



LEASE AGREEMENT - PURCHASE OPTION

A/C No. 0730800

LESSOR:

ZIEGLER INC.
901 W. 94th Street
Minneapolis, MN 55420

Salesperson: Thor Wicklund

LESSEE:

Customer Legal Name: City of Baxter

Customer Contact: Alex Hondl

Address: 13190 Memorywood Dr

Baxter, MN

Phone: 218-454-5085

Email: ahondl@baxtermn.gov

Subject to the terms of this agreement, Lessor and Lessee hereby agree as follows:

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the following described equipment (collectively, the "Equipment").

Ziegler ID No. / Hours	Manufacturer	Model Name	Model Number	Serial/VIN
	Caterpillar	906		

FOB: _____ Freight Charge: \$ 270 SHIP TO: (if different than above): _____

Risk of loss to the Equipment passes to Lessee on delivery of the Equipment to a licensed carrier or Lessee's receipt of the Equipment at Lessor's location.

LEASE TERM	RENTAL RATE	PAYMENT
☐ Spring ☐ Fall ☐ Full Year ☐ _____ days ☐ _____ weeks ☒ 4 months* ☐ Other: _____ START DATE: _____ *Month is defined as a 28-day period.	☐ \$ _____ up to _____ hours ☐ \$ _____ /Day (8 hours) ☐ \$ _____ /Week (_____ hours)** ☒ \$ 4750 /Month (100 hours)** _____ Miles/per Month Excess Usage Rate: \$ _____ \$22 per hour **Unless otherwise stated, Week (40 hours) and Month (176 hours).	☐ Weekly ☐ Monthly (28-day period) ☐ Total in advance All payments are due in advance.

PURCHASE OPTION: The Equipment may be purchased for _____ less 100% rent paid the first 18 invoices, less 60% of the rent paid beginning with invoice 19 through invoice 24, and less 40% of the rent paid beginning with invoice 25 through the remaining rental period, plus a carrying charge of _____% over prime on the declining balance, plus taxes and all other costs and expenses arising from the sale of the equipment. Winter holds and call-offs not to exceed 4 invoices per year.

ADDITIONAL TERMS AND CONDITIONS:

Price includes Quatro Plow.

The Equipment is subject to availability, and until this agreement is signed by Lessor, this agreement will constitute Lessee's offer to lease Equipment and will not be binding upon Lessor.

THE LEASE OF ANY EQUIPMENT IS GOVERNED BY THE TERMS OF THIS AGREEMENT, INCLUDING THE TERMS ON THE FOLLOWING PAGES. The agreement will be effective on the last date signed by a party.

LESSOR: ZIEGLER INC.

By: Thor Wicklund
(Authorized Signature)

Name (Print): Thor Wicklund

Date: 08/25/26

LESSEE

By: _____
(Authorized Signature)

Name (Print): _____

Date: _____

STANDARD TERMS

The Equipment is leased under these terms. Lessor rejects all different or additional terms submitted by Lessee, and any such terms will be void.

1. **INTELLECTUAL PROPERTY.** All intellectual property rights in the Equipment remain with the manufacturer, including all trademarks.
2. **TRUE LEASE.** The parties intend that this agreement constitutes a true lease under the Minnesota Uniform Commercial Code, as amended from time to time (the "UCC") and not a sale of the equipment subject to a security interest under Article 9 of the UCC to secure the purchase price of the Equipment. Lessor has title to the Equipment at all times. Lessee acquires no ownership, title, property, right, equity, or interest in the Equipment, other than its leasehold interest solely as lessee, subject to the terms of this agreement.
3. **LEASE TERM AND RENEWAL.** The term of this agreement will commence on the Start Date specified on page 1, and will continue for the period of the Lease Term specified on page 1. The term will automatically renew for like periods, unless either party gives the other party written notice of termination at least 30 days in advance of the expiration of any such period, in which event this agreement will terminate at the end of such period. Notwithstanding the foregoing, failure to promptly return the Equipment will result in automatic renewal. No allowance will be made for holidays, time in transit, or for any period of time that the Equipment may not be in actual use while in Lessee's possession.
4. **RENT AND EXCESS USAGE.** Lessee shall pay Lessor as rent the Rental Rate specified on page 1. Lessee shall pay Lessor for excess usage of the Equipment as additional rent, payable upon return of the Equipment. The rent for excess usage will be calculated based on each hour (or portion thereof) that the Equipment was used in excess of the applicable Lease Term multiplied by the Excess Usage Rate specified on page 1.
5. **PERSONAL PROPERTY.** The parties intend that each item of Equipment be and remain at all times personal property and not a fixture under applicable law, even if the item of Equipment, or any part of the Equipment, may be or becomes affixed to real property or any improvements. Upon Lessor's written request, Lessee shall obtain and provide to Lessor, from each real property owner, mortgagee, or lienholder for each location where Equipment is stored, a waiver of any interest that it may have in the Equipment arising from its interest in the real property.
6. **LABELS.** On or prior to the Start Date, for each item of Equipment, Lessee shall, at its expense, affix and maintain in a prominent position on each item of Equipment any plates, tags, stencils, or identifying labels provided by Lessor to indicate its ownership of the Equipment. Except as provided above, Lessee may not allow the name of any person or entity to be placed on the Equipment or cover-up, modify, or otherwise obstruct in any way Lessor's notice of ownership.
7. **LIENS.** Lessee shall maintain the Equipment free and clear of any claims, liens, or encumbrances. Lessee shall give Lessor immediate notice in case any Equipment is levied upon or becomes liable to seizure, for any reason.
8. **QUIET ENJOYMENT.** Provided Lessee is not in default, Lessor will not interfere with Lessee's quiet enjoyment of the Equipment during the term.
9. **PAYMENTS.** Lessee shall make all payments due under this agreement on the applicable due date in U.S. dollars in immediately available funds to Lessor at its address specified on page 1 or otherwise in writing from time to time. If any date on which a payment under this agreement becomes due and payable is not a business day, then Lessee shall make such payment on the next succeeding business day. Lessee shall pay prior to delinquency any and all taxes (including personal property taxes), assessments, licenses, and other government charges of any kind pertaining to the Equipment, including any charges based upon Lessee's leasehold interest in the Equipment, Lessor's ownership of the Equipment, and the leasing of the Equipment. Lessee shall pay all charges and expenses related to transportation of the Equipment, including delivery to Lessee and return to Lessor. Lessee shall pay all expenses of operating the Equipment.
10. **NON-CANCELABLE OBLIGATION.** Lessee's obligation to pay rent and all other amounts under this agreement is absolute and unconditional and is not subject to any abatement, counterclaim, defense, deferment, interruption, recoupment, reduction, or setoff for any reason whatsoever.
11. **LATE FEE.** If Lessee does not pay any amount payable to Lessor under this agreement by the due date, Lessee shall pay to Lessor a late fee equal to the lesser of 1.5% of the amount past due or the maximum amount allowed by law. Payment of any late charge does not excuse Lessee of any Event of Default (defined below). Late fees will be cumulative, and all payments will be applied first toward accrued late fees and second toward rent. Notwithstanding the foregoing, however, to the fullest extent permitted by applicable law, Lessor may apply any sums received from Lessee, in Lessor's discretion, to the obligations of this agreement or to any other obligations owed by Lessee to Lessor.
12. **EQUIPMENT PURPOSE.** Lessee represents that the Equipment will be used only for business, commercial, or agricultural purposes.
13. **USE OF EQUIPMENT.** Lessee shall possess and use the Equipment in a safe and prudent manner and in compliance with all applicable laws,

regulations, and Equipment manuals and instructions. Prior to each use, Lessee shall inspect the Equipment to confirm that it is in good condition suitable for Lessee's intended use, without defects, and that the Equipment includes readable labels with operating and safety instructions. In the event of material damage or malfunction of the Equipment, Lessee shall immediately discontinue use of the Equipment and notify Lessor. Lessee represents that the Equipment will be operated within its rated capacity, and, Lessee will be responsible for the proper use of ground rod, where applicable. To reduce the likelihood and risk of personal injury and property damage, only direct employees of Lessee properly trained and qualified in its operation will operate the Equipment. No third parties, including subcontractors and independent contractors, may operate the Equipment without prior written consent from Lessor.

14. **RECEIPT OF EQUIPMENT.** Delivery of the Equipment will be deemed to have occurred upon Lessor's delivery to the carrier in the event of shipment or on Lessee's receipt of the Equipment at Lessor's location. If Lessee receives the Equipment from Lessor's location, Lessee will not allow any third party, including subcontractors and independent contractors, to transport the Equipment, other than recognized transportation carriers directly hired by Lessee. By accepting delivery, Lessee acknowledges receipt of the Equipment and all other devices and materials necessary to securely connect the Equipment to Lessee's or its transportation carrier's towing motor vehicle.

15. **MAINTENANCE, CARE, AND LOCATION.** By accepting delivery of the Equipment, Lessee acknowledges that the Equipment is in good condition and to Lessee's satisfaction. Lessee shall, at its own cost and expense, maintain the Equipment in good repair and working order, except ordinary wear and tear, and properly serviced and stored. Lessee shall, at its own cost and expense, furnish any parts necessary to keep the Equipment in good working condition. All replacement parts must be original manufacturer's parts. Any such additions will become the property of Lessor. Lessee shall pay Lessor, upon termination of this agreement, any sum Lessor incurs to restore the Equipment to good repair and working order. Lessee will be liable for any wear and tear beyond normal, including belt wear and tire damage on a wheel machine. Lessee agrees that no modifications or improvements will be made to the Equipment without obtaining the prior written consent of Lessor. Lessee represents and warrants that all modifications or improvements to the Equipment will be completed in accordance with all applicable legal and safety requirements. Lessee acknowledges that any improvements or modifications negate and void any warranties, if any, applicable to portions of the Equipment affected by the improvement or modification and negate and void all warranties if the improvement or modification changes the purpose or use for which the Equipment was originally intended.

16. **RECORDS.** Lessee, at its own expense, shall maintain all Equipment-related records, logs, and other materials (collectively, "Records"), including copies of all maintenance and repairs, in a manner no less comprehensive or accurate than Lessee's normal customary practices with respect to Lessee's similar equipment and as required by applicable law. Lessee shall promptly furnish to Lessor such Records upon request.

17. **INSPECTION.** Lessee shall permit Lessor, through any of its officers, employees, or agents, on reasonable notice, to inspect the Equipment and Records during regular business hours, and in compliance with Lessee's reasonable security procedures. Lessee may not remove the Equipment from the state to which it was originally delivered for any reason without the prior written approval of Lessor.

18. **RETURN OF EQUIPMENT.** Upon the expiration or termination of this agreement, Lessee shall return the Equipment or arrange delivery of the Equipment to Lessor, as agreed to by Lessor and during Lessor's normal business hours, in the same condition and repair as when delivered to Lessee, subject only to ordinary wear and tear. If the Equipment is returned to Lessor in an unacceptable condition, Lessee shall pay Lessor, upon receipt of an invoice, all charges, as applicable, for cleaning, servicing, refueling, repairs, and replacements necessary to restore the Equipment to acceptable condition. The rental term will continue while any of the Equipment is being restored to acceptable condition, and Lessee shall make lease payments until all repairs and service are complete.

19. **PROPERTY AND LIABILITY INSURANCE.** Lessee will be liable for any loss or damage to the Equipment. Lessee shall, at its own expense provide and maintain for each item of Equipment insurance against loss, theft, and damage ("Property Insurance") in an insured amount equal to the full replacement value of such item of Equipment, and in a form, and with companies, satisfactory to Lessor, including the insurer's agreement to give Lessor 30 days' prior written notice before cancellation or material change in the policy. Lessee shall name Lessor (or shall cause Lessor to be named) as loss payee on the Property Insurance. Lessee shall, at its own expense, provide and maintain comprehensive general liability insurance ("Liability Insurance") in an amount no less than \$1,000,000, and in a form, and with

companies, satisfactory to Lessor, including the insurer's agreement to give Lessor 30 days' prior written notice before cancellation or material change in the policy. Lessee shall name Lessor as an additional insured (but without imposing on Lessor any liability to pay the premiums for such insurance) on the Liability Insurance. Lessor will be entitled to all of the insurance proceeds necessary to compensate Lessor for its damages under either the Property Insurance or the Liability Insurance, including lost rent, residual fair market value, incidental and consequential damages, repair costs, and reasonable attorneys' fees and costs, as applicable, and Lessee will be entitled to the balance of such proceeds, if any. If Lessee receives any proceeds under the Property Insurance, unless received with respect to a loss that has not materially impaired the Equipment, Lessee shall promptly forward such amounts to Lessor.

20. **INSURANCE CERTIFICATES.** On or before the Start Date, and at such other times as Lessor may request, Lessee shall provide Lessor with a certificate of insurance evidencing the maintenance of the Property Insurance and the Liability Insurance. If Lessee does not procure and maintain the Property Insurance or the Liability Insurance, Lessor may procure such insurance, and Lessee shall pay the cost thereof to Lessor upon demand.

21. **HAZARDOUS MATERIALS.** The Equipment and any attachments to the Equipment may not be exposed to regulated substances, including hazardous substances, hazardous materials, hazardous wastes, toxic substances, or pesticides, as those terms are defined in applicable federal, state, and local environmental laws, regulations, and rules (collectively, "Hazardous Materials"). Lessee shall return all Equipment, including any attachments, tools, and machinery leased from Lessor free of all Hazardous Materials. If any Equipment is exposed to Hazardous Materials, Lessee shall immediately contact Lessor and provide all information regarding such exposure, including: which items of Equipment; location; circumstances; identification of Hazardous Materials; and what, if any, remedial measures Lessee has taken. Lessee shall be solely responsible for all charges applicable to remove the Hazardous Materials from the Equipment and shall provide Lessor certification of such removal from an authorized hazardous materials remediation entity. Lessor has the right to determine, however, in its sole discretion, if the Equipment has been adequately remediated. If the Hazardous Materials cannot be removed from the Equipment, Lessee shall pay Lessor the full replacement cost of the Equipment as of the Start Date, all lease payments that accrued during the term of this agreement, and all disposal, remediation, or other expenses incurred by Lessor.

22. **LOSS OR DAMAGE.** Lessee shall bear the risk of any loss, damage, destruction, theft, condemnation, or other casualty to or of the Equipment from any cause whatsoever (each, a "Casualty Loss") occurring during the period beginning upon delivery and continuing until the Equipment has been returned to Lender's actual physical possession. Lessee shall notify Lessor in writing within two calendar days of any Casualty Loss, and within 10 calendar days of the Casualty Loss, Lessee shall, at Lessor's option, pay to Lessor the sum necessary to compensate Lessor for such Casualty Loss, which sum will include the full replacement cost of the Equipment, plus all payments due but unpaid under this agreement, plus all payments under this agreement that would have accrued during the remainder of the term of this agreement, in which case the Equipment will become the property of Lessee and no longer subject to this agreement.

23. **INDEMNIFICATION.** Lessee releases any claim now or hereafter existing against Lessor on account of, and shall indemnify, defend, and hold harmless Lessor, and all of its directors, officers, agents, employees, assigns, and successors (collectively "Indemnitees") from and against all claims, demands, actions, liabilities, obligations, losses, liens, costs, or expenses (including attorney's fees), damages, fines, or penalties whatsoever (collectively, "Claims") by all persons or parties arising out of, relating to, resulting from, or alleged to have resulted from: (a) the rental, possession, use, maintenance, operation, installation, storage, handling, transportation, replacement, or disposition of the Equipment; (b) any latent or other defects of the Equipment; (c) the negligence, gross negligence, willful misconduct, or any other malfeasance of any party; (d) any act or omission pertaining to occupational safety or any liability thereof; or (e) any act or omission pertaining to an environmental duty or any liability thereof, including: (i) property damage, bodily injury, or death; (ii) any breach of this agreement by Lessee; and (iii) all claims, liens, or encumbrances upon the Equipment. Lessee shall reimburse Lessor for all attorneys' fees, costs, and expenses incurred by Lessor in defense of any Claims. Without limitation, Lessee is liable for any Casualty Loss and all Claims caused by the failure of any device or material used in transporting the Equipment or hitching it to a towing vehicle, regardless of who furnished the device or material or who hitched the Equipment. Lessee's indemnification obligations, however, will not extend to any Claims caused by the sole gross negligence or willful misconduct of any Indemnitee. Liability for damage or loss of the Equipment will be limited to the full replacement cost of the Equipment at the time it is lost or damaged, less its salvage value, plus an administrative fee and Lessor's related expenses, such as loss of use,

appraisal fees, recovery costs, and attorneys' fees. Lessee's obligations to Indemnitees under this section will survive expiration or termination of this agreement.

24. **LIMITATION OF REMEDIES.** Lessee's SOLE AND EXCLUSIVE REMEDY for any failure of or defect in the Equipment will be the termination of the rental charges at the time of failure, provided the Equipment is returned to Lessor within 24 hours. LESSOR WILL NOT BE RESPONSIBLE FOR ANY LOSS, DAMAGE, OR INJURY TO LESSEE OR LESSEE'S PROPERTY, INCLUDING INTERRUPTION OF BUSINESS, LOST PROFITS, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, ARISING OUT OF OR RELATING TO ANY BREACH OF ANY PROVISION OF THIS AGREEMENT OR IN ANY WAY CONNECTED WITH THE EQUIPMENT, INCLUDING ITS USE OR CONDITION. LESSEE UNDERSTANDS AND AGREES THAT NO OTHER REMEDY WILL BE AVAILABLE TO LESSEE, WHETHER ANY CLAIMS FOR INJURY OR DAMAGES ARE ASSERTED ON THE BASIS OF WARRANTY, NEGLIGENCE, CONTRACT, STRICT LIABILITY, OR OTHERWISE. LESSOR WILL NOT BE LIABLE TO LESSEE FOR INFRINGEMENT OF ANY TYPE RESULTING FROM THE RENTAL, PERFORMANCE, OR USE OF THE EQUIPMENT AND ANY SERVICES PROVIDED UNDER THIS AGREEMENT. IN NO EVENT WILL LESSOR'S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED THE TOTAL OF THE AMOUNTS PAID TO LESSOR UNDER THIS AGREEMENT. THE FOREGOING LIMITATIONS APPLY EVEN IF LESSEE'S REMEDIES UNDER THIS AGREEMENT FAIL THEIR ESSENTIAL PURPOSE.

25. **DISCLAIMER OF WARRANTY.** THE EQUIPMENT IS LEASED AS IS AND WITH ALL FAULTS. LESSOR MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTY AGAINST INTERFERENCE, OR WARRANTY AGAINST INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET, OR OTHER PROPRIETARY RIGHTS OF A THIRD PARTY, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

26. **DATA AND PRIVACY.** Lessor and its partners, affiliates, subsidiaries, and third parties, including but not limited to suppliers, manufacturers, dealers, and service providers (collectively, "Lessor Parties") collect and share information relating to products, services, and customers as detailed in Lessor's Privacy Policy and applicable manufacturers' statements located at www.zieglercat.com/privacy, which are hereby incorporated into this agreement by this reference. Manufacturers' statements may be updated at any time without notice. Equipment equipped with telematics or other tools, applications, or devices to collect, process, and assess information, such as machine locations, operating hours, health of the Equipment, and basic utilization (collectively "Telematics"), whether manufactured by Caterpillar or by other companies, collect and transmit information to Lessor Parties with a legitimate business reason to access the information, including but not limited to providing services and support, developing new products and services, personalizing user experiences, improving products, or complying with legal obligations. Lessee understands that Telematics or other tools, as applicable, may have been activated on the Equipment by Lessor or the manufacturer, and may be subject to or required by specific manufacturer user agreements available to Lessee upon request. Lessee consents to the collection, use, storage, processing, sharing, and disclosure of such information by Lessor Parties in accordance with this agreement, Ziegler's Privacy Policy, and applicable manufacturers' statements.

27. **PRECAUTIONARY FINANCE DOCUMENTS.** At any time and from time to time upon request by Lessor, Lessee shall sign and deliver, or cause to be signed and delivered, in form and substance satisfactory to Lessor, any documents relating to the financing of the Equipment, including contracts, promissory notes, guarantees, or other evidences of indebtedness. Lessee authorizes Lessor to file precautionary financing statements and other similar filings and records with respect thereto. Lessee may not file any corrective or termination statements or partial releases with respect to any financing statements or similar filings or recording filed by Lessor in connection with any Equipment, except with Lessor's prior written consent or if Lessor fails to file a corrective or termination statement or release on request from Lessee after the expiration or earlier termination of this agreement. Lessee shall pay all costs incurred in connection with such filings, including attorneys' fees.

28. **UCC.** All terms used but not defined in this agreement that are defined in the UCC have the meanings set forth in the UCC, and such meanings will automatically change at the time that any amendment to the UCC, which changes such meanings, becomes effective.

29. **EVENTS OF DEFAULT.** Each of the following will be an event of default under this agreement (each, an "Event of Default"): (a) Lessee fails to make any payment of rent or any other amount under this agreement when due; (b) Lessee possesses, uses, maintains, operates, installs, stores, handles, transports, replaces, or disposes (collectively, "Uses") the Equipment or

permits any Use of the Equipment for any purpose other than for its intended lawful purposes; (c) Lessee fails to procure or maintain any insurance coverage required by this agreement; (d) Lessee attempts to sell, transfer, assign, encumber, or detain any of the Equipment; (e) Lessee defaults in the observance or performance of any other term, covenant, or condition in this agreement not included in this Section, and Lessee fails to remedy such default with 30 business days after notice by Lessor to Lessee of such default; (f) Lessee provides any false, misleading, or fraudulent representation or warranty to Lessor, either in this agreement or in other documents furnished to Lessor; (g) Lessee or any guarantor of Lessee's obligations under this agreement (each, a "Guarantor") becomes insolvent, ceases to do business, makes an assignment for the benefit of creditors, or files any petition under bankruptcy, reorganization, insolvency, moratorium, or any other law for the relief of debtors (each, a "Petition"); (h) any Petition is filed against Lessee or any Guarantor or any receiver, trustee, or similar official is appointed to take possession of the properties of Lessee or any Guarantor, unless such Petition or appointment ceases to be in effect within 30 days of filing or appointment; (i) any piece of Equipment is lost, stolen, destroyed, irreparably damaged, or subject to any sale, lien, claim, security interest, or encumbrance (other than in favor of Lessor or its assignee); (j) any default occurs under any other agreement between Lessee and Lessor or any entity related to or affiliated with Lessor; (k) Lessee is in arrears on its open account balance with Lessor; (l) any breach or repudiation by any Guarantor under any guaranty obtained in connection with this agreement; (m) Lessee uses any trade name, assumed name, or other name except Lessee's name as set forth in this agreement; (n) Lessee changes its state of organization without Lessor's prior written consent; (o) Lessee fails to give Lessor prior written notice of any change in Lessee's address, Lessee's name, or Lessee's use of any other name; or (p) Lessee executes or files any termination statement that terminates the filings of financing statements naming Lessor as secured party, without the prior written consent of Lessor.

30. **REMEDIES.** Upon the occurrence of an Event of Default, Lessor may, at its option, exercise any one or more of the following remedies: (a) declare this agreement in default and all amounts due or to become due under this agreement immediately due and payable; (b) terminate this agreement in whole or in part; (c) take possession of or render unusable any item of Equipment, wherever it may be located, without demand or notice, without any court order or other process of law, and without any liability to Lessee for any damages occasioned by such action, in which event Lessee agrees to make the Equipment available to Lessor at a place or places acceptable to Lessor, and for which purpose Lessor may enter any premises where the Equipment may be found; (d) require Lessee to deliver any item of Equipment at a location designated by Lessor, and for each day that Lessee fails to return any item, Lessor may demand an amount equal to rent, prorated on the basis of a 30-day month, in effect immediately prior to the Event of Default; (e) proceed by court action to enforce performance by Lessee of this agreement or to recover all damages and expenses incurred by Lessor by reason of any Event of Default; (f) retain all monies theretofore paid by Lessee as compensation for the reasonable use of the Equipment by Lessee or for depreciation of the Equipment; (g) sell any or all of the Equipment at public or private sale, with or without notice to Lessee or advertisement, or otherwise dispose of, hold, use, operate, lease to others, or keep idle such Equipment, and without any duty to account to Lessee for such action or inaction or for any proceeds with respect thereto, and apply the net proceeds thereof (after deducting all expenses (including legal fees and costs) incurred in connection therewith) to the amounts owed to Lessor under this agreement, provided Lessee will remain liable for any deficiency that remains after any sale or lease of such Equipment; or (h) any other remedies permitted by law or in equity. The remedies in this agreement will be cumulative and may be exercised singularly, concurrently, or successively. If Lessee fails to perform any of its obligations under this agreement, Lessor may (but need not) at any time thereafter perform such obligation, and Lessee shall pay the expenses incurred in connection therewith to Lessor on demand.

31. **LESSEE COOPERATION TO SELL OR LEASE.** Unless Lessee has elected to purchase the Equipment, Lessee, on Lessor's written notice, shall cooperate with Lessor's efforts to sell or lease the Equipment, including permitting prospective purchasers or lessees to fully inspect the Equipment and the Records during regular business hours and in compliance with Lessee's reasonable security procedures.

32. **TIME.** Time is of the essence of this agreement.

33. **COMPLIANCE WITH LAWS, RULES, AND REGULATIONS.** Lessee shall comply with all laws, rules, regulations, federal, state and local, which are or may become applicable to the Equipment and the transactions contemplated by this agreement, including applicable federal and state safety orders and standards.

34. **FORCE MAJEURE.** Lessor will not be liable to Lessee, and will not be deemed to have breached this agreement, for any failure or delay in performing any term of this agreement, to the extent the failure or delay is

caused by or results from acts beyond Lessor's control, including acts of God, flood, fire, earthquake, explosion, war, invasion, hostilities, terrorist threats or acts, riot or other civil unrest, requirements of law, actions by any governmental authority, embargoes or blockades, national or regional emergencies, labor stoppages or slowdowns or other industrial disturbances, delays in manufacture, supply shortages or delays, shortages of adequate power, or failure of transportation (collectively, "Force Majeure Events"). Any Force Majeure Event that has an adverse effect on Lessor's ability to perform will absolve Lessor from any liability to Lessee.

35. **ASSIGNMENT.** Lessee may neither assign, transfer, or otherwise dispose of its rights under this agreement nor loan, sublease, hypothecate, or otherwise transfer or encumber the Equipment. Lessor may assign all of its rights under this agreement, in whole or in part, with or without notice to Lessee, but subject to Lessee's rights under this agreement.

36. **WAIVER.** No waiver under this agreement will be effective unless it is in writing and signed by the party waiving its right. Any waiver authorized on one occasion will be effective only in that instance and only for the purpose stated and will not operate as a waiver on any future occasion. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising under this agreement: (a) any failure or delay in exercising any right, remedy, power, or privilege, or in enforcing any condition under this agreement, or (b) any act, omission, course of dealing, or course of performance between the parties.

37. **SEVERABILITY.** If any term of this agreement is unenforceable in any jurisdiction, such unenforceability will not affect any other term of this agreement or render unenforceable such term in any other jurisdiction.

38. **SURVIVAL.** Subject to the terms of this agreement, the representations of Lessee contained in this agreement survive indefinitely. All covenants of Lessee contained in this agreement survive the Start Date indefinitely.

39. **ELECTRONIC SIGNATURES.** The Electronic Signatures (whether digital or encrypted) included in this agreement are intended to authenticate this writing and have the same effect as manual signatures. "Electronic Signature" means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a person with the intent to sign the record, including facsimile or email electronic records, in accordance with the Uniform Electronic Transactions Act, Minnesota Statutes 325L.01–325L.19, as amended from time to time. A signed copy of this agreement delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this agreement.

40. **MISCELLANEOUS.** All notices given under this agreement must be in writing to the party at its address shown in this agreement and will be deemed effective when personally delivered or three days after being deposited in the United States mail, postage prepaid, certified mail, return receipt requested. Either party may change its address for notice by proper written notice to the other. This agreement may be signed in any number of counterparts, each of which, when signed and delivered, will be deemed an original, and all of which will constitute the same agreement. This agreement, including any related exhibits and schedules, constitutes the sole and entire agreement of the parties with respect to the subject matter of this agreement and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, if any, with respect to such subject matter. This agreement may not be amended except by written amendments signed by both Lessee and Lessor. This agreement is binding on and inures to the benefit of the parties and their permitted successors and assigns. Nothing in this agreement creates a joint venture or partnership between the parties. Neither party has any right or authority to create any obligations on behalf of or in the name of the other or to bind the other party to any contract, agreement, or undertaking with any third party.

41. **INTERPRETATION.** For purposes of this agreement, the words "include," "includes," and "including" are deemed to be followed by the words "without limitation," and the word "or" is not exclusive. The parties drafted this agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting any instrument or causing any instrument to be drafted.

42. **LEGAL FEES.** Lessee shall pay Lessor's legal fees, court costs, and any other costs of recovery incurred in enforcing this agreement.

43. **GOVERNING LAW; VENUE.** This agreement is governed by and will be construed in accordance with the laws of the State of Minnesota, without regard to any principles of conflicts of law. If any legal action is brought to enforce this agreement, the U.S. District Court for the District of Minnesota or the Hennepin County District Court (4th Judicial District) will be the exclusive jurisdiction and venue for said action unless Lessor, in its sole discretion, commences proceedings in a different jurisdiction or venue.