

Power Mechanical Incorporated
Terms and Conditions
Effective September 27, 2018

1. Rental

Lessee will pay PMI ("PMI") for use of the Equipment at the rate and for the Minimum Rental indicated in the Rental Agreement or Quote, ("Lease"). The terms 'Lease,' "Rental Agreement" or "Quote" may be used interchangeably. Equipment rental is subject to availability at the time of the order. Where a "Budget" cost is quoted, this does not mean a "not to exceed" amount. A Budget cost is an estimated cost for the work being performed/Equipment being rented. The final cost may exceed the Budget amount. Payment for the rental is due prior to the beginning of each rental period. For any late payments, late fees (10% of monthly rent) will accrue.

Purchase order, signed Lease and valid Certificate of Insurance must be received prior to dispatching Equipment. If the Lease is not signed and Lessee accepts delivery of the Equipment, PMI will consider the all terms of the Lease as 100% accepted.

The Term of this Lease shall commence on the date the Equipment is loaded for delivery to Lessee at PMI's facility, Newport News, Virginia. The first rental payment is due and payable prior to loading the unit for delivery. Once the Equipment leaves PMI's facility, the Minimum Rental amount is due, including minimum/known freight charge. Because PMI has forfeited alternative rental opportunities, there are no exceptions to Minimum Rental requirements.

Shortly after delivery, Lessee will be invoiced for any other applicable services provided by PMI, consistent with any PMI Purchase Order or Lease. PMI reserves the right, at PMI's sole discretion, to pre-bill some services on a Time and Material basis. Time and Material charges will include, among other things, mileage, travel time and per diem. Please inquire for current rates. For any invoices issued by PMI, PMI will make every effort to comply with Lessee's invoicing requirements, but Lessee is still ultimately responsible for making payments on time, regardless of adherence to any invoicing requirements.

Title to the Equipment shall remain in PMI at all times during the term of the lease. Lessee shall not remove from the Equipment any serial number, model, name, or other indicia of ownership. Lessee shall give PMI immediate written notice of any claim, levy, lien or other legal process issued against the Equipment. Lessee further agrees to cooperate with PMI and take whatever action may be necessary at Lessee's sole expense to allow PMI to file or record this lease in such offices as may be necessary in order to protect PMI's interests in the Equipment.

Lessee shall not permit the Equipment to become attached or affixed to real property or otherwise become a fixture. Even if the Equipment shall become attached or affixed to real property in violation of this Lease, the parties intend that the Equipment shall at all times be deemed personal property.

PMI is operating as an agent for Reuter Boilers, LLC, when the Equipment is owned by Reuter Boilers, LLC.

2. Security Deposit

At PMI's sole discretion, PMI may require a security deposit from Lessee. PMI, at any time without prejudice to any other rights under the Lease and without requiring the consent of the Lessee, may use this deposit at PMI's sole discretion (1) to apply and offset such deposit against any monies owed by Lessee, whether or not a default has occurred (2) to make good any arrears of rent or any liability owned by Lessee to PMI. The deposit is not an advance payment of rent or a measure of PMI's damages in case of default by Lessee. At PMI's sole discretion, PMI may offer Lessee a Deposit Waiver. As long as all conditions/requirements of the Deposit Waiver are followed for the term of the rental, this will allow Lessee to avoid the deposit requirement.

3. Insurance and Risk of Loss

This Lease is an agreement between PMI and Lessee, and notwithstanding any other language or provision to the contrary, if Lessee sublets the Equipment to a third party, such subletting will not mitigate Lessee's responsibilities of this Lease, and PMI will have no obligation to pursue any remedies against any third party. All risk, loss, damage and loss of rents of PMI shall be borne by the Lessee for the entire Term of this Lease. In the event of Equipment damage beyond repair, Lessee will pay PMI the Stipulated Loss Value shown in the Rental Agreement. If the Equipment suffers repairable damage during the term of this Lease, Lessee remains responsible for payment of rental fees due to PMI.

Prior to dispatch of Equipment, Lessee shall provide, at its own expense, insurance coverage consistent with the requirements below and will provide PMI with a Certificate of Insurance as evidence of such coverage.

A) Statutory Workers' Compensation and Occupational Disease Insurance

Statutory Workers' Compensation and Occupational Disease Insurance shall be in such amounts as are in full compliance with the applicable state Workers' Compensation Act and Occupational Disease Act, in which the work is to be performed.

All Contractors shall carry a Workers' Compensation policy whether or not such Contractors have any employees.

B) Employers' Liability Insurance

Employers' Liability Insurance shall have limits no less than the following minimum requirements:

Bodily Injury by Accident: \$500,000 Each Accident
 Bodily Injury by Disease: \$500,000 Each Employee
 Bodily Injury by Disease: \$500,000 Policy Limit

C) Commercial General Liability Insurance

Commercial General Liability Insurance with bodily injury and property damage coverages shall have limits no less than the following minimum requirements:

Each Occurrence Limit: \$1,000,000
 General Aggregate Limit: \$2,000,000
 Products/Completed Operations Aggregate Limit: \$2,000,000
 Personal & Advertising Injury Limit: \$1,000,000

The above referenced policy will also include contractual liability with limits of at least \$1,000,000. Ongoing & Completed Operations shall be provided using forms CG2010 & CG2037 07/04 (or its equivalent). A Per Project Aggregate Limit must be provided using CG2503 3/97 or its equivalent). Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

D) Commercial Automobile Liability Insurance

Commercial Automobile Liability Insurance with bodily injury and property damage coverages for all owned, hired and non-owned automobiles and other vehicles and equipment shall have no less than the following minimum requirements:

Liability Limit: \$1,000,000 CSL
 Uninsured Motorists Limit: \$1,000,000
 Hired Car & Non-Owned Liability: \$1,000,000

Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

E) Umbrella Liability Insurance

Umbrella Liability Insurance may not be used to satisfy the underlying limits and shall have limits no less than the following minimum requirements:

Occurrence Limit:	\$1,000,000
Aggregate Limit:	\$1,000,000

F) Rented Equipment Coverage

Customer shall provide evidence of property insurance showing coverage for the Customer's interest in personal property of others that sustains damage while that property is in the care, custody or control of the Customer/Insured. This additionally includes the Customer/Insured's liability to Power Mechanical, Inc., as the owner of such property for the amount of the damage to that property. The Customer/Insured's payment for damage to such personal property of others will only be for the account of Power Mechanical, Inc.

Power Mechanical, Inc. shall be listed as loss payee and the policy limit shall be equal or greater to the Stipulated Loss Value of the rented Equipment. Moreover, Customer/Insured shall be responsible for any deductible under the insurance policy.

G) Customer Owned Equipment

In no event shall Power Mechanical, Inc. be liable for consequential, incidental or special damages, including without limitation, any delay damages, lost opportunity damages or lost profits, incurred by Client and/or its affiliates, subcontractors, agents or employees in connection with this contract / project name.

H) General Requirements

Contractors shall provide Power Mechanical, Inc. with one or more Certificates of Liability. These certificates will indicate coverage currently in force. Each certificate must contain the following:

1. Policy Number, Insurance Carrier(s) with A- or better rating, Inception/Expiration Date(s)
2. Power Mechanical, Inc. named as Additional Insured on Commercial General Liability and Commercial Automobile Liability policies.
3. Commercial General Liability coverage is Primary & Non-Contributory and have a Hold Harmless agreement in place in favor of Power Mechanical, Inc.
4. Commercial General Liability, Commercial Automobile Liability and Workers' Compensation shall include a Waiver of Subrogation in favor of Power Mechanical, Inc.
5. Umbrella Liability must be written on a follows form basis.
6. Must reference Project Name/Number
7. 30 Days prior written notice in the event of cancellation or non-renewal of coverage must be provided to Power Mechanical, Inc. (with the exception of 10 days for non-payment of premium)

4. Transportation

Lessee shall insure and further pay all transportation costs for the Equipment from PMI's location at 4811 Commerce Drive, Newport News, VA 23607 to the Rental Location and all such transportation costs for the return of the Equipment to PMI or to a location identified by PMI.

There will be a minimum charge of \$75 for transportation permits per state for a standard load, excluding Virginia. The costs for permits for oversize loads are significantly higher and can range from \$75-\$1,000.00. Moreover, depending on the load and on the state, there may be additional fees. Any additional charges for permits/fees not billed at the time of rental will be billed when received by PMI. Please note that these charges are one-way and will be charged for delivery and once again for pick-up. Due to routing requirements and changes required by the permitting agencies, the fees charged for delivery may not be the same as those for pick-up.

A minimum of two business days' notice is required (three days' notice is preferred) on all rental returns in order for PMI to be able to schedule a pick-up. Prices for pick-up transportation apply only if PMI transports the Equipment. If PMI is not available to transport the Equipment to comply with Lessee's timeline, then it is Lessee's responsibility to have the Equipment transported by Lessee or a third party carrier of Lessee's choice at Lessee's cost and sole risk. Notwithstanding the use of a third party carrier, Lessee will remain fully responsible for the Equipment until it returns to PMI, and PMI will have no obligation to pursue any claims against any third party carrier.

5. Selection of Equipment

PMI will not engineer or select the Equipment for Lessee. Lessee is solely responsible for determining its operational needs and providing its specifications and requirements to PMI. Based on Lessee's requirements, PMI will let Lessee know what equipment in stock will meet or exceed Lessee's technical specifications. Lessee has the final say in, and responsibility for, selecting the specific equipment appropriate for its needs. Lessee agrees that the Equipment is of a size, design, and capacity selected by Lessee and Lessee is satisfied that the same is suitable for its purposes and that PMI has made no representation or warranty with respect to the suitability or durability of the Equipment for the purposes and uses of Lessee, or any other representation or warranty, express or implied with respect thereto. **THERE IS NO WARRANTY THAT THE EQUIPMENT WILL BE FIT FOR A PARTICULAR PURPOSE.** PMI shall not be liable to Lessee for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Equipment leased hereunder, or its use or maintenance, or the repairs, servicing or adjustments to the Equipment, or by any delay or failure to

provide any thereof, or by any interruption of service or loss of use, or for any loss of business or damage whatsoever and howsoever caused.

6. Inspection and Acceptance by Lessee

Once the Equipment is selected, Lessee shall inspect the Equipment at PMI's facility prior to shipping of the Equipment. If Lessee is unwilling or unable to inspect the Equipment prior to shipping, Lessee will be conclusively presumed to have accepted the Equipment as satisfactory for its needs. Any objections to the type or specifications of the Equipment must be raised in writing and received by PMI prior to the Equipment being shipped. If no objections are raised by Lessee prior to shipping, Lessee will be conclusively presumed to have accepted the type and specifications of the leased Equipment, as being sufficient and adequate for Lessee's needs. If Lessee raises any objections once the equipment has left PMI's facility, Lessee will be responsible for all shipping costs incurred to replace the Equipment.

Lessee shall inspect the Equipment within 2 days after delivery. Lessee shall notify PMI in writing within that period of any defects or other objections to the Equipment. If PMI receives no written notice of defects or objections within that period, Lessee will be conclusively presumed to have accepted the Equipment in good condition and repair.

7. Warranty

PMI NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, CONCERNING THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO DESIGN, QUALITY, OR CONDITION OF THE EQUIPMENT, OR AS TO THE MERCHANTABILITY, DURABILITY, SUITABILITY, OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR TO ANY OTHER MATTER RELATING TO THE EQUIPMENT. LESSEE AGREES THAT THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE AND THAT LESSEE IS SATISFIED FOR ITS PURPOSES AND THAT PMI HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF THE EQUIPMENT FOR THE PURPOSES OF USES OF LESSEE, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED WITH RESPECT THERETO. LESSEE HEREBY AGREES TO WAIVE AND MAKE NO CLAIM FOR BREACH OF WARRANTY ARISING FROM ANY CAUSE WHATSOEVER.

8. Renewal

Upon expiration of the Minimum Rental period, renewals may be granted at the sole discretion of PMI. PMI reserves the right to adjust rental rates on renewals based on inventory, seasonal needs, and other concerns. Renewals are for the same term of the initial rental period and with the exception of any price adjustments, all other terms and conditions of the Lease remain in effect.

If the rental is cancelled prior to an incremental period, Lessee will be billed at the lesser period rate. For example, if the rental has renewed for another six month period at the six month rate, but is cancelled prior to the end of the six months, Lessee will be billed at the monthly rate. Similarly, if the rental renews at a monthly rate and is cancelled prior to the end of the rental month, Lessee will be billed at the weekly rate. Rent for the renewal period is due prior to the beginning of the renewal period. It is Lessee's responsibility to provide PMI with a signed renewal. If signed renewal is not received no less than 14 days before contract expiration, PMI reserves the right to relocate the Equipment upon contract expiration.

9. Taxes, Permits, etc...

Lessee will promptly pay when due all sales, use, property, excise and other taxes or assessments (whether federal, state or local), license or registration fees, other charges (including interest and penalties thereon), however designated or levied, imposed on the Equipment, its use or rental. The obligation to pay Rent and such taxes is without setoff and is absolute and unconditional under all circumstances. Lessee is responsible for all costs and expenses of any kind whatsoever for the possession and use of the Equipment. Lessee agrees to comply with all applicable federal, state and local laws and regulations that apply to the Equipment's rental and use, including, but not limited to, environmental laws and regulations, and obtaining any necessary inspections and/or permits for possession, use, and operation of the Equipment. If Lessee is claiming an exemption from any sales tax, it is Lessee's responsibility to provide a copy of the appropriate Tax Exemption Certificate. As applicable, Lessee's obligations hereunder extend to (1) direct payment of such taxes, assessments, or

charges to the taxing authority or (2) payment by Lessee to PMI of such taxes, assessments or charges in the event PMI has made payment to the taxing authority.

10. Equipment Location and Placement

The Equipment shall be located and used at the Rental Location only. Lessee shall not move the Equipment without express written permission from PMI. Lessee understands and agrees that such notice will be provided to PMI at the Notice Address listed in the Rental Agreement only. Notice given to PMI drivers, service technicians, subcontractors, or given in any way other than written notice at the Notice Address will not be sufficient to satisfy this requirement.

Boiler positioning and site selection shall be determined by the Lessee. Lessee assumes all responsibility and liability arising from placement of the Equipment, including, but not limited to damage to Equipment and any of PMI's trucks or trailers, as well as any environmental damage. Lessee shall be responsible for the cost to repair any such damage, including, but not limited to: graffiti removal, repainting, and cleaning, as necessary.

In the event that Lessee is utilizing the Equipment on premises owned by others, Lessee shall obtain the written consent and acknowledgment of the owner ("Owner") of such premises to the terms of this Lease and further the written agreement of the Owner to be bound by the terms of this Lease to the extent its interests may appear. In the event that Lessee is utilizing the Equipment in connection with a separate contract, Lessee shall obtain the written consent and acknowledgment of the contractor ("Contractor") to the terms of this Lease and further the written agreement of the Contractor to be bound by the terms of this Lease to the extent its interest may appear. Payment by Owner or Contractor to Lessee of any sums due Lessee shall not constitute a defense to an exercise of PMI's rights hereunder.

11. Equipment Installation, Connection, and Disconnection

Two hours is allowed at Lessee's site for parking, cribbing and leveling. After that there will be a \$100.00 per hour charge. PMI does not include bolt and gasket sets or adapters. Once the Equipment is delivered to Lessee's Rental Location, Lessee assumes all responsibility and costs of craning, unloading, rigging, installation of pipe, feed water lines, fuel supply, connection to facilities, hazardous materials containment and operating personnel for operation of the Equipment. PMI will make reasonable attempts to level the Equipment. If the unit cannot be levelled due to site conditions, Lessee will be required to, at its sole cost, select an alternate suitable location. If removal of axles, goosenecks, etc... is necessary, it is Lessee's sole responsibility to provide, and pay for, the required Equipment and personnel to complete the task.

Lessee shall be solely responsible for the interconnection of the Equipment with its existing facilities and for the supply of all utilities and permits required for installation and operation of the Equipment. PMI will provide personnel for start-up of the Equipment, and will provide basic training on how to operate the specific Equipment rented. This brief training is not intended to be comprehensive training, and PMI accepts no liability arising or in any way related to such training. Notwithstanding any such training, Lessee acknowledges that Lessee alone is responsible for operation and maintenance of the Equipment. Lessee is still required to provide a competent Operator, as described in **Paragraph 12**.

Lessee shall maintain sufficient and adequate boiler feedwater treatment and chemical control to prevent the formation of waterside scale and/or corrosion. Such treatment and control methods must be approved by PMI who may, at its sole discretion, furnish and supply treatment and engineering services for prevention of scale, all costs of which are to be paid by Lessee. PMI at its sole discretion shall have the right to inspect the Equipment for scale and/or corrosion and if removal is necessary, as determined by PMI in its sole discretion, removal shall be performed with the approval of PMI and all costs of which are to be paid by Lessee. Lessee shall be responsible for the disconnection of the Equipment from its facilities and preparation of the Equipment. Rent shall continue to be payable notwithstanding PMI's exercise of its rights hereunder.

At the completion of the Lease, Lessee will disconnect all piping, fittings, wiring and parts and return the Equipment in the same condition as delivered, normal wear and tear excepted. For enclosed Equipment, Lessee shall pack all components in the enclosed trailer/container in the same manner and condition in which it was delivered. For boiler rentals, Lessee has the option, at Lessee's sole cost, to have the boiler inspected by a boiler inspector to certify the condition of the boiler prior to returning to PMI. If Lessee elects not to have the boiler inspected, any damage, other than ordinary wear and tear, discovered by PMI upon return shall be the responsibility of the Lessee.

12. Equipment Maintenance and Operation

Lessee agrees to keep the Equipment in a good operating condition, performing routine maintenance and operating activities accepted in the Equipment industry. Lessee will pay for and provide all electric power and/or fuel consumed by and required for all Equipment as well as all repairs, parts, and supplies necessary for the operation and maintenance of the Equipment. Lessee must provide the name and contact information of the local Service Contractor on whom Lessee relies for normal, routine maintenance as well as repairs, as well as the name and contact information of the Operator responsible for operation of the Equipment. Lessee agrees to comply with PMI's Equipment Care Terms and Conditions, located at www.pmiterms.com. A copy of the Equipment Care Terms and Conditions is available upon request. The Operator provided by Lessee shall be competent, qualified and licensed (as applicable) to operate the Equipment and will ensure strict compliance with all governmental requirements and regulations. Lessee must provide the name and telephone number of the person designated as the Operator of the Equipment. Lessee will, at all times, operate all Equipment in such a way and with necessary fuel(s) to maintain compliance with any and all permit conditions and applicable state and federal laws.

Lessee shall notify PMI immediately of any damage to the Equipment or of the need for repairs. Any parts that fail due to ordinary wear and tear will be provided by PMI, and Lessee will be solely responsible for any labor costs. Where such malfunction is caused solely by PMI, Lessee's exclusive remedy for any Equipment malfunction shall be PMI's obligation to put the Equipment in normal working order or provide comparable or supplemental Equipment within two days of receipt of Lessee's notice to PMI. If PMI is unable to make the repairs or return the Equipment to good operating condition within 2 days of acknowledging receipt of Lessee's notice, PMI will coordinate with Lessee to arrange for a PMI-approved third-party service provider to do the repairs at a charge agreeable to PMI. However, if such Equipment malfunction is caused in whole or in part by Lessee or any other third party, Lessee shall be solely responsible for any required repairs to bring the Equipment back to normal operating conditions. Notwithstanding any Equipment malfunctions, Lessee is still responsible for payment of the rent.

Under no circumstances will Lessee arrange for repairs of the Equipment without first obtaining PMI's written consent. Lessee's failure to obtain PMI's written consent prior to making or arranging for Equipment repairs will result in Lessee being solely responsible for any and all costs for such repairs, as well as any damages arising or resulting from or related to the repairs.

All repairs or alterations shall be made in strict accordance with PMI's instructions (as applicable), ASME, National Board, State and City Codes governing fired pressure vessels. PMI may, at its own discretion, utilize available technology to remotely monitor the Equipment and gather relevant data to for any legal purpose. This data gathering and remote monitoring shall not constitute operation of the Equipment, shall not alter Lessee's obligations hereunder in any way whatsoever, and shall not operate to create PMI's liability for direct, indirect, consequential or punitive damages. To the extent PMI service personnel or technicians provide advice and consultation to Lessee for any matter, including, but not limited to the suitability of the Equipment for PMI's use and/or the operation of the Equipment, it shall be for information only, shall not constitute operation of the Equipment, shall not alter Lessee's obligations hereunder in any way whatsoever, and shall not operate to create PMI's liability for direct, indirect, consequential or punitive damages.

Title to the Equipment, together with any repairs, replacements or additions while the Equipment is in the custody of Lessee shall become and remain the property of PMI. Any dispute with a common carrier is the responsibility and liability of the Lessee. Notwithstanding any damage to the Equipment, the rental shall continue unabated until Rental Termination.

13. Hazardous Materials

Lessee hereby agrees that neither the Lessee nor any subcontractor for any part of the Lease shall use, deposit, install, and/or leave any hazardous materials in, on or around the leased Equipment. This shall include but not be limited to those materials or compounds considered heavy metals or carcinogens. The Lessee shall only burn the fuel specified in the Lease or Quote. Lessee shall not burn any waste, residual, No. 6 or tank bottom oils and/or gas. No waste stream shall be incinerated or burned in the Equipment. Lessee shall be responsible for all fees and costs relating to any clean-up and disposal of any hazardous materials found during the Lease period or after inspection of the Equipment at PMI's facility.

14. Inspection by PMI

PMI shall have the right at any time during the term of the Lease to enter the premises occupied by the Equipment and shall be given free access to the premises and afforded necessary facilities for the purpose of inspection. Lessee agrees to obtain the consent of any third parties as applicable to the exercise by PMI of its rights hereunder.

15. Default

The occurrence of any of the following shall constitute a default under this Lease:

- (a) Lessee fails to pay when due any obligation under this Lease, by acceleration or otherwise, or otherwise breaches any provision in this Lease and that failure or breach continues for five (5) days; or
- (b) Lessee fails to obtain Owner or Contractor consent when required by this Lease; or
- (c) Lessee fails to secure or maintain insurance as required by PMI and this Lease or fails to repair or replace any Equipment that suffers any uninsured damage, loss, theft or destruction; or
- (d) Lessee fails to maintain, operate or return the Equipment as provided by this Lease and by the Equipment Care Terms and Conditions; or
- (e) Lessee fails to provide the required operating reports and statistics required by Section 10; or
- (e) Lessee fails to discharge its obligations under any assignment of this Lease by PMI; or
- (f) Lessee fails to observe or perform any other covenant, condition or agreement to be performed or observed by it hereunder and such failure continues for five (5) days; or
- (g) Any warranty or representation of Lessee contained in this any Lease proves to be false or incorrect at any time; or
- (h) Lessee becomes insolvent, ceases to do business as a going concern, or becomes unable to pay its debts generally as they become due; or a petition for relief under bankruptcy or insolvency laws or for reorganization is filed by or against Lessee; or Lessee makes an assignment for benefit of creditors or a receiver or liquidator is appointed for Lessee, or any court of competent jurisdiction orders the winding up or liquidation of the affairs of Lessee; or
- (i) The Equipment is encumbered, levied upon, confiscated, condemned, seized, or attached; or
- (j) Whenever the PMI believes the prospect for payment or performance under this Lease or under any agreement with Lessee is impaired or PMI believes the Equipment is insecure; or
- (k) Lessee is in default under any other agreement at any time executed with PMI.

16. Remedies

Upon the occurrence of any event of default and at any time thereafter, PMI may, with or without cancelling this Lease, in its sole discretion, do any one or more of the following:

- (a) During any period of non-payment, PMI will require that the rented Equipment be turned off and powered down, with the exception of any freeze protection. Should Lessee refuse to turn off and power down the Equipment, Lessee gives PMI permission to enter the premises and turn off the Equipment for the duration of any non-payment.
- (b) PMI may declare to be immediately due and payable to PMI as direct damages, and not as a penalty, all rents due and to become due under the Lease (including any renewal options) plus all other amounts (including, without limitation, late charges and attorney fees) due under the Lease, all without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are expressly waived by Lessee.
- (c) PMI may recover the Stipulated Equipment Loss Value of the Equipment as of the rent payment date immediately preceding Lessee's date of default plus interest on said Stipulated Equipment Loss Value at the rate of eighteen percent (18%) per annum until paid and all commercially reasonable costs and expenses incurred by PMI in the repossession, recovery, storage, repair, sale, re-lease or other disposition of the Equipment, including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting or arising from Lessee's default plus any indemnity, if then determinable, plus interest at the rate of eighteen percent (18%) per annum.
- (d) PMI may, in its sole discretion, re-lease or sell any or all of the Equipment at a public or private sale on such terms and notice as PMI shall deem reasonable (such sale may, at PMI's sole option, be conducted at Lessee's premises), and recover from Lessee damages, not

as a penalty, but herein liquidated for all purposes and in an amount equal to the sum of (i) any accrued and unpaid rent as of the later of (A) the date of default or (B) the date that PMI has obtained possession of the Equipment or such other date as Lessee has made an effective tender of possession of the Equipment back to PMI ("Default Date"), plus interest at the rate of eighteen percent (18%) per annum; (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the discount rate of the Federal Reserve Bank of Philadelphia as of the Default Date plus interest on said sum at the rate of eighteen percent (18%) per annum until paid; (iii) all commercially reasonable costs and expenses incurred by PMI in any repossession, recovery, storage, repair, sale, release or other disposition of the Equipment including reasonable attorneys' fees and costs incurred in connection with or otherwise resulting from the Lessee's default; (iv) present value of the Stipulated Equipment Loss Value discounted at a rate equal to the discount rate of the Federal Reserve Bank of Philadelphia as of the date of Default; and (v) any indemnity, if then determinable, plus interest at eighteen percent (18%) per annum, LESS the amount received by PMI upon such public or private sale or re-lease of such items of Equipment, if any.

(e) PMI may enter the premises where the Equipment is located and take immediate possession of and remove the Equipment without process or notice; all without liability to Lessee, whether for the restoration of damage to any property caused by the taking or otherwise, for or by reason of the entry or taking of possession or otherwise. PMI may require Lessee at Lessee's sole expense to assemble the Equipment and to return it, fully insured against all risks, to a place that PMI designates.

(f) PMI is further entitled to pursue any other remedy which may be available to it under the Uniform Commercial Code or any other applicable law or any combination of remedies legally, or equitably, available.

Lessee agrees to a daily late fee of .46% for any past due rental fees, or 2% monthly late fee for other past due invoices. PMI's acceptance of payment or performance after it is due shall not constitute waiver of any default. PMI's remedies are cumulative and not alternative. No exercise or partial exercise of any remedy shall preclude exercise of any other remedy or of the remainder of any partially exercised remedy.

17. Survival

All provisions or obligations contained in these Terms and Conditions that by their nature or effect are required or intended to be observed, kept, or performed after the termination or expiration of the Lease or any Purchase Order, shall survive and remain binding upon and for the benefit of the parties and their permitted successors in interest, including, without limitation, the provisions and obligations set forth in the following Sections: **4. Transportation; 7. Warranty; 16. Remedies; 20. Indemnification; 22. Choice of Law and Legal Proceedings; 26. Attorney's Fees; 27. Effect of Waiver; 31. Notices.**

18. Acceptance

Facsimile copies of this lease and signatures are reasonable methods of acceptance. If the executed lease is not received prior to loading the Equipment for delivery, the lease is deemed accepted in its entirety. This Lease is unique, and acceptance of these Lease terms will not be modified by prior dealings.

THIS LEASE IS EXPRESSLY LIMITED TO AND EXPRESSLY MADE CONDITIONAL ON, LESSEE'S ACCEPTANCE OF THESE TERMS AND CONDITIONS. PMI OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS.

19. Assignment & Subcontractors

Lease may be assigned or transferred by PMI by written notice to Lessee by PMI. Assignee shall have all rights, powers, privileges and remedies afforded PMI in this Lease. PMI shall reserve the right, at its sole discretion, to hire subcontractors as needed to fulfill PMI's obligations under this Lease.

20. Indemnification

Lessee shall indemnify, protect, save and hold harmless PMI, its agents and assigns from and against all losses, damages, injuries, claims, demands and expenses, direct or indirect, including production interruption, legal fees, trespass, civil rights violation, lack of due process or equal protection arising from custody and use of the Equipment by the Lessee, its agents and assigns, notwithstanding Rental Termination. Subletting of the Equipment by the Lessee will not mitigate Lessee's responsibilities of this Lease. Failure of the Equipment for any reason will not mitigate this hold harmless clause. Lessee assumes all responsibility for operation and care of the Equipment, its fueling, loading and unloading at Lessee's site and agrees to carry appropriate insurance coverage for the protection for the Equipment, Lessee's operation of the Equipment, its property, personnel and subcontractors. When PMI's personnel are on the Lessee's rental site, PMI's personnel are considered subcontractors. Notwithstanding anything in these Terms and Conditions and/or

Lease to the contrary, in no event shall PMI be liable for consequential, incidental or special damages, including without limitation, any delay damages, lost opportunity damages or lost profits, incurred by Lessee and/or its affiliates, subcontractors, agents or employees.

21. Rental Termination

Rental shall cease on the date the Equipment is returned to PMI's facility in Newport News, Virginia in normal working order or payment in full of the Stipulated Loss Value (see **3. Insurance and Risk of Loss**, above) is received by the PMI. PMI reserves the right to request a National Board of Pressure Vessel Inspectors member to inspect and issue a report on the Equipment's condition upon return of Equipment to PMI's facility in Newport News, Virginia. Any condition in the report not due to normal wear and tear will be communicated to Lessee and will be corrected expeditiously by PMI, at the expense of the Lessee. Until such repair is completed, the Equipment will remain on rental to Lessee and rent will still be due until the Equipment is repaired. Once the normal working order of the Equipment is restored, the Rental Agreement will be considered terminated at the end of the current rental period. PMI may terminate this lease upon any default condition, at its sole discretion.

22. Choice of Law and Legal Proceedings

The terms of this personal property lease will be enforced and construed in accordance with laws of the Commonwealth of Virginia, and any legal proceedings will be in Newport News, Virginia. Parties agree that all disputes, claims, and counterclaims relating to or arising from this lease shall be litigated or otherwise resolved without a jury. The Parties expressly, voluntarily, and unequivocally waive any right they may have to a jury trial in connection with all disputes, claims, and counterclaims relating to or arising from this Lease. PMI EXPRESSLY REJECTS AND OBJECTS TO ANY REQUIREMENT TO SUBMIT TO ARBITRATION OR MEDIATION.

23. Lease as Entire Agreement; Severability

These Terms and Conditions, including the Lease, embody the entire agreement between the parties. Neither PMI nor Lessee shall rely on any representation or promise not included in writing in this Lease. It may not be modified or terminated except as provided in this Lease or by other written agreement between the parties. If any provision of the Lease is invalid, it shall be considered deleted from the Lease and shall not invalidate the remaining provisions of the Lease.

24. No Set-Off by Lessee

Lessee's obligations to pay all rent and other amounts due under this Lease is absolute and unconditional under all circumstances whatsoever and shall not be subject to any set-off or reduction for any reason whatsoever.

25. Effect

This Lease shall inure to the benefit of and be binding on Lessee, PMI and their respective legal and personal representatives, administrators, successors, agents, and permitted assigns.

26. Attorney's Fees

Lessee shall reimburse PMI for all charges, costs, expenses and attorneys' fees incurred by PMI: (a) in defending or protecting its interests in the Equipment; (b) in the execution, delivery, administration, amendment and enforcement of this Lease or the collection of any installment of rent under this Lease; and (c) in any lawsuit or other legal proceeding to which this Lease gives rise, including, but not limited to, actions in tort.

27. Effect of Waiver

No delay or omission to exercise any right, power or remedy of PMI on any breach or default by Lessee shall impair any such right, power or remedy of PMI, nor shall it be construed to be a waiver of any such breach or default. No waiver by PMI of a single breach or default by Lessee shall be deemed to be a waiver of any other breach or default. Any waiver or consent or approval of PMI of any breach or default or any waiver on the part of PMI of any term or condition of this Lease must be in writing and shall be effective only to the extent set forth in the writing. All remedies, either under this Lease or by law or equity, or otherwise provided to PMI, shall be cumulative and not alternative.

28. Execution of This Lease

This Lease is not binding on PMI until executed by an authorized official of PMI and until receipt and acceptance of the initial monthly rental provided for under the Lease. Lessee's performance hereunder prior to its signature shall constitute its binding agreement to all the terms and conditions of this Lease. Signatures required hereunder shall include electronic versions of the originals.

29. Paperless Files

PMI and Lessee acknowledge they are now engaged in paperless files and as a consequence none of the parties may have an original copy of this document with original signatures. All parties to this agreement therefore agree that a scanned copy of this document revealing copies of original signature shall be a valid document for all purposes that have traditionally required a document with original signatures. All parties especially agree that a scanned copy of this document shall be used in any proceeding in a court of law or in an arbitration proceeding where a traditional document with original signatures has previously been required.

30. Lessee Representations

If Lessee is a corporation, a partnership, or a limited liability company, Lessee represents and warrants that:

(a) Corporate Lessee

If Lessee is a corporation, it is duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, duly qualified to do business in each jurisdiction where any Equipment is or is to be, located, and has full corporate power and authority to hold property under lease and to enter into and perform its obligations under this Lease; the execution, delivery and performance by Lessee of this Lease have been duly authorized by all necessary corporate action on the part of Lessee, and are not inconsistent with its Certificate of Incorporation or By-Laws.

(b) Partnership Lessee

If Lessee is a partnership, any of the general partners, acting alone, has full power and authority to (i) lease such items of personal property upon such terms as may seem advisable to such partner; (ii) execute and deliver, to PMI, guaranties of the obligation or liability of others, including general continuing guaranties; and (iii) execute and deliver any lease document or guaranties, or give agreements of any type of evidence thereof. The partnership hereby certifies that: PMI shall be entitled to act in reliance upon the matters herein contained, notwithstanding anything contained in the partnership agreement of said partnership or any other agreement or document; and the partnership has filed and published, as provided by law, its Fictitious Business Name Certificate.

(c) Limited Liability Company Lessee

If Lessee is a limited liability company, it is duly organized and validly existing and in good standing under the laws of the jurisdiction of its formation, duly qualified to do business in each jurisdiction where any Equipment is, or is to be, located, and has full power and authority to hold property under lease and to enter into and perform its obligations under this Lease. The execution, delivery and performance by Lessee of this Lease has been duly authorized by all necessary company action on part of the Lessee, and are not inconsistent with its Articles of Organization or Operating Agreement.

(d) No Violations; Lease Valid and Binding

The execution, delivery and performance by Lessee of this Lease do not violate any law or governmental rule, regulation, or order applicable to Lessee, do not and will not contravene any provision, or constitute a default under, any indenture, mortgage, contract, or other instrument to which it is bound, and, upon execution and delivery hereof, will constitute a legal, valid and binding agreement of Lessee, enforceable in accordance with its terms.

31. Notices

All notices under this Lease must be in writing and shall be delivered to the address below, if to PMI, and to the address on the Lease, if to Lessee, to the attention of the representative of PMI or Lessee, as the case may be, who signed this Lease.

PMI
4811 Commerce Drive
Newport News, VA 23607

Notice shall be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt); (b) sent by mail to the address listed above (with written confirmation of receipt), provided that a copy is mailed by registered mail; or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested). Requirements of written notice may not be waived and such written notices are a condition precedent to the exercise of all rights and remedies under this Lease.