

# STANDARD RENTAL TERMS AND CONDITIONS

1. <u>Term of Lease.</u> The lease of the Equipment shall have an initial term of seven (7) days commencing upon the time and date the Equipment is received by Lessee, as posted by the shipper's log. This lease shall automatically renew each day following the expiration of the initial term until the time and date that the Lessee submits the Equipment to the shipper for return by ground shipment. Notwithstanding the foregoing, Lessee shall be responsible to pay Rent for each day that return shipment of the Equipment to EDS exceeds four (4) days. The initial rental term and all renewal days shall constitute the "Term" of the Lease. The Term will be rounded to the nearest 1/10 day.

### 2. Payment of Rent and Taxes.

- a) <u>Rent and Payment Method.</u> Lessee agrees to pay the Rent stated in the Lease Summary for the duration of the Term. Lessee shall provide Lessor with a chargeable Visa or MasterCard number prior to shipment of the Equipment. Lessee hereby authorizes Lessor to charge any amounts invoiced or otherwise due under the terms of this Lease to such credit card on the date of each invoice or the date on which such amount becomes due to be paid to the Lessor. All invoices not paid by credit card for any reason shall be due upon receipt by the Lessee.
- b) <u>Invoicing.</u> Lessor shall invoice Lessee on the Effective Date for the initial seven (7) day rental period plus all charges to ship the Equipment to Lessee. Upon return and inspection of the Equipment to EDS, EDS shall invoice Lessee for all Rent not previously invoiced and all other amounts due under the terms of this Lease. If the Equipment is kept by Lessee longer than 14 days, an interim invoice will be submitted and subsequently invoiced at 14-day intervals until the Equipment is returned to Lessor, upon which a final invoice will be submitted.
- c) <u>Taxes and Fees.</u> All prices are stated in U.S. Dollars and do not include shipping costs, insurance costs, customs, duties or taxes such as sales, use, excise, retailer's occupation, or similar taxes. Shipments by EDS to a New York State address or to any company with a branch office inside New York State will require the destination county's New York State sales tax. Lessee is responsible for the payment of all such applicable costs, fees and taxes, unless Lessee provides to EDS the appropriate Tax Exemption Certificate. Prices are exclusive of expenses related to special packing or procedures to cover unique circumstances of shipment or storage unless specifically noted. The Lessee shall obtain and supply to EDS any necessary export documents.
- d) <u>Late Payment, Etc.</u> The Lessee hereby agrees to pay interest on all late payments at the rate of 1 ½% per 30-day period or the maximum allowed by law, whichever is lower. EDS may decline to furnish any Equipment, offer repair services, or to stop Equipment in transit whenever doubt as to Lessee's financial responsibility develops. The Lessee agrees to pay all of EDS's cost of collection, including reasonable attorney's fees whether or not a suit is commenced, in the event that the Lessee fails to make any payments when due hereunder. Lessee waives all existing and future claims and offsets against any rent or other payments due under this agreement, and agrees to pay the rent and other amounts under this agreement when due regardless of any offset or claim that may be asserted by Lessee or on Lessee's behalf.



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- 3. Maintenance. All Equipment will be inspected and calibrated by Lessor prior to shipment to Lessee and will contain new batteries. Extra batteries will not be supplied. Lessor will be solely responsible for keeping the Equipment in good working order and making all necessary adjustments, parts replacements and repairs during the Term of the Lease, except that, if replacement or service charges are necessitated by Lessee's improper use of the machinery or negligence in its use, Lessee will bear the expense of such replacements or repairs. For such purpose, Lessor may use its own maintenance service or that of a company of its selection. Lessor, or its authorized representative, shall have full and free access to the Equipment during available working hours. The required suitable electric current to operate the Equipment and the suitable place for installation with all facilities will be furnished by Lessee.
- 4. Shipment and Return of Equipment. The Lessee will pay for shipping charges to and from Lessee's designated destination and Lessor's designated return destination. All shipments must be insured by Lessee for full Replacement Cost of the Equipment. Time of delivery is not of the essence, and any failure to comply with estimated shipping dates shall not constitute a breach of contract. EDS shall not be held liable for failure or delays in delivery due to causes beyond its control, including, but not limited to, Acts of God; fire, wind, water or other elements; war or riot; strikes or labor disturbances; shortages of material; any act, order, decree, law or regulation of any court, government or governmental agency; or by the demand for items exceeding EDS' available supply. Lessee agrees to release and discharge EDS from any liability for any and all damages and losses arising from EDS's failure to deliver on time or to fill orders when such failure is due to any such cause.

After return of the Equipment to Lessor, the Equipment will be inspected, and any incurred damage or missing parts will be added to the rental invoice (except normal wear of contact screws, rub bars, batteries, etc.) and will be itemized on that invoice. If the Equipment is returned and requires cleaning, there will be a \$250 cleaning charge added to the invoice. If the Equipment is lost or destroyed, the full Replacement Cost will be invoiced. If a Equipment is returned with serial numbers that do not match the original rental contract, there will be a \$7,250 charge per each non-original head and/or power supply.

5. <u>Warranty.</u> Lessor warrants that the Equipment shall be in good working order as of the Effective Date of the lease. Lessor's obligation under this lease is limited to repair or replacement of any parts or all of the Equipment when Lessor determines they do not conform to this warranty.

THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL OTHER OBLIGATIONS AND LIABILITIES AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE EXPRESS OR IMPLIED BY FACT OR BY LAW, AND STATE LESSEE'S EXCLUSIVE REMEDIES FOR EDS'S BREACH OF THIS WARRANTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EDS'S ENTIRE LIABILITY FOR CLAIMS, WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE FOR ANY LOSS ARISING OUT OF ITS PERFORMANCE OR FAILURE TO PERFORM THIS CONTRACT SHALL (1) NOT EXCEED THE RENTAL PRICE FOR EQUIPMENT SUPPLIED HEREUNDER WHICH WAS THE CAUSE OF SUCH CLAIM, (2) IN NO CASE EXTEND TO DIRECT, INDIRECT SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OF ANY NATURE OR KIND, AND (3) TERMINATE UPON EXPIRATION OF THE LEASE TERM.



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- 6. Alterations and Attachments. The Equipment shall not be removed from the location specified at the beginning of this Lease without the prior written permission of the EDS. Lessee shall not make any additions or alterations to the Equipment without the prior written consent of EDS. All additions or improvements made by Lessee to the Equipment shall belong to and become the property of the EDS and shall form part of the schedule upon the termination of the Term of this Lease. EDS, however, reserves the right to require Lessee to remove any such additions or alterations and to restore the Equipment to its original condition as of the beginning of the Lease.
- 7. **<u>Default.</u>** In the event Lessee fails to pay the EDS any sum required under this agreement within 10 days after the due date, or if Lessee is in default with respect to any of the other conditions in this agreement, EDS shall have the right to take possession of the Equipment, without demand or notice, and Lessee's right to possession shall then terminate.
- 8. <u>Assignment, Bankruptcy</u>. Lessee shall not assign, mortgage, or pledge this Lease or any interest in it, or make any alterations, additions, or improvements to the Equipment, or permit the Equipment to be used by any person other than the Lessee or Lessee's employees, without the prior written consent of the EDS.
  - Lessee agrees that neither this Lease nor any interest of the Lessee in this Lease shall be assignable or transferable by operation of law. It is hereby mutually agreed that in the event any proceeding under the Bankruptcy Act, or any amendment to the Act, is commenced by or against the Lessee, or in the event the Lessee is adjudged insolvent, makes any assignment for the benefit of Lessee's creditors, or if a writ of attachment or execution is levied on the Equipment and is not released or satisfied within 10 days afterward, or if in any action or proceeding to which the Lessee is a party a receiver is appointed with authority to take possession or control of the Equipment, EDS may, at its option, terminate this Lease.
- 9. <u>Indemnity.</u> Lessee agrees to hold and save the EDS harmless from any and all claims, costs, expenses, damages, and liabilities, including reasonable attorney's fees, resulting from the use or operation of the Equipment during the term of this lease.
- 10. <u>Insurance.</u> Lessee agrees to keep the Equipment fully insured at its own cost and expense during the term of this Lease, during any renewal period, and during the time that the Equipment is in transit to and from Lessee and until safely returned to EDS. Lessee shall insure the Equipment in the joint names of Lessee and EDS for not less than the full Replacement Cost of the Equipment as of the inception of the lease. The insurance shall be against all risks and shall include liability insurance in an amount acceptable to Lessor.
- 11. Ownership of Equipment. The Equipment is, and shall at all times remain, personal property, notwithstanding that the Equipment or any part of it may now be, or subsequently become, attached to real property. Ownership of the Equipment is and remains with EDS. Nothing contained in this Lease shall be construed as conveying to the Lessee any right, title, or interest in and to the Equipment other than as a Lessee. All rights to claiming any or all tax attributes associated with the ownership of this Equipment remain exclusively with the EDS.



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### 12. Miscellaneous.

- a) This Lease shall inure to the benefit of and be binding upon the successors and permitted assigns of the respective parties and the heirs, executors, and administrators of the Lessee, if an individual.
- b) Lessee appoints EDS its true and lawful attorney to prepare, execute, and sign any Financing Statements in order to protect its interest in the property set forth in this agreement, to sign the name of the Lessee with the same force and effect as if signed by the Lessee, and to file such statement in the proper state and counties as required. Lessee declares that such Financing Statements signed by the EDS as its attorney shall be binding upon its heirs and assigns.
- c) EDS's failure to insist in any instance upon strict performance by Lessee of any provision in this Lease shall not be construed as a permanent waiver of such provision or as a waiver of any other provision of this Lease.
- d) If any provision of this Lease is held invalid or unenforceable, the remainder of this Lease will not be affected by it.
- e) This Lease contains the complete and exclusive statement of the agreement between EDS and Lessee relating to the Lease of the Equipment and cannot be amended, altered, or changed except by a written instrument signed by the parties.
- f) This Agreement will be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of law. The County of Monroe in the State of New York is hereby designated as the exclusive forum for any action or proceeding arising from or in any way connected to this Agreement, and the parties hereby expressly consent to the personal jurisdiction of the state or federal courts in this forum.
- g) This Agreement may be executed with a copy submitted by facsimile or electronic mail and in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.