry Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") then existing subject, to the requirements and limitations set forth herein. The arbitration shall be further subject to the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and any applicable state statutes governing arbitration.

(b) Arbitrator's Selection and Authority: Any matters to be arbitrated under this Agreement shall be decided by a single arbitrator selected by agreement of the parties. The appointed arbitrator shall be an impartial person with extensive experience and who has an expert understanding of the crane and rigging industry. If within seven (7) calendar days of either party filing for arbitration, the parties have not agreed on an arbitrator, then the appointment of an arbitrator shall be referred to the AAA office in or nearest to the county in which the related job or project is located. The AAA shall appoint a single arbitrator who is an impartial local person with extensive experience and who has an expert understanding of the crane and rigging industry to serve in this matter. The arbitrator shall have full and complete authority to decide any and all claims that have been properly noticed and preserved in accordance with this Agreement. Any judgment entered by the arbitrator shall be final, binding and non-appealable. The arbitrator is required to enforce the terms of this Agreement, including but not limited to, the determination of the prevailing party for purposes of awarding attorney's fees and costs. The arbitrator shall not be authorized to award any punitive damages and shall only be permitted to award consequential damages if the parties have not waived consequential damages by contract and only to the extent permitted under the express terms of this Agreement. Should either party assert that a claim(s) submitted to arbitration has not been properly noticed and/or has been waived or released, then the Arbitrator shall first decide any such issues by way of a declaratory judgment action decided by solely by the arbitrator, with both parties waiving any right to a trial by jury. Any arbitration between the parties for non-Declaratory Action issues shall be stayed pending any such declaratory judgment action so that the Arbitrator can first decide what claims should proceed forward in arbitration. If the Arbitrator finds that a claim(s) was not properly noticed and preserved and/or was released, then the arbitrator shall dismiss that claim(s) and shall not decide such claim(s). The arbitration shall only proceed after a final decision on any declaratory judgment action brought hereunder and shall only include those claims found to have been properly noticed, preserved and not released. All parties consent to such jurisdiction.

(c) Choice of Law. This Agreement shall be construed according to the laws of the state where the work is performed, unless otherwise determined by law.

(d) Prevailing Party in Arbitration. The prevailing party in any arbitration shall be entitled to an award of attorney's fees and costs. The prevailing party in any arbitration shall be the party whose last written settlement offer, as set forth in Section 2 above, is closer to the initial arbitration award, prior to considering costs (including AAA and arbitrator costs), interest, attorney fees and/or expert fees. If

the difference between the initial arbitration award and the parties' last settlement offers are equal, then neither party shall be the prevailing party for purposes of an award of attorneys' fees and costs.

(e) Nondisclosure of Settlement Offers to the Arbitrator: Settlement offers shall only be disclosed to the arbitrator after the initial arbitration award has been entered and shall only be used to determine the prevailing party for purposes of the award of attorney's fees and costs.

(f) Venue of Litigation. Any dispute arising out of or relating to this Agreement, or any underlying contract or agreement whether written or oral, or the work to be performed by Lessor or Lessee at any applicable job site, or a breach of this Agreement, or any underlying contract or agreement, whether written or oral, which is not subject to mediation and arbitration under this Agreement or which the parties have mutually waived their right to arbitrate under this Agreement shall be litigated in the state where the work is performed, unless otherwise determined by law. Such action shall proceed in The United States District Court in or nearest to the county in which the related job or project is located. Both parties acknowledge that should litigation ensue, the United States District Court in or nearest to the county in which the related job or project is located, shall have exclusive jurisdiction and venue over any lawsuits arising under this Agreement, or any underlying contract or agreement, whether written or oral, including any motion to confirm an arbitration award. The prevailing party in any such litigation shall additionally be entitled to an award of all attorneys' fees and costs.

(g) Waiver of Right to Jury Trial: LESSOR AND LESSEE FURTHER AGREE THAT SHOULD ANY LITIGATION OR ARBITRATION ARISE DIRECTLY OR INDIRECTLY, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

(h) Transfer of Venue. Should either party file any action in court against the other party arising out of a dispute as defined in this Agreement, said Party agrees to transfer the action to the Arbitrator to make any and all decisions concerning any dispute including the authority stated in Section 3, including the authority to decide if the action is a dispute covered by this Agreement. If the Arbitrator decides that the dispute should be decided in accordance with this Agreement, the party that filed the action shall pay all costs incurred by the other party, including attorneys' fees, incurred in dismissing and/or transferring the venue of such matter to the Arbitrator.

(i) Discovery in Arbitration. Discovery in any arbitration hereunder shall be limited to the following and must be done in accordance with the Federal Rules on Civil Procedure: (i) The production of each side's job/project/work files as they are maintained in the ordinary course of business and any file index related to same, with all such documents being produced electronically if reasonably feasible or otherwise in hard copy, in the arbitration venue herein indicated; (ii) Other than the documents produced pursuant to Section 2 and Section 3(e)(i) no other written discovery shall be permitted, except on a showing of good cause to the arbitrator. The party requesting any documents, other than those produced pursuant to Section 2 and Section 3(e)(i) shall be responsible to pay for all costs associated with such production, including attorneys' fees incurred in the review for privilege and relevance, third-party consultant fees and any other costs associated with such production. The payment of all such costs is an express condition precedent to either side's right to any such production. The cost associated with obtaining electronic discovery shall not be taxed to the prevailing party as costs/fees and to the extent this conflicts with any provision in the AAA rules, this provision shall control; (iii) Three (3) fact depositions with one being a corporate representative under the Federal Rules of Civil Procedure, if so requested, with all such depositions to take place in the arbitration venue herein indicated; (iv) The opinions and the depositions of any designated expert witnesses. The deposition of all experts that intend to testify or submit opinions at the arbitration hearing must be concluded sixty (60) days before the scheduled arbitration date. Each side will pay for their own expert time and expenses to appear for deposition in the county and state where the contract was being performed. Thirty (30) days prior to any expert deposition, all experts that will testify or submit opinions at the final hearing shall provide a report containing all of his/her opinions and all information, documents and facts relied upon in arriving at such opinions, or if no such report is prepared, the subject matter on which the witness is expected to present evidence and a summary of the facts and opinions to which the witness is expected to testify and all information/documents/facts relied upon in arriving at such opinions, along with the witness's qualifications, including a list of all publications authored in the previous 10 years and a list of all other cases in which, during the previous 4 years, the witness testified as an expert at trial or by deposition and a statement of the compensation to be paid for the study and testimony in the case; (v) Each party shall be entitled to have the arbitrator issue six subpoenas for documents. The other side shall be entitled to a copy of all documents provided in response to any third-party subpoena, provided however, that it has to pay for the costs of reproduction, but shall be entitled to use a third party to make such copies; and (vii) No other discovery shall be permitted by the Arbitrator, unless mutually agreed to by the parties, upon good cause shown.

(j) These sections and provisions (including all sub-parts) shall survive the termination of this Agreement, or any related or underlying contract and/or completion of the related work or project.