

## LEASE/RENTAL TERMS AND CONDITIONS

### This is an agreement between Pacific Mobile Structures, Inc. (PMSI) and Renter.

**1. Basic Terms/Quote Form** - The basic terms of this Agreement, including but not limited to, rental price, Renter's identity, are set forth in the cover letter and Quote Form accompanying these Terms and Conditions. Additional terms and details agreed upon after Renter returned its signed Quote Form are set forth in the Order Confirmation. Renter acknowledges that absent written notice within 48 hours of receiving the Order Confirmation, the additional terms and details therein are deemed incorporated into this Agreement. The following terms and conditions apply:

**a2. Access/Site Conditions/Utility Service** - Renter shall provide free and clear access for delivery and return of leased equipment by standard mobile transport vehicles. Renter shall provide firm and level ground on no more than six-inch slope from one end to the other for safe installation of the leased equipment. Site selection is the sole responsibility of Renter and PMSI shall have no liability for determining the adequacy of any site. Furthermore, PMSI solely reserves the right, for any reason, to refuse to release delivery to any site it deems inadequate for use or installation. Renter shall be responsible for obtaining any permits required to install and operate the equipment. Renter shall provide at Renter's expense adequate electrical power, water and other utility services with proper connection to leased equipment.

**3. Other Fees, Expenses and Taxes** - In addition to the rental payments provided for herein, Renter shall pay all expenses, fees, charges, and fuel surcharges incurred in connection with the leased equipment during its delivery, use and recovery. Additional charges include, but are not limited to, the following instances: (1) where travel permits and/or pilots are required for delivery; (2) where the delivery site is not a level, compacted and accessible site; (3) where tie downs are required - if the tie down option is not taken, Renter assumes liability; (4) where alternate steps are needed (temporary step furnished but steps may not meet all local codes). In addition, return costs are to be at the prevailing rate at termination of lease, thus they are subject to change depending on special circumstances such as fuel costs and delivery routes. Sales tax is not included in the return freight deposit and will be billed on the final invoice. Renter also agrees to pay any fines, servicing costs, sales taxes, use taxes, personal or real property taxes and other use taxes, and all assessments and other governmental charges whatsoever payable on Renter's use, possession, rental, shipment, transportation, delivery or operation thereof. An early termination fee may be assessed if lease is cancelled prior to the term end date.

**4. Delivery by PMSI / Location and Return of Leased Equipment** - PMSI shall not be liable to Renter for any failure or delay in delivering the leased equipment. By taking delivery thereof Renter acknowledges that the leased equipment is in good working condition, free of any physical defect or damage, and is fit for the purpose for which it is leased. Further, the leased equipment shall remain at the delivery site until the termination of this lease, at which time PMSI shall pick up the leased equipment. The leased equipment shall not be moved without PMSI's prior written consent. Two weeks' notice is required prior to equipment return date.

**5. Lawful Use, Assignment, and Subletting** - Renter shall use or permit the use of the leased equipment only for lawful purposes and operate in compliance with all laws. If the leased equipment is used by any party in association with unlawful activity prior to it being returned to PMSI, Renter agrees to reimburse PMSI upon demand for any and all incidental costs PMSI incurs, including, but not limited to, time and cost expenses associated with participating in governmental administrative or law enforcement processes, attorney fees, and remedial costs. Renter shall not assign, transfer, sublet, or in any way assign its rights hereunder, and shall not pledge, permit to be liened, mortgage, or otherwise encumber its rights or interests hereunder. All third-party claims of possession, interest or ownership outside those of PMSI's or the Renter, as stated herein, shall be deemed invalid.

**6. Insurance** - Renter, at its expense, will obtain and keep in force Property damage insurance-special form, replacement cost coverage, with PMSI added as loss payee, ATIMA. Renter will also indemnify PMSI with respect to all liability in accordance with the provision of Paragraph 9 and provide general liability protection in the amount of \$1,000,000 each occurrence listing PMSI as additional insured. If Renter shall fail to produce the required property insurance coverage certificate within ten (10) days from the commencement of the Lease, they are automatically opted into the Property Damage Waiver Program referenced in Section 7 until proof is presented.

**7. Property Damage Waiver Program Option** - Renter's participation in the Property Damage Waiver program relieves the requirement that Renter provide PMSI with a property damage insurance certificate, as required in the preceding Insurance paragraph. However, general liability insurance still needs to be submitted per the prior paragraph's requirements. Moreover, the waiver fee is not an insurance policy, as Pacific Mobile is not an insurance company. The waiver is specifically for the unit listed and solely limits the customer's property liability in regard to fire, theft, vandalism and malicious mischief. The following limitations also apply: The Renter is responsible for a \$2,000 property damage deductible, per unit/per loss occurrence. The waiver fee only covers the unit itself, and Renter is responsible for insuring the contents. The waiver does not apply if the property damage is caused by any of the following: acts of God (earthquake, seismic activity, high winds, hurricane, tornado, flood), acts of terrorism, building contents, damages caused by Renter or its employees, collision damage from vehicles and other equipment, collision damage while being transported or moved, abuse or neglect by Renter. The responsibility for property damage due to these perils is on the Renter. Cancellation: Either party can cancel the waivers with 10 days prior written notice. If the waivers are canceled, the customer must provide insurance. The waiver fees must be paid in order for this option to be valid. If the customer fails to pay their rent or the waiver fees the waivers are terminated automatically. **Claims:** Must be reported by fax or email within 48 hours of their occurrence for the Property damage waiver to be valid.

**8. Accidents or Claims** - Renter shall within 24 hours after any property damage or casualty event involving the leased equipment notify PMSI by telephone, and within 48 hours notify PMSI in writing. Said report shall state the time, place, and nature of the event, the damage sustained, the names and addresses of persons involved, persons injured and witnesses, and any other information relating to said event and it shall promptly forward to PMSI all correspondence, notices or documents received in connection with any claim or demand relating to the leased equipment or its operation, and shall aid in the investigation and defense of all such claims and demands. Nothing herein shall be deemed to modify the provisions of the paragraph herein in which Renter holds PMSI harmless and indemnifies PMSI against all these matters, and PMSI shall have no responsibility to take any action whatsoever in the event of such casualty.

**9. Non-Liability of PMSI and Indemnification** - Unless caused solely by PMSI's negligence, PMSI shall not be liable to Renter for any loss, damage, or expense of any kind or nature caused directly or indirectly by the leased equipment or by the use, maintenance, operation, handling or storage thereof, or for the loss of Renter's business or damages whatsoever or howsoever caused. Renter does hereby indemnify PMSI and holds PMSI, its agents and employees harmless from any and all losses, damages, claims, demands, or liability of any kind whatsoever, including legal expenses and attorney's fees arising from the use, condition or operation of the leased equipment.

**10. Maintenance, Damage and Destruction** - Renter shall at Renter's own expense at all times keep the equipment in good and efficient working order, condition and repair and shall maintain thereon such identification of ownership as PMSI may require. PMSI will maintain and make any repairs required from normal use to the roof, doors, windows, light fixtures, heating, ventilating and air conditioning systems, except that Renter shall replace heating, ventilating and air conditioning filters and burnt out lamps as required and pay for any damage caused by the Renter. Renter shall bear the risk of damage, theft or destruction of the leased equipment from every cause, except as outlined in paragraph 7, if selected, and shall make all replacements, repairs or substitution of parts of equipment thereon at its expense, all of which shall constitute Renter's obligatory maintenance of the leased equipment. If Renter does not adequately maintain the equipment or adequately repair any damage for which Renter is responsible, PMSI shall have the option to perform the maintenance or repair at Renter's expense. Renter shall at its expense provide adequate janitorial service to keep the leased equipment in good condition, fair wear and tear excepted. On termination of this lease, the leased equipment shall be returned to PMSI in the same condition as when delivered, fair wear and tear excepted.

**11. Inspection by PMSI** - PMSI may inspect the leased equipment at any reasonable time, and may post any notice of non-responsibility or interest protecting notice.

**12. Default - Renter defaults** on this Agreement if Renter fails to: make timely payment of any rent installment or other amount due and payable; or, comply with the other terms, covenants, or conditions herein. Default also occurs if Renter or its creditors files for relief under any bankruptcy or similar debtor relief law, or if Renter assigns for the benefit of creditors, or if a receiver is appointed to take possession of any assets of Renter. Upon default, PMSI may at its option immediately terminate Renter's right to possession of the leased equipment by giving written notice to Renter. This right is not limited in instances where the unit is being used as commercial office space or for any other commercial purposes. Renter agrees that the essence of this Agreement is that PMSI is leasing equipment. Renter's use of such equipment as commercial office space or other commercial use is incidental. The leased equipment shall remain personal property regardless of its use or manner of attachment to realty and real property laws do not apply to this Agreement. Upon PMSI's written notice of default to Renter, Renter agrees that the leased equipment shall be surrendered to PMSI and PMSI may take possession thereof by entering upon Renter's premises without further notice of repossession. Upon repossession, PMSI shall retain all rents and any other amounts paid by Renter hereunder. Repossession by PMSI or the surrender of the leased equipment to PMSI shall not affect the right of PMSI to recover from Renter any and all damages which PMSI shall have sustained by reason of Renter's breach. PMSI reserves the right to (a) relet the leased equipment and apply any net proceeds as an offset to any unperformed Renter term, or (b) sell the leased equipment and apply the net proceeds as appropriate under the circumstances to Renter's unperformed financial obligations, or (c) cancel and terminate the lease. In addition to any other remedies provided for herein, PMSI may recover from Renter the worth at the time of the termination of the lease the unperformed value of the lease.

**13. Renter's Possession on Termination** - If Renter retains possession of the leased property beyond the term expiration date without proper written renewal notice, PMSI shall have the option of (i) repossessing its property at any time without notice or (ii) deeming this Agreement renewed as a month to month tenancy.

**14. Attorney's Fees, Collection Fees, Costs, Interest** - If Renter defaults on this Agreement, PMSI shall be entitled to recover from Renter all items of damages, costs and expenses, including court costs and reasonable attorney's fees, incurred by PMSI to enforce its rights and remedies hereunder. PMSI shall also be entitled to interest on delinquent payments at the maximum rate permitted by law.

**15. Miscellaneous** - This Lease shall be construed and interpreted under the laws of the state of California. All signed copies shall constitute duplicate originals.

**16. Notices** - All notices required under the term and provision of the Lease shall be in writing and shall become effective when: deposited in the United States mail, with proper postage prepaid, addressed to the parties at the respective addresses appearing herein; and/or, upon actual delivery by other means, including electronically.