

TERMS AND CONDITIONS

RING POWER CORPORATION (and its affiliates), a Florida corporation, Lessor, and Lessee, enter into the following Lease Agreement (the "Agreement").

RENTAL: Lessor rents to Lessee machinery, equipment and other personal property referred to as "Equipment." This agreement is for rental only and nothing herein contained shall be construed as conveying to the Lessee any right, title or interest in or to the Equipment, except the right of possession and use as a Lessee. The rental of the Equipment shall not be construed as an offer to sell the Equipment. It is understood and agreed that rentals paid will not apply toward a subsequent purchase of the Equipment unless an agreement in writing is made by Lessor and Lessee prior to delivery of the Equipment. Lessee agrees to indemnify, protect, and hold harmless the Lessor, its agents, successors and assigns against all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatever nature, including property damage, personal injury, or strict liability arising out of the use, transportation, condition, or operation of any Equipment. The terms and conditions of this Agreement are incorporated into all other leases executed by Lessee.

ACCEPTANCE AND RETURN OF EQUIPMENT: The Equipment is the property of Lessor, and is in good repair and mechanical condition. Acceptance of delivery constitutes acknowledgment by the Lessee that the Equipment is in good repair and mechanical condition. If the Equipment is not in proper working order when received, Lessee shall notify Lessor of any claimed deficiency in writing by certified mail within twenty-four (24) hours of delivery of the Equipment or be deemed to have waived any such claim. Risk of loss to the Equipment shall pass to the Lessee when the Equipment leaves the Lessor's yard. In the event the Equipment is damaged during the term of this Lease, the Lessee shall at its own expense maintain the Equipment in good working order and condition. The Lessee is responsible for all repairs on the Equipment. Lessee shall return Equipment in the same condition as received, ordinary wear and tear excepted, to the rental location on the day specified or sooner if demanded by Lessor.

CHARGES: Lessee shall promptly pay no later than thirty (30) days from the date of the invoice at the Lessor's Address set forth in the Agreement all rental and other charges, including but not limited to time, mileage, service, repairs, minimum delivery, pick-up and fuel. Acceptable forms of payment include: EFT, wire, credit card, company check, certified check, money order, cash. If payment is made with a credit card the lessee asserts that a signature authorizing the sale is not specifically required to constitute the sale. The daily, weekly and monthly rental shall entitle Lessee to a maximum of one-shift use (8 hours per day, 40 hours per week, 176 per month. Double-shift use will incur a charge of one-and-a-half (1-1/2%) times the hourly rate and triple-shift use will incur a charge of two (2) times the hourly rate. Rentals are F.O.B. at Lessor's Rental Office. Shipping charges from such location to destination and return all transportation loading, unloading, assembling and dismantling costs shall be paid by Lessee and the Lessee further agrees that it is the Lessee's responsibility to provide competent and adequate labor and auxiliary equipment, including rigging, for purposes of assembly and/or disassembly of the Equipment. Lessee shall remain liable for rent under this agreement, and rent shall continue to be charged, for damaged Equipment until the

Equipment is repaired to the same condition as received by Lessee. In the event of the loss or destruction of the Equipment or any of its accessories for any reason, or the failure to return the same for any reason, Lessee shall promptly pay Lessor the fair market value at the time of the loss plus all past due rent. No credit shall be given for non-working days and the Lessee shall not be entitled to abatement, reduction of or set off against rent for any reason whatsoever.

USE OF EQUIPMENT: Equipment shall be used solely in Lessee's business and kept only at its place of business or job site (except that Equipment may be moved in the normal course of Lessee's business), and shall not be removed without prior written consent of Lessor. At no time shall the Equipment ever be used in or near salt water. In any event, the Equipment shall not be removed from the continental United States. Lessee shall notify Lessor, prior to moving Equipment from its place of business or the job site as set forth in this Agreement, of the location and project to which the Equipment is relocated and the date(s) the Equipment is removed or placed on any job site. Lessee shall promptly respond to all requests by Lessor concerning the job site (including, but not limited to, the identity of the property owner, general contractor, surety, if any, and legal description of premises).

SERVICE: Lessee shall perform and pay for all services, adjustments, and lubrication of Equipment including but not limited to: checking of Equipment before each shift; and supplying fuel, oil and water; and checking cooling system (engine only); and, checking tire pressures and battery fluid and charge levels at least weekly; repair and replacement of all friction materials, clutches, brakes and under carriage components, drive sprockets, crawler chains, idlers, pins, pads, rub rails, rollers and bushings.

LIABILITY: Lessor shall not be liable to Lessee for any loss or liability of any kind, including without limitation consequential or indirect damages of any kind whatsoever under this Agreement. **LESSEE IS RESPONSIBLE FOR MAKING ARRANGEMENTS FOR THE RETURN OF THE EQUIPMENT. THIS AGREEMENT DOES NOT TERMINATE UNTIL THE EQUIPMENT IS RECEIVED IN GOOD CONDITION AT LESSOR'S RENTAL OFFICE.**

INSURANCE: Lessee shall at Lessee's expense, during the term hereof, maintain in force a policy of general liability with a limit of at least \$1,000,000 with bodily injury and death liability limits of at least \$1,000,000 for each person in each accident on a primary and not excess or contributory basis against its liability for damages sustained by any person or persons including but not limited to employees of Lessee, as a result of the maintenance, use, operation, storage, erection, dismantling, servicing or transportation of such Equipment. Also at Lessee's expense, Lessee shall insure the equipment for its full replacement value under a standard physical damage ALL RISKS POLICY with an insurance company acceptable and approved by Ring Power. Lessee shall furnish Lessor a certificate of such insurance naming Ring Power as an additional insured, which may not be canceled or materially modified except on thirty (30) days prior written notice to Lessor. Lessee agrees to abide by the provisions of said policy and to make a written report to Lessor and the insurer within forty-eight (48) hours of Lessee's knowledge of any accident or occurrence involving such Equipment. Lessee's agents and employees shall cooperate fully with Lessor and Lessee's

insurer in the investigation, prosecution and/or defense of any claim or suit and shall do nothing to impair or invalidate any applicable insurance coverage. Lessee's insurance shall also insure except as may be otherwise provided herein, against all risks of direct physical loss or damage to the Equipment, while in transit or otherwise within the United States of America and Canada, and shall also include general average and salvage charges on Equipment while waterborne.

COMPLIANCE WITH LAW: Lessee shall, at its expense, comply with all state, federal and local laws and regulations affecting Equipment and its use, erection, design and transportation, including licensing and building code requirements and shall defend, indemnify and hold Lessor harmless from all loss, liability and expense, including Lessor's reasonable attorney's fees, resulting from actual or asserted violations of any such laws.

VENUE AND CHOICE OF LAW: This Agreement shall be controlled by the laws of Florida. The Lessee specifically agrees to personal jurisdiction in the State of Florida and agrees that venue for all actions related to the Agreement or actions related to the Equipment of any kind will be brought in a state court of competent jurisdiction in Jacksonville, Duval County, Florida or St. Augustine, St. Johns County, Florida. **DEFAULT:** An event of default shall occur if: (a) Lessee fails to pay rent and such failure continues for a period of five (5) days; (b) Lessee shall fail to perform or observe any conditions in the Agreement for ten (10) days after written notice; (c) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors; or (d) Lessee has abandoned the Equipment or attempts to remove, sell, transfer, or encumber the Equipment.

REMEDIES: All delinquent rent shall bear interest at the highest lawful rate in the State of Florida. In the event of default or breach of this Agreement by Lessee, or if Lessor for any reason deems itself insecure, Lessor, at its option, shall be entitled to any one or more of the following remedies: Lessor may, (a) enter premises where Equipment is located and render same inoperative or remove Equipment with or without process of law and without notice or liability to Lessee; (b) terminate this Agreement without prejudice to any remedies or claims which Lessor might otherwise have; (c) collect from Lessee for arrears of rent and expenses of retaking; (d) accelerate the remaining rental payments to be due and payable immediately, which shall be construed as liquidated damages and not as a penalty; (e) collect from Lessee the fair market value of the Equipment, for loss of use or for any loss or damage to the Equipment; and (f) collect from Lessee the cost to repair or refurbish the Equipment. Upon the occurrence of any event of default, Lessee agrees to pay all costs of collection and expenses, which may be incurred by Lessor, including reasonable attorney's fees, to enforce any right provided in the Agreement.

DISCLAIMER OF WARRANTIES: LESSOR MAKES NO WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ALL EQUIPMENT. LESSEE TAKES AND RENTS EQUIPMENT "AS IS" AND WITH ALL FAULTS OR DEFECTS.

NOTICES: Any notice to be given or mailed by certified mail, return receipt requested, with postage prepaid, at the respective addresses set forth in the Agreement.

SPECIAL PROVISIONS:

a.) LESSEE'S GENERAL RESPONSIBILITY: Under this Agreement the Lessee renting the Equipment is responsible to Lessor for any loss or damage to the Equipment and/or its return in the same condition in which received, ordinary wear and tear excepted.

b.) SUBROGATION: In the event of any loss or damage to the Equipment, Lessor shall have the right of subrogation with respect to any right of the Lessee to recover against any person, firm or corporation. Lessee shall cooperate.

c.) FIRE, THEFT AND VANDALISM WAIVER ("FTV")**: At Ring Power's option, FTV may be offered. If offered and accepted by Lessee, the "Fire, Theft and Vandalism Waiver" option ("FTV") is not insurance. The FTV option may be accepted by the Lessee only at the commencement of the rental term by Lessee initiating the "ACCEPTS FTV" box on the rental invoice and by Lessee paying the additional charges specified therein. The FTV option is not available for over the road vehicles. If the Lessee accepts the FTV option and the Lessee fulfills all terms, conditions and provisions of this Agreement including making of all payments required, time being of the essence, then Lessor agrees to waive the Lessee's liability to Lessor for loss or damage to the equipment due to the specific perils relating to Fire, Theft and Vandalism exceeding the larger of the following applicable amounts: (a) \$500 per item of equipment; or (b) triple the monthly rental charge in effect on the date of this agreement, per item of equipment, without regard to the rental period of this agreement. **Opting for FTV does not waive your obligation under the Agreement to provide General Liability Coverage.

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d.) When demonstrator units are included in this Agreement, they shall be deemed to be Rentals pursuant to the terms of this Agreement.

e.) The Lessee and Lessor agree that the prevailing party shall be entitled to a reasonable attorney's fee for any dispute regarding this Agreement.

f.) This Agreement may be executed in multiple counterparts. Facsimile signatures of each party's authorized representative shall be deemed to be binding upon such party.

g.) THE LESSEE SPECIFICALLY AGREES TO WAIVE ALL RIGHTS TO A JURY TRIAL IN THE STATE OF FLORIDA.