

STANDARD TERMS & CONDITIONS

The following Standard Terms & Conditions will apply, and are hereby incorporated by reference, to all lease transactions with PennStro Leasing, LLC (“**PennStro Leasing**” or “**Lessor**”), including, without limitation, all leases or rentals of PennStro Leasing Equipment under a lease contract, a rental contract or otherwise (a “**Lease**”).

1. LEASE OF EQUIPMENT

Subject to the terms and conditions set forth herein and in any Lease and subject and subordinate to Lessor’s lenders’ and partners’ superior claims, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the items and units of personal property, fixtures and other property described in each such Lease, together with all replacements, parts, additions, accessories and substitutions therefor (collectively, the “**Equipment**”). As used in these Standard Terms & Conditions, the term “**Item of Equipment**” shall mean each functionally integrated and separately marketable group or unit of Equipment subject to a Lease. Each Lease shall constitute a separate, distinct and independent lease of Equipment and contractual obligation of Lessee. References to “**the Lease**,” “**this Lease**,” “**any Lease**,” “**hereof**” or “**hereunder**” shall mean and refer to any Lease (which incorporates these Standard Terms & Conditions), together with all exhibits, addenda, schedules, certificates, riders and instruments executed and delivered in connection with such Lease, all as the same may be amended or modified from time to time. The Equipment is to be delivered and installed at the location specified or referred to in the applicable Lease. The Equipment shall be deemed to have been accepted by Lessee for all purposes under the Lease as of the date of Lessor's acceptance of an inspection form with respect to such Equipment, executed by Lessee or its agent after receipt of all other documentation required by Lessor with respect to such Equipment. As used in this Lease with respect to any Equipment, the terms “**Acceptance Date**,” “**Rental Payment(s)**,” “**Rental Payment Date(s)**,” and “**Lease Term**” shall have the meanings and values assigned to them in the Lease applicable to such Equipment.

2. TERM AND RENT; TERMINATION OF A LEASE; USE CHARGES

The Lease Term for any Equipment shall be as specified in the applicable Lease. Rental payments and other use charges, if applicable, shall be in the amounts and shall be due and payable as set forth in the applicable Lease. Lessor may bill Lessee monthly estimated charges pursuant to the Lease at its sole discretion. Lessor shall perform a true-up of any estimated charges paid by Lessee to Lessor from time to time and/or at the end of the Lease Term, at Lessee’s discretion. At such time, Lessee will pay Lessor for any shortfall and Lessor will pay Lessee for any overpayment with respect to a difference between estimated charges paid by Lessee and actual charges owed by Lessee. If any rent or other amount payable hereunder shall not be paid within 10 days of the date when due, Lessee shall pay as an administrative and late charge an amount equal to 5% of the amount of any such overdue payment. All payments to be made to Lessor shall be made to Lessor in immediately available funds at the address shown above or at such other place, as Lessor shall specify in writing.

Lessee, otherwise subject to the terms and conditions set forth elsewhere herein, may terminate any Lease at any time, without cause, by providing at least ninety (90) days' prior written notice to Lessor. As consideration for the right to terminate this Agreement under this Section 2, Lessee shall, upon furnishing notice of termination, pay to Lessor a termination fee in an amount equal to 50% of the aggregate of all Rental Payments that would have otherwise become due for the entire Lease Term under the applicable Lease had such Lease Schedule not been terminated (“**Termination Fee**”). The parties intend the Termination Fee to be liquidated damages constituting compensation, and not a penalty. Lessee’s payment of the Termination Fee is Lessee’s sole liability and entire obligation and Lessor’s exclusive remedy for any termination by Lessee under this Section 2.

If the Lessee returns the Equipment to a PennStro Leasing branch other than the location the equipment was picked up from, a foreign drop charge of up to one thousand dollars (\$1,000.00) for vans and two thousand dollars (\$2,000.00) for specialized equipment may apply; provided, that in any event PennStro Leasing’s prior written consent to return the Equipment to any such other location will be required. If PennStro Leasing closes the branch location where the Equipment was picked up from, Lessee agrees to return the Equipment to the closest branch to the originating branch, or such other PennStro Leasing branch location as PennStro Leasing and Lessee may mutually agree.

3. POSSESSION AND QUIET ENJOYMENT; UCC ARTICLE 2A FINANCE LEASE; PRECAUTIONARY UCC-1

The parties intend that a Lease constitutes a true lease and a finance lease as that term is defined in Article 2A-103 of the UCC and not a disguised security interest. Lessor has title to the Equipment at all times. No right, right or interest in the Equipment shall pass to Lessee other than the right to maintain possession and use of the Equipment for the Lease Term (provided no Event of Default has occurred) free from interference by any person lawfully claiming by, through, or under Lessor. Lessee agrees to give and record such notices and to take such other action at its own expense as may be necessary to prevent any third party (other than an assignee of Lessor) from acquiring or having the right under any circumstances to acquire any interest in the Equipment, the Lease or any additional collateral given in connection with the Lease. Notwithstanding the foregoing, Lessee authorizes Lessor to file or pre-file precautionary UCC financing statements and other similar filings and recordings with respect thereto as more particularly described in Section 15 below. In the case of a finance lease under the UCC, the lessee’s promises under the lease contract and herein become irrevocable and independent upon acceptance of the equipment which means the lease is not subject to cancellation, termination, modification, repudiation, excuse, or substitution without the consent of the lessor.

4. MANUFACTURER’S WARRANTIES; DISCLAIMER OF ALL OTHER WARRANTIES

LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT, NOR THE AGENT THEREOF, AND MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES AS TO ANY MATTER WHATSOEVER OTHER THAN ANY WARRANTY PROVIDED BY THE MANUFACTURER OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, THE MERCHANTABILITY OF THE EQUIPMENT, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS DESIGN OR CONDITION, ITS CAPACITY OR DURABILITY, THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE MANUFACTURE OR ASSEMBLY OF THE EQUIPMENT, OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO, OR PATENT INFRINGEMENTS, AND LESSOR HEREBY DISCLAIMS ANY SUCH WARRANTY. Lessee has made the selection of each

Item of Equipment and the manufacturer and/or supplier thereof based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. For so long as no Event of Default (or event or condition which, with the passage of time or giving of notice, or both, would become such an Event of Default) has occurred and is continuing, Lessee shall be the beneficiary of, and shall be entitled to, all rights under any applicable manufacturer's or vendor's warranties with respect to the Equipment, to the extent permitted by law.

If the Equipment does not operate as warranted by the manufacturer, Lessee shall notify the manufacturer and in connection therewith, Lessor has provided to Lessee an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the equipment provided to Lessor by the person supplying the goods in connection with or as part of the contract by which Lessor acquired the Equipment or the right to possession and use of the Equipment. Lessee acknowledges that neither the manufacturer of the Equipment, nor any sales representative or agent thereof, is an agent of Lessor, nor is Lessor a sales representative or agent of the manufacturer of the Equipment or any sales representative or agent thereof, and no agreement or representation as to the Equipment or any other matter by any such sales representative or agent of the manufacturer or supplier shall in any way affect Lessee's obligations hereunder.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS

Lessee represents and warrants to and covenants with Lessor that: (a) Lessee has the form of business organization indicated above, Lessee's chief executive office and address for purpose of notices hereunder is as listed above, and Lessee is duly organized and existing in good standing under the laws of the state listed in the caption of the Lease and is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property, and Lessee shall not change its form or state of organization without Lessor's prior written consent and shall immediately notify Lessor of any change of Lessee's organizational identification number issued by its state of organization or its chief executive office or notice address; (b) this Lease has been duly authorized by all necessary action on the part of Lessee; (c) this Lease has been duly executed and delivered by authorized representative of Lessee; (d) Lessee has not and will not, directly or indirectly, create, incur or permit to exist any lien, encumbrance, mortgage, pledge, attachment or security interest on or with respect to the Equipment or this Lease (except those of persons claiming by, through or under Lessor); (e) the Equipment will be used solely in the conduct of Lessee's business, and not for personal, family or household use, and will remain in the location shown on the applicable Lease schedule unless Lessor otherwise agrees in writing and Lessee has completed all notifications, filings, recordings and other actions as Lessor may reasonably request to protect Lessor's interest in the Equipment; and (f) there are no pending or threatened actions or proceedings before any court or administrative agency which materially adversely affect Lessee's financial condition or operations, and all credit, financial and other information provided by Lessee or at Lessee's direction is, and all such information hereafter furnished will be, true, correct and complete in all material respects.

The Equipment shall be attached to tractors operated only by appropriately licensed drivers to be selected, employed, controlled and paid by Lessee and who shall be conclusively presumed to be the agents of Lessee. Such Equipment shall be operated in a safe and reasonable manner so as to prevent loss or damage to such Equipment or other property and injury to third parties. Lessee will, at its sole expense: (a) supply and replace all parts and tires for such Equipment and all gasoline, oil, grease and other items required in the operation of such Equipment; and (b) prior to any operation of such Equipment, obtain all permits and licenses, including all renewals thereof, which are required for the lawful use and operation of such Equipment (other than titles, registrations, registration plates, and licenses for the state indicated thereon).

6. INDEMNITY

Lessee assumes the risk of liability for, and hereby agrees to indemnify and hold harmless, and covenants to defend, Lessor, its directors, officers, employees and agents from and against any and all liabilities, losses, damages, claims and expenses (including legal expenses of every kind and nature) arising out of (a) the manufacture of the Equipment, including, without limitation, any liabilities that may arise from patent or latent defects in the Equipment (whether or not discoverable by Lessee); (b) any claims based on absolute tort liability or warranty and any claims based on patent, trademark, copyright or other intellectual property infringement; and (c) any and all loss or damage of or to the Equipment, unless any of the foregoing are directly caused by Lessor.

7. TAX LEASE; TAXES AND OTHER CHARGES

Lessor is entitled to all deductions, credits, and other tax benefits that are provided in the Internal Revenue Code to an owner of property ("**Tax Benefits**"). Lessee shall not take or omit to take any action that results in the disqualification of the Equipment for, or recapture of, all or any portion of the Tax Benefits. Lessee agrees to comply with all laws, regulations and governmental orders related to this Lease and to the Equipment and its use or possession, and to pay when due, and to defend and indemnify Lessor against liability for all license fees, assessments, and sales, use, property, excise, privilege and other taxes (including any related interest or penalties) or other charges or fees now or hereafter imposed by any governmental body or agency upon any Equipment, or with respect to the shipment, ownership, delivery, installation, leasing, operation, possession, use, return, or other disposition thereof or the rentals hereunder (other than taxes on or measured solely by the net income of Lessor). Any fees, taxes or other lawful charges paid by Lessor upon failure of Lessee to make such payments shall at Lessor's option become immediately due from Lessee to Lessor.

In addition to the provisions of Sections 6 and 7 above, Lessee will pay when due, and will indemnify and hold Lessor and its assigns harmless from and against all towing charges, parking tolls, fines, parking and speeding tickets and other civil and criminal motor vehicle violations (and all fines, penalties and interest applicable thereto) with respect to Lessee's use of such Equipment during the term hereof. Lessee shall pay and shall file all returns with respect to all highway use taxes with respect to the Equipment, unless otherwise directed in writing by Lessor.

8. DEFAULT

Lessee shall be in default of this Lease upon the occurrence of any one or more of the following events (each an “**Event of Default**”): (a) Lessee shall fail to make any payment, of rent or otherwise, under any Lease within 10 days of the date when due; or (b) Lessee shall fail to obtain or maintain any of the insurance required under any Lease; or (c) Lessee shall fail to perform or observe any covenant, condition or agreement under any Lease, and such failure continues for 10 days after notice thereof to Lessee; or (d) Lessee shall default in the payment or performance of any indebtedness or obligation to Lessor or any affiliated person, firm or entity controlling controlled by or under common control with Lessor, under any loan, note, security agreement, lease, guaranty, title retention or conditional sales agreement or any other instrument or agreement evidencing such indebtedness with Lessor or such other affiliated person, firm or entity affiliated with Lessor; or (e) any representation or warranty made by Lessee herein or in any certificate, agreement, statement or document hereto or hereafter furnished to Lessor in connection herewith, including without limitation, any financial information disclosed to Lessor, shall prove to be false or incorrect in any material respect; or (f) death or judicial declaration of incompetence of Lessee, if an individual, the commencement of any bankruptcy, insolvency, arrangement, reorganization, receivership, liquidation or other similar proceeding by or against Lessee or any of its properties or businesses, or the appointment of a trustee, receiver, liquidator or custodian for Lessee or any of its properties or business, or if Lessee suffers the entry of an order for relief under Title 11 of the United States Code; or the making by Lessee of a general assignment or deed of trust for the benefit of creditors; or (g) Lessee shall default in any payment or other obligation to any third party and any applicable grace or cure period with respect thereto has expired; or (h) Lessee's existence shall be terminated or business operations shall cease by reason of merger, consolidation, sale of substantially all of its assets, dissolution, operation of law or otherwise; or (i) Lessor shall determine, in its sole discretion and in good faith, that there has been a material adverse change in the financial condition of the Lessee since the date of this Lease, or that Lessee's ability to make any payment hereunder promptly when due or otherwise comply with the terms of this Lease or any other agreement between Lessor and Lessee is impaired; or (j) any event or condition set forth in subsections (b) through (i) of this Section 8 shall occur with respect to any guarantor or other person responsible, in whole or in part, for payment or performance of this Lease, Lessee shall promptly notify Lessor of the occurrence of any Event of Default or the occurrence or existence of any event or condition, which, upon the giving of notice or lapse of time, or both, may become an Event of Default.

9. REMEDIES

Upon the occurrence of any Event of Default, Lessor may, at its sole discretion, exercise one or more of the following remedies with respect to any or all of the Equipment: (a) cause Lessee to promptly return, at Lessee's expense, any or all Equipment to such location as Lessor may designate in accordance with the terms of the Lease including Section 18 of these Standard Terms & Conditions, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise, all without liability to Lessor for or by reason of damage to property or such entry or taking possession except for Lessor's gross negligence or willful misconduct; (b) dispose of, hold, use, operate, lease to others or keep idle the Equipment, all as Lessor in its sole discretion may determine and all free and clear of any rights of Lessee; (c) remedy such default, including making repairs or modifications to the Equipment, for the account and expense of Lessee, and Lessee agrees to reimburse Lessor for all of Lessor's costs and expenses; (d) by written notice to Lessee, cancel any or all Leases with respect to any or all Equipment subject thereto, as such notice shall specify, and, with respect to such canceled Leases and Equipment, treat such cancellation as a termination by Lessee under Section 2 above and declare the entire balance of the unpaid rent for the full Term immediately due and payable, sue for and receive rent and any other payments then accrued or accelerated under all leases or schedules plus the estimated fair market value of the Equipment at the end of the term, discounted to present value; (e) apply any deposit or other cash collateral at any time to reduce any amounts due to Lessor; and (f) exercise any other right or remedy which may be available to Lessor under applicable law, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof, including reasonable attorneys' fees and court cost. In addition, Lessee shall pay overdue interest on any delinquent payment or other amounts due under the Lease (by reason of acceleration or otherwise) from 30 days after the due date until paid at the rate of 1½% per month or the maximum amount permitted by applicable law, whichever is lower. Notice of Lessor's intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, or any other notice whatsoever (other than notices specifically required of Lessor pursuant to Section 8 of these Standard Terms & Conditions) are hereby waived by Lessee and any endorser, guarantor, surety or other party liable in any capacity for any of the Lessee's obligations under or in respect of the Lease. No remedy referred to in this Section 9 shall be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.

The exercise or pursuit by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor by any or all such other remedies, and all remedies hereunder shall survive cancellation of a Lease. A cancellation shall occur only upon written notice by Lessor and only with respect to such Equipment as Lessor shall specify in such notice. Cancellation under this Section 9 shall not affect any liability of Lessee hereunder incurred prior to the date of such cancellation. Lessee agrees to reimburse Lessor on demand for any and all costs and expenses incurred by Lessor in enforcing its rights and remedies hereunder following the occurrence of an Event of Default, including, without limitation, reasonable attorney's fees, and the costs of repossession, storage, insuring, reletting, selling and disposing of any and all Equipment.

10. SECURITY DEPOSIT; ACH AUTHORIZATION OR CREDIT CARD

In order to more fully secure its Rental Payments and all other obligations to Lessor hereunder, Lessee hereby grants to Lessor a security interest in any deposit of Lessee to Lessor under any Lease. Such security deposit shall not bear interest, may be commingled with other funds of Lessor and shall be immediately restored by Lessee if applied under Section 9. Upon expiration of the Lease Term and satisfaction of all of Lessee's obligations under any Lease, the security deposit shall be returned to Lessee. The term “**Lessor**” as used in this Section 10 shall include any affiliated person, firm or entity controlling, controlled by or under common control with Lessor. As additional security for payment hereunder, Lessee agrees to provide Lessor with an ACH authorization or a credit card number that Lessor may utilize to make any payments that are 30 days or more past due including any applicable late fee or interest, with or without notice to the Lessee.

ACH Non-Sufficient Funds (NSF) Fee Disclaimer

Please be advised that any Automated Clearing House (ACH) payments returned due to Non-Sufficient Funds (NSF) will incur a fee of \$25. This fee will be applied to your account each time an ACH payment is returned for insufficient funds.

11. NOTICES

Any notices or demands required or permitted to be given under this Lease (a) shall be given in writing, (b) shall become effective (i) if delivered with receipt acknowledged, such as by FedEx, UPS or other private courier service, on the date of such receipt, (ii) if delivery by either private courier or U. S. Postal Service is attempted but refused, on the date of such refusal, or (iii) if mailed by certified or registered mail, return receipt requested, postage prepaid, then on the earlier of the date of receipt or the fifth day following such mailing, and (c) shall be addressed to Lessor to the attention of Customer Accounts, and to Lessee at the address set forth above, or to such other address as the party to receive notice hereafter designates by such written notice.

12. USE; MAINTENANCE; INSPECTION; LOSS AND DAMAGE

During the Lease Term for each Item of Equipment, Lessee shall, unless Lessor shall otherwise consent in writing: (a) permit each Item of Equipment to be used only within the continental United States by qualified personnel solely for business purposes and the purpose for which it was designed and shall, at its sole expense, service, repair, overhaul and maintain each Item of Equipment in the same condition as when received, ordinary wear and tear excepted, in good operating order, consistent with prudent industry practice (but, in no event less than the same extent to which Lessee maintains other similar equipment in the prudent management of its assets and properties) and in compliance with all applicable laws, ordinances, regulations, and conditions of all insurance policies required to be maintained by Lessee under the Lease and all manuals, orders, recommendations, instructions and other written requirements as to the repair and maintenance of such Item of Equipment issued at any time by the vendor and/or manufacturer thereof; (b) maintain conspicuously on any Equipment such labels, plates, decals or other marking as Lessor may reasonably require, stating that Lessor is owner of such Equipment; (c) furnish to Lessor such information concerning the condition, location, use and operation of the Equipment as Lessor may request; (d) permit any person designated by Lessor to visit and inspect the Equipment and any records maintained in connection therewith, provided, however, that the failure of Lessor to inspect the Equipment or to inform Lessee of any noncompliance shall not relieve Lessee of any of its obligations hereunder; (e) keep the Equipment in compliance with all of the terms and conditions of the Lease; (f) not permanently discontinue use of the Equipment, and shall not use any Equipment, nor allow the same to be used, for any unlawful purpose, nor in connection with any property or material that would subject the Lessor to any liability under any state or federal statute or regulation pertaining to the production, transport, storage, disposal or discharge of hazardous or toxic waste or materials; and (g) make no additions, alterations, modifications or improvements (collectively, "**Improvements**") to any Item of Equipment that are not readily removable without causing material damage to such Item of Equipment or which will cause the value, utility or useful life of such Item of Equipment to materially decline. If any such improvement is made and cannot be removed without causing material damage or decline in value, utility or useful life or violating a requirement or recommendation of the manufacturer or supplier of the Equipment (a "**Non-Severable Improvement**"), then Lessee warrants that such Non-Severable Improvement shall immediately become Lessor's property upon being installed and shall be free and clear of all liens and encumbrances and shall become Equipment subject to all of the terms and conditions of the Lease. All such improvements that are not Non-Severable Improvements shall be removed by Lessee prior to the return of the Item of Equipment hereunder or such Improvements shall also become the sole and absolute property of Lessor without any further payment by Lessor to Lessee and shall be free and clear of all liens and encumbrances whatsoever. Lessee shall repair all damage to any Item of Equipment caused by the removal of any Improvement so as to restore such Item of Equipment to the same condition which existed prior to the installation and as required by this Lease.

"**Net/Net Lease**" is defined as a Lease that identifies the Equipment as net lease equipment to which the customer assumes all maintenance responsibility.

"**Net/Net Maintenance Guidelines**" are the conditions outlined in the Net/Net maintenance guidelines set forth on PennStro Leasing's website located at <https://www.pennstroleasing.com/services/maintenance>, and may be amended from time to time. All maintenance and repairs must follow PennStro Leasing's repair standards as outlined on the website located at <https://www.pennstroleasing.com/content/repair-standards>.

Lessee hereby assumes all risk of loss, damage or destruction for whatever reason to the Equipment from and after the Lease Date, and continuing until the Equipment has been returned to, and accepted by, Lessor in the condition required by the Lease, including Section 18 hereof upon the expiration of the Lease Term. If during the Lease Term all or any portion of an Item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title to or use of such item, Lessee shall immediately pay to Lessor an amount equal to the Stipulated Loss Value of such Item of Equipment, as of the next following Rental Payment Date. The term "**Stipulated Loss Value**" with respect to any Item of Equipment shall mean the Stipulated Loss Value as set forth in the Lease, if applicable.

13. INSURANCE

Lessee shall procure and maintain insurance in such amounts and upon such terms and with such companies as Lessor may approve, during the entire Lease Term and until the Equipment has been returned to, and accepted by, Lessor in the condition required by Section 18 hereof, at Lessee's expense, provided that in no event shall such insurance be less than the following coverages and amounts: (a) Worker's Compensation and Employer's Liability Insurance, in the full statutory amounts provided by law; (b) Comprehensive General Liability Insurance including product/completed operations and contractual liability coverage, with minimum limits of \$1,000,000 each occurrence, and Combined Single Limit Body Injury and Property Damage, \$1,000,000

aggregate, where applicable; and (c) All Risk Physical Damage Insurance, including earthquake and flood, on each Item of Equipment, in an amount not less than the greater of the Stipulated Loss Value of the Equipment or (if available) its full replacement value. Lessor will be included as an additional insured primary non-contributory basis and loss payee as its interest may appear. Such policies shall be endorsed to provide that the coverage afforded to Lessor shall not be rescinded, impaired or invalidated by any act or neglect of Lessee. Lessee hereby waives any of Lessee's rights or its insurance carrier's rights to make any and all claims, whether through rights of subrogation, reimbursement or otherwise, against Lessor for or in connection with any loss or damage resulting in any claim under the insurance policies required to be maintained hereunder. Lessee is also required to carry/purchase their own Cargo/Transportation insurance coverage, as the Lessor is not responsible for any cargo losses sustained by Lessor or any 3rd party.

In addition to the foregoing minimum insurance coverage, Lessee shall procure and maintain such other insurance coverage as Lessor may require from time to time during the Lease Term. Lessee shall furnish Lessor with at least 30 days' prior written notice of any material change, cancellation or non-renewal of coverage. Upon execution of this Lease, Lessee shall furnish Lessor with a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance coverage or to advise Lessee in the event such insurance coverage should not comply with the requirements hereof. In case of failure of Lessee to procure or maintain insurance, Lessor may at its option obtain such insurance, the cost of which will be paid by the Lessee as additional rentals. Lessee hereby irrevocably appoints Lessor, as Lessee's attorney-in-fact to file, settle or adjust and receive payment of claims under any such insurance policy and to endorse Lessee's name on any checks, drafts or other instruments on payment of such claims. Lessee further agrees to give Lessor prompt notice of any damage to or loss of, the Equipment, or any part thereof.

14. LIMITATION OF LIABILITY

Lessor shall have no liability in connection with or arising out of the ownership, leasing, furnishing, performance or use of the Equipment or any special, indirect, incidental or consequential damages of any kind or character, including, without limitation, loss of use of production facilities or equipment, loss of profits, property damage or lost production, whether suffered by Lessee or any third party, except as specifically provided herein. Further, Lessor is not responsible for cargo losses of any type and due to any peril. This includes but is not limited to claims/losses for refrigerated cargo.

15. FURTHER ASSURANCES

Lessee shall promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Lease. Lessee shall execute and deliver to Lessor upon Lessor's request any and all schedules, forms and other reports and information as Lessor may deem necessary or appropriate to respond to requirements or regulations imposed by any governmental authorities. Lessee shall execute and deliver to Lessor upon Lessor's request such further and additional documents, instruments and assurances as Lessor deems necessary (a) in order to acknowledge and confirm, for the benefit of Lessor or any assignee or transferee of any of Lessor's rights, title and interests hereunder (an "Assignee"), all of the terms and conditions of all or any part of this Lease and Lessor's or Assignee's rights with respect thereto, and Lessee's compliance with all of the terms and provisions hereof and (b) to preserve, protect and perfect Lessor's or Assignee's right, title or interest hereunder and in any Equipment, including, without limitation, such UCC financing statements or amendments, control agreements, corporate or member resolutions, votes, certificates of compliance, notices of assignment or transfers of interests, and restatements and reaffirmations of Lessee's obligations and its representations and warranties with respect thereto as of the dates requested by Lessor from time to time. In furtherance thereof, Lessor may file or record this Lease or a memorandum or a photocopy hereof (which for the purposes hereof shall be effective as a financing statement) so as to give notice to third parties, and Lessee hereby irrevocably authorizes Lessor to file and record, and appoints Lessor as its attorney-in-fact to execute (if applicable), file and record UCC financing statements, amendments thereof and other lien recordation documents with respect to the Equipment. Lessee hereby covenants and agrees that it shall not file any corrective or termination statement with respect to any UCC financing statements recorded by or for the benefit of Lessor as secured party without Lessor's prior written consent.

16. ASSIGNMENT

This Lease and all rights of Lessor hereunder shall be assignable by Lessor, in whole or in part, absolutely or as security, to any Assignee without notice to Lessee, subject to the rights of Lessee hereunder for the use and possession of the Equipment for so long as no Event of Default has occurred and is continuing hereunder. Any such assignment shall not relieve Lessee of its obligations hereunder unless specifically assumed by the Assignee, and Lessee agrees it shall not assert any defense, rights of set-off or counterclaim against any Assignee, nor hold or attempt to hold such Assignee liable for any of Lessor's obligations hereunder. No such assignment shall materially increase Lessee's obligations hereunder. Lessee agrees to promptly execute, provide and deliver to Lessor or to such assignee, incumbency certificates, estoppel letters, insurance certificates, an acknowledgment of the assignment, in form and substance satisfactory to Lessor and such other documents as may be requested by Lessor, an assignee, transferee, purchaser or lender in connection therewith and to otherwise comply with all other reasonable requests so as to give full effect to Lessor's unqualified right to assign the Lease. **LESSEE SHALL NOT ASSIGN OR DISPOSE OF ANY OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE WITH RESPECT TO ANY OF THE EQUIPMENT WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF LESSOR.**

17. LESSEE'S OBLIGATION UNCONDITIONAL

This Lease is a net lease and Lessee hereby agrees that it shall not be entitled to any abatement of rents or of any other amounts payable hereunder by Lessee, and that its obligation to pay all rent and any other amounts owing hereunder shall be absolute and unconditional under all circumstances, notwithstanding: (i) any claim by Lessee to any right of set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, any seller or manufacturer of any Equipment or anyone else for any reason whatsoever; (ii) the existence of any liens, encumbrances or rights of others whatsoever with respect to any

Equipment, whether or not resulting from claims against Lessor not related to the ownership of such Equipment; or (iii) any other event or circumstances whatsoever. Each Rental Payment or other amount paid by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

Lessee hereby waives, to the fullest extent permitted by Applicable Law all defenses including, but not limited to: (i) presentment, demand, protest, diligence, notice of demand, notice of protest, notice of nonperformance, notice of non-payment, notice of acceptance and all other notices and other formalities which may be required by statute, rule of law or otherwise to preserve intact Lessor's rights against Lessee or any guarantor under this Agreement; (ii) the right, if any, to the benefit of, or to direct application of, any security hypothecated to Lessor, until all Rent hereunder and any Schedules(s) hereto and other obligations, howsoever arising, shall have been paid and/or performed in full; (iii) the right to require Lessor to proceed first against Lessee or any other pledgor or guarantor of the Agreement and any Schedule or to pursue any other remedy in Lessor's power, such guaranty being primary; (iv) the right to require Lessor to proceed against or exhaust any security or collateral Lessor may hold; (v) any defense arising by reason of any disability or other defense of Lessee or by reason of the cessation from any cause whatsoever of the liability of Lessee other than full payment of the Rent or other obligations under the Lease documents; (vi) all statutes of limitations as a defense in any action or proceeding brought against Lessee by Lessor, to the fullest extent permitted by Applicable Law ; (vii) any defense based upon Lessor's failure to perfect or continue the perfection of any lien or security interest in collateral that secures the Equipment; and (viii) any remedy provided in UCC sections 2A-508 to 2A-522; and (ix) any defense based on any action taken or omitted by Lessor in any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships.

18. RETURN OF EQUIPMENT

Upon the expiration, cancellation or earlier termination of the Lease Term with respect to any Equipment, Lessee shall return the Equipment to Lessor's designated location, at Lessee's sole cost. During any period of time from the expiration, cancellation or earlier termination of the Lease until the Equipment is returned in accordance with the provisions hereof, Lessee agrees to pay to Lessor additional per diem rent ("**Holdover Rent**"), payable promptly on demand in an amount equal to 125% of the highest monthly Rental Payment payable during the Lease Term divided by 30, provided, however, that nothing contained herein and no payment of Holdover Rent hereunder shall relieve Lessee of its obligation to return the Equipment upon the expiration, cancellation or earlier termination of the Lease.

19. ADDITIONAL COVENANTS.

Without limiting the obligations of Lessee under either Sections 12 or 18 hereof, Lessee shall, at its expense, do the following:

(a) Lessee shall ensure that all Equipment and Equipment operations conform to all applicable local, state, and federal laws, health and safety guidelines. Upon return, the Equipment will be complete and operational with all components as originally supplied and will have passed U. S. Department of Transportation ("**DOT**") or appropriate regulatory agency requirements for operation. If applicable, an inspection sticker or certificate will be furnished to Lessor verifying compliance with any regulatory requirements. Lessee shall satisfy all legal and regulatory conditions necessary for Lessor to sell or lease the Equipment to a third party. Lessee will keep all licenses and operating certificates required for operation of the Equipment current during the Lease Term.

(b) Upon return, each Item of Equipment and its components shall meet all of their applicable manufacturer's specifications for performance under full rated loads. In addition, each Item of Equipment must be maintained throughout the Lease Term and returned upon the expiration or termination thereof in accordance with all of the following conditions:

(i) Tires. All tires shall be matched on each Item of Equipment by the same type and tread design, original size, and manufacturer, and have a minimum of 1/32 inch of remaining tread depth on original or first time only recapped casings without flat or bald spots, cupping, dry rot, exposed cord or cuts in the side-wall. Lessee will pay Lessor a charge for tire wear for each 1/32 of an inch of tread wear on Equipment at the rate specified in the Lease. The tire depth of each tire will be measured by Lessor at the time of the outbound inspection and the inbound inspection at the lowest point of remaining tire tread. Unless otherwise specified in the Lease, the minimum mileage per 1/32 of an inch of tread wear is 12,000 miles for vans and other closed tandem Equipment and 10,000 miles for Equipment with spread axle tandems. If tread wear is in excess of that specified above, excessive tread wear charges will apply at a rate specified in the Lease ("**Excessive Tread Wear Charges**"). Your trailer may come with new tires, and you should retorque all lug nuts when you receive or pick up the trailer. Per vehicles specs, we recommend to retighten lug nuts after 50-100 miles.

(ii) General Condition. The Equipment must be able to pass Federal Highway Administration inspection. The Equipment shall be structurally sound with no material structural or mechanical damage, in good overall appearance, clean and cosmetically acceptable to Lessor, with no missing or damaged parts, ordinary wear and tear excepted. The Equipment must be air, wind and watertight. All floors, interior linings, scuff-boards, exterior panels, roots, and doors are to be straight, secure and free of holes, rips, tears, warps, or any other damage. Doors, including hinges, hardware and seals, will be complete and operate as originally intended by the manufacturer. Interior linings and floors will be repaired in a manner that maintains the original geometric profile of the structure and resulting airflow pattern. There may not be any broken or cracked exterior surfaces, inside linings, seals, doors,

latches or floors. The Equipment shall be free of all rust and corrosion. All patches shall be permanent and sealed properly in a manner acceptable to Lessor. Upon return, all items of Equipment shall be completely de-identified, including but not limited to all commercial logos, advertising, graffiti, Lessee insignia and lettering. The de-identified surfaces shall be repaired and refinished in such a way that the area blends in with the remainder of the item's overall appearance. Manufacturer's identity plates and markings shall not be removed or obscured.

(iii) Documents and Records. Written records of scheduled and other maintenance and repair work done shall be kept, dated, and signed by the appropriate authority. A service history or log will be maintained during the Lease Term, in English, and a copy provided to Lessor upon request during the Lease Term, or at the expiration or other termination (by acceleration or otherwise) of the Lease. All maintenance records, maintenance record jackets, repair jackets, repair orders, license plates, registration certificates and all other similar documents, in their entirety, must be returned to Lessor. Any meter changes shall be clearly identified in the maintenance records and, as such, become representations of authenticity by Lessee.

(iv) Brakes. Brake drums and linings shall not be cracked and shall not exceed manufacturer's recommended wear limits. Brake linings on each item of Equipment shall have a minimum of 3/8 inch of remaining brake lining thickness. Lessee will pay Lessor a charge for brake lining wear for each 1/8 of an inch of brake lining wear at a rate specified in the Lease. The brake lining for each wheel end will be measured by Lessor at the time of the outbound inspection and inbound inspection.

(v) Maintenance. Lessee shall strictly follow the manufacturer's recommended maintenance and service schedule, as required to validate any warranty, at Lessee's sole cost and expense. Any maintenance or repair work shall comply with the guidelines and procedures as specified by the manufacturers of the Equipment or each component of the Equipment. Lessee will use only original manufacturer's approved replacement parts and components in the performance of any maintenance and repair of the Equipment. Lessee will at all times maintain the Equipment in good operational condition and appearance, and shall not discriminate in such maintenance between owned and leased Equipment.

(vi) Refrigeration Units. With respect to all refrigeration units, upon return, each shall be mechanically sound and in good operating order and capable of satisfactorily passing any test for refrigeration or cooling loss as recommended by the manufacturer and performed by an authorized factory representative selected by Lessor, at Lessee's sole cost and expense. Refrigeration unit specifications must be in compliance with DOT and all exterior replacement parts shall be of the same type and color as the original. All seals and casings shall be intact and in good working order and the cooling unit shall refrigerate to the same temperatures as when the Equipment was new upon return. Lessee shall use only non-CFC refrigerants in the refrigeration units. Lessee will pay a refrigeration charge for engine hours used on any refrigerated unit of Equipment as specified in the Lease. Refrigeration hours will be measured by the Equipment monitoring device(s) determined by Lessor. A refrigeration hour reading will be taken by Lessor at the time of the outbound inspection and the inbound inspection. In the event that an Equipment monitoring device is not available, missing, or fails to function properly, Lessee will pay Lessor a refrigeration charge based on the average refrigeration hours historically used by similar units of Equipment leased or rented from Lessor, as reasonably determined by Lessor.

(vii) Use. The Equipment shall not be loaded beyond rated capacity as certified by the manufacturer at any time during the Lease Term. Lessee will not discriminate in the use of the Equipment from any other similar equipment in its fleet, either owned or leased.

(viii) Mandatory Alterations. Changes, modifications or additions to the Equipment mandated by Federal, state or local, authorities will be completed by, and at the sole cost and expense of, Lessee and shall be deemed Non-Severable improvements under Section 12 above.

(c) Prior to any surrender of the Equipment, an in depth physical inspection will be conducted by an appropriate trailer manufacturer's service representative(s) or independent service organization on behalf of and selected by Lessor, and paid for by Lessee. Any part, component or function found not to be within the manufacturer's tolerances and operational specifications will be replaced or brought within those tolerances and specifications to the satisfaction of Lessor, at the sole cost and expense of Lessee.

20. ROAD ASSIST.

Unless otherwise specified in the Lease, Lessee may call Lessor's road assist service to coordinate emergency repairs for Equipment subject to the Lease. Upon receiving a call from Lessee or Lessee's agent, Lessor, on behalf of Lessee, will (i) contact a third-party repair vendor to provide repair services to Lessee, and (ii) coordinate payment for any services provided by that third-party repair vendor to Lessee. Unless otherwise provided in the Lease, Lessor will invoice Lessee for any repair services coordinated through the road assist service, along with a service fee. No warranty, express or implied, is made by Lessor with respect to any services provided by a repair vendor coordinated through this service, and Lessee hereby releases Lessor from all liability in any way relating to use

of the service, including, without limitation, any repairs provided by any repair vendor coordinated through the service. The failure of lessor to provide the services set forth in the section is not a defense to the payment of rent and Lessee hereby waives any right of abatement, reduction, set-off, counterclaim, defense or deduction with respect to any rent payable hereunder and all protections granted to a lessor under article 2A of the UCC are applicable here. Any such failure to provide the services set forth in this section must be brought in an independent action.

21. COMMUNICATION SERVICES

If a trailer tracking unit is installed on an Item of Equipment, Lessee is permitted, on a non-exclusive, non-transferable and limited basis, to use the tracking unit and related communication services solely for the purpose of monitoring the Equipment. Lessee agrees to use any software included in the tracking unit only in connection with Lessee's use of the communication services, and shall not copy the software or provide the software or access to the software to any third-party. Lessee agrees that it will not reverse engineer, decompile, or disassemble the trailer tracking unit or software. Lessor reserves the right to terminate the communication services, and the sub-licenses granted pursuant to this Section 21, at any time on thirty (30) days advance notice to Lessee. Lessee acknowledges that disruption of communication services may occur from time to time for maintenance and other reasons beyond the control of Lessor, and hereby releases Lessor and all of its licensors, and the underlying wireless services carrier from all liability relating to such disruption.

22. SPECIAL REGULATIONS RELATING TO CERTAIN STATES

Without limiting the generality of Lessee's obligations under Sections 12 and 19 above relating to compliance with laws generally, Lessee shall comply with any state specific laws governing the Equipment or operation of the Equipment, including but not limited to:

- (a) Sections 95300-95311 of Title 17 of the California Code of Regulations governs the operation of 53-foot or longer box-type trailers in the State of California (the "**HDV Regulations**"). Lessee is solely responsible for complying with the HDV Regulations, as they may be amended from time to time, in conducting operations in the State of California, including, without limitation, (i) the cost of any modification required to be made to the Equipment to comply with the HDV Regulations; (ii) complying with any reporting obligations under the HDV Regulations associated with the operation of the Equipment in the State of California; and (iii) verifying that any Equipment that Lessee has rented or leased from Lessor complies with the HDV Regulations prior to the operation of that unit of Equipment in the State of California. Lessee shall not permit Equipment that does not comply with the HDV Regulations to be operated in the State of California. Lessee shall have the right to make modifications to the Equipment to comply with the requirements of the HDV Regulations; provided, however, that (i) any modifications made to install aerodynamic devices on Equipment are made in accordance with the recommendations and standards set by the manufacturer of the aerodynamic device, and (ii) unless otherwise agreed to by Lessor, Lessee shall be responsible for removing any modifications Lessee makes to the Equipment prior to Lessee's return of the Equipment to Lessor.

THE LESSEE OF THIS BOX-TYPE TRAILER UNDERSTANDS THAT WHEN USING A HEAVY-DUTY TRACTOR TO PULL A 53-FOOT OR LONGER BOX-TYPE TRAILER ON A HIGHWAY WITHIN CALIFORNIA, THE BOX-TYPE TRAILER MUST BE COMPLIANT WITH SECTIONS 95300-95311, TITLE 17, CALIFORNIA CODE OF REGULATIONS, AND THAT IT IS THE RESPONSIBILITY OF THE LESSEE TO ENSURE THIS BOX-TYPE TRAILER IS COMPLIANT. THE REGULATIONS MAY REQUIRE THIS TRAILER TO HAVE LOW ROLLING RESISTANCE TIRES AND AERODYNAMIC TECHNOLOGIES THAT ARE U.S. ENVIRONMENTAL PROTECTION AGENCY SMARTWAY VERIFIED TECHNOLOGIES PRIOR TO CURRENT OR FUTURE USE IN CALIFORNIA.

- (b) Section 2477 of Title 13 of the California Code of Regulations governs the operation of refrigerated units of Equipment in the State of California (the "**TRU Regulations**"). It is a violation of the TRU Regulations to operate any refrigerated unit of Equipment in the State of California that does not comply with the TRU Regulations, as they may be amended from time to time. Lessee shall be solely responsible for complying with the TRU Regulations in conducting operations in the State of California, including, without limitation, (i) the cost of any modification required to be made to the Equipment to comply with the TRU Regulations; provided, that Lessee shall obtain Lessor's approval prior to modifying any Equipment to comply with the TRU Regulations; (ii) complying with any reporting obligations under the TRU Regulations associated with the operation of refrigerated units of Equipment in the State of California; and (iii) verifying that any refrigerated unit of Equipment that Lessee has rented or leased from Lessor complies with the TRU Regulations prior to the operation of that unit of Equipment in the State of California. Lessee shall not permit a refrigerated unit of Equipment that does not comply with the TRU Regulations to be operated in the State of California.

23. MISCELLANEOUS; ENFORCEABILITY AND GOVERNING LAW

The term "**Lessee**" as used in the Lease shall mean and include any and all Lessees who sign below, each of whom shall be jointly and severally liable under the Lease. A Lease will not be binding on Lessor until accepted and executed by Lessor, notice of which is hereby waived by Lessee. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. Time is of the essence in the payment and performance of all of Lessee's obligations under the Lease. The captions in this Lease are for convenience only and shall not define or limit any of the terms hereof.

Any provisions of this Lease which are unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives: (a) any provisions of law which render any provision hereof unenforceable in any respect and (b) all rights

and remedies under Pennsylvania Commercial Code Title 13 Section 2A-508 through 522 or corresponding provisions of the UCC article or division pertaining to personal property leasing in any jurisdiction in which enforcement of this Lease is sought. Any requirement for the execution and delivery of any document, instrument or notice may be satisfied, in Lessor's sole discretion and to the extent permitted by the UCC, by authentication of such document, instrument or notice as a record within the meaning of Article 9 of the UCC.

THIS LEASE AND THE LEGAL RELATIONS OF THE PARTIES HERETO SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO PRINCIPLES REGARDING THE CHOICE OF LAW. LESSEE HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ITS OBLIGATIONS HEREUNDER, AND EXPRESSLY WAIVES ANY OBJECTIONS THAT IT MAY HAVE TO THE VENUE OF SUCH COURTS. LESSEE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS LEASE. Any action by Lessee against Lessor for any cause of action relating to this Lease shall be brought within one year after any such cause of action first arises.

THIS LEASE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES CONCERNING THE LEASE OF THE EQUIPMENT AND CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES SUPERSEDING ANY AND ALL CONFLICTING TERMS OR PROVISIONS OF ANY PRIOR PROPOSALS, COMMITMENT LETTERS, TERM SHEETS OR OTHER AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES. THIS LEASE MAY NOT BE CONTRADICTED BY EVIDENCE OF (i) ANY PRIOR WRITTEN OR ORAL AGREEMENTS OR UNDERSTANDINGS, OR (ii) ANY CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES, AND LESSEE ACKNOWLEDGES AND CERTIFIES THAT NO SUCH ORAL OR WRITTEN AGREEMENTS OR UNDERSTANDINGS EXIST AS OF THE DATE OF THIS LEASE. THIS LEASE MAY NOT BE AMENDED, NOR MAY ANY RIGHTS UNDER THE LEASE BE WAIVED, EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY THE PARTY CHARGED WITH SUCH AMENDMENT OR WAIVER.

Signature _____

Company Name _____

Title _____

Date ____/____/____