


## TERMS AND CONDITIONS

1. The property leased by this Lease (herein "property"), the amount of the rental payments and the initial term of the lease are described in Schedule A, attached hereto and made a part hereof. If a Security Deposit is required as security for the prompt and full payment of the rent and the complete and timely performance of all provisions of the lease, those terms are also shown on Schedule A.
  2. Lessee is entitled to the use, operation, possession and control of the leased property during the Lease term, provided Lessee is not in default of any provision of the Lease. Lessee shall employ and have absolute control, supervision and responsibility for the operators and users of the property.
  3. Lessee must use the leased property in a careful and proper manner, and never for more than 10 hours per day; 50 hours per week or 220 hours per month. Lessee agrees that the lease property will be used in accordance with any applicable manufacturer's manuals or instructions. Lessee agrees to reimburse Lessor in full for all damage to the property arising from any misuse or negligent act by Lessee, its employees, or its agents.
  4. Lessee shall not permit any leased property to be operated or used in violation of any applicable federal, state or local statute, ordinance, rules or regulation relation to the possession, use of maintenance of the property. Lessee will indemnify and hold Lessor harmless from all liabilities, fines, or penalties for any violations described herein.
  5. Lessee shall, at Lessee's expense, maintain the property in good mechanical condition and running order, excepting reasonable wear and tear resulting from the ordinary use of the property. Lessee shall provide all parts, at Lessee's expense, required to keep the leased property in good repair. Lessor has no obligation to provide service, repairs or parts for the property.
  6. Any additions or replacement of parts during the lease term shall become part of the leased property and are thus owned by the Lessor.
  7. Lessor is responsible for its own income taxes and franchise taxes. All other taxes based on this lease are the responsibility of Lessee, including sales tax, use tax and personal property tax. If any taxing authority requires Lessor to directly pay any tax which is the responsibility of Lessee, Lessee agrees to reimburse Lessor for such tax when the next rent installment is due.
  8. Lessee shall return the property to the Lessor at the end of the lease term full of fuel and cleaned inside and out or appropriate fuel and cleaning charges will be charged to the lease.
  9. Lessee assumes all risk and liability for the loss of or damage to the leased property, for the death of or injury to any person or property of another, and for all other risks and liabilities arising from the use, operation, possession or storage of the property. Nothing in this Lease authorizes Lessee or any other person to operate the leased property so as to impose any liability or other obligation on Lessor.
  10. Lessee agrees to indemnify and hold harmless Lessor, its agents and employees from all claims, loss or damage Lessor may sustain because of:
    - (a) Loss of or damage to the leased property by any cause.
    - (b) Injury to, or death of, any person, including but not limited to agents of employees of Lessee.
  11. Damage to any property arising from the use, possession, delivery, return, or operation of the leased property Lessee agrees to maintain insurance against loss, theft, damage or destruction of the leased property. This insurance is at the Lessee's sole cost but must name Lessor as insured, additional insured or loss payee. This insurance must be in an amount no less than the Stipulated Loss Value shown on Schedule A If the property becomes lost, stolen, destroyed or damaged, Lessee shall promptly notify Lessor and file all necessary accident reports, including those required by interested insurance companies. Lessee shall promptly deliver to Lessor all papers, notices and documents delivered to Lessee in connection with any claim concerning the leased property.
  12. Lessee agrees to maintain insurance against loss, theft, damage or destruction of the leased property. This insurance is at the Lessee's sole cost but must name Lessor as insured, additional insured or loss payee. This insurance must be in an amount no less than the Stipulated Loss Value shown on Schedule A.
  13. Lessee agrees to carry public liability and property damage insurance, issued by companies satisfactory to Lessor, insuring the interests of Lessor, Lessee and their authorized agents and employees against all claims that may arise during the Lease term that are in any way connected with the ownership, possession, operation or use of the leased property. This insurance will be at the Lessee's sole cost but must name Lessor as an insured or additional insured. The insurance must be in an amount not less than:  
\$500,000 Per person  
\$1,000,000 Per accident  
\$500,000 Property damage
  14. Lessee is responsible for any workers' compensation insurance that may be required under state law.
  15. Lessee agrees to furnish to Lessor, no later than five days prior to the date on which the property is delivered to Lessee, a certificate evidencing the insurance required under Articles 13 and 14, including a provision that the insurer will not cancel or materially modify the insurance except after 30 days advance notice to Lessor.
  16. Any failure on the part of the Lessee to procure, maintain or renew the required insurance is a default. Lessee agrees to indemnify and hold harmless Lessor, its agents and employees, from any loss, liability or expense caused by Lessee's failure to comply with either the terms of the insurance policy or with the terms and provisions of articles 13 through 16.
  17. Lessee may not assign this Lease or any property described in it. Lessee may assign the rights and benefits of this Lease but only with Lessor's prior written consent.
  18. Lessor may declare Lessee in default by giving written notice on the occurrence of any of the following events:
    - (a) Failure by Lessee to make rental payments or perform any of its obligations under this Lease.
    - (b) Expiration or cancellation of any insurance policy required by this Lease.
    - (c) Lessee's assignment or involuntary transfer of any interest in this lease not authorized by Article 18 above.
    - (d) Institution by or against Lessee of any proceedings in bankruptcy or insolvency, or the appointment of a receiver or trustee for the goods and chattels of the Lessee.
  19. If the Lessee defaults and remains uncorrected for five days following notice of default from Lessor to Lessee, Lessor may exercise any one or more of the following remedies:
    - (a) Termination of the Lease and Lessee's rights hereunder.
    - (b) A declaration that all due but unpaid rent and all other charges under this Lease are due and payable immediately, along with interest at the rate of 1.5% per month from the date of notification of the default to date of payment.
    - (c) Repossession of the property without legal process, free of all rights of the Lessee in the property. By this provision, Lessee expressly authorizes Lessor's agent to enter any premises owned or controlled by Lessee for the purpose of repossessing the property. Lessee specifically waives any right Lessee might have arising out of the entry and repossession and releases Lessor from any claim of trespass or damage. Lessor and Lessee further agree that Lessor shall have the remedy described in this article 20 (c) in the event Lessee fails to return the property when the lease terminates.
  20. If Lessee defaults, Lessee shall reimburse Lessor for all reasonable expenses incurred by Lessor in exercising the remedies outlined in Article 20.
  21. On the expiration of the lease term, or earlier termination, Lessee shall return the property to Lessor in good repair and working order by:
    - (a) Delivering the property at Lessee's cost and expense to a place specified by Lessor in the city or county to which it was delivered to Lessee, or
    - (b) Loading the property, at Lessee's cost and expense, on board a carrier Lessor designates and shipping the property to the destination designated by Lessor.
  22. All notices required to be given under this Lease must be in writing and either personally delivered or deposited in the United States mail, first class postage prepaid, addressed to the party at the address given above. Either party may change its address by giving notice in this manner.
  23. This Lease may not be amended or modified in any way without the written agreement of both parties. This Lease and the attached Schedule A constitute the entire agreement between the parties.
  24. This Lease has been executed and delivered in the State of Texas and shall be interpreted under and construed in accordance with Texas Law. Venue for any dispute hereunder shall be in Harris County, Texas.
25. Replacement Value of Unit: \$ 516,862.00

**Executed this 9 day of JAN, 2024.**

JEFF JACKSON  
LESSOR- Kinloch Equipment & Supply, Inc.

  
LESSEE (Authorized Party)