



312 MAIN STREET
 RAPID CITY, SD 57701
 (605) 343-0680 - (800) 503-1990 - FAX: (605) 348-9463
 WWW.SERVALL.NET - INFO@SERVALL.NET

Date of Change
 2/11/2026

() New Account
 (X) Extension

TEXTILE RENTAL AGREEMENT PART A

Customer Name: CITY OF DEADWOOD
 * Delivery Address: Multi-Location Addendum Provided with Address Detail
 Billing Address: 102 SHERMAN ST, DEADWOOD, SD 57732

| |
|--------------------------|
| Account Number 200549 |
| (X) Invoice |
| (X) Statement |

Main Contacts: Delivery & Billing Contact - (605) 578-2600 - No Contact

| DELIVER | WKLY | EOW | E4W | Multi | Delivery Day(s) | | | |
|---|--|---------|-------------|-------|-----------------|------------|-----------|---|
| () | () 1&3 | () 2&4 | () 1 | () 2 | () 3 | () 4 | () | M () M T () T W () W Th () Th F () F |
| ENTITY TYPE | Corporation () Partnership () Sole Owner () LLC () Other (X) | | | | | NAICS CODE | 921110 | |
| TAX TYPE | Exempt #: <u>12 LS</u> | | () Taxable | | () City | () County | () State | Route: <u>101</u> |
| THE TERM OF THIS AGREEMENT IS <u>6</u> MONTHS. This agreement consists of multiple pages. | | | | | | | | Customer Initials: _____ |

Suds & Duds Inc., dba Servall Uniform and Linen Supply (Company) and (Customer) mutually agree to the following terms and conditions (Agreement), which shall supersede any previous oral or written agreements and shall be binding on all successors and assigns, including any transition of the business or its principal assets. The Customer orders from Company rental goods (Merchandise) and services for all Customer's requirements of the type listed on the following page(s), at the prices and upon the conditions stated. Additional Merchandise and services Requested by Customer in writing during the term will also be covered by this Agreement. All Merchandise supplied to Customer remains the property of Company. Customer warrants that it is not subject to, and that this Agreement does not interfere or conflict with, any existing agreement for the supply of the same or similar goods or services. Service hereunder is subject to strike, lockout, riot, explosion, fire, pandemic, other disturbance, government acts, acts of God (including, but not limited to weather), and other conditions beyond Company's control, and failure to provide service because of such events shall not be considered a breach. Any action or proceeding regarding this Agreement shall be filed in Rapid City, SD, 57701.

- RENTAL OF TEXTILES** – Supplier agrees to provide all textiles required by Customer, and Customer agrees to rent all textiles exclusively from Supplier. This agreement is a lease, and the terms "lease" and "rent" are synonymous. This also applies to any additional textiles provided during the initial or any renewal of this agreement.
- PRICES – MINIMUM CHARGES** – Customer acknowledges Supplier's investment in textiles. Customer agrees to pay the minimum inventory charges listed in the SKU Product/Service Detail or Supplier's inventory records. Minimum charges are calculated weekly based on Customer's usage compared to the total inventory of each item. For example, if Customer has 100 units of an item and the minimum charge is 40%, Customer will be charged for 40 units if fewer than 40 are used in the billing period. Minimum charges will be invoiced with the last delivery of each week.
- MINIMUM DELIVERY CHARGES** – All charges are based upon the total Merchandise covered by this Agreement and may change based on adjustments to inventory quantities. Customer agrees to pay additional service-related charges listed on the Agreement and is subject to a minimum weekly charge displayed in the SKU Product/Service Detail, 75% of original contracted service or 75% of the average last 6 delivery invoices, whichever is greater.
- PRICE ADJUSTMENT** – Prices shall be increased by the greater of the Consumer Price Index (South Dakota area) or 6% annually. Company reserves the right to adjust prices based on unforeseen supply changes or disruptions in competitive market pricing. In this case, Customer reserves the right to reject the price adjustment by notifying the Company of the rejection within thirty (30) days of the adjusted billing. If Customer opts to reject the price adjustment, the Company reserves the right to cancel this service agreement with thirty (30) days notice.
- SPECIAL TEXTILES** – If Customer is supplied with any item not a part of Company's regular stock (Specialty Item), the Customer will be required, upon discontinuance of service for those items for any reason, including expiration of the term or change to a different item, to purchase all Specialty Items in issue and held in inventory at the Company's replacement cost then in effect. This is a lease agreement, not a conditional sale.
- TERM OF AGREEMENT** – The initial term of this agreement begins on the first delivery of textiles and lasts as specified in the SKU Product/Service Detail. The agreement shall automatically extend for another 12-month period, unless written termination by Company or Customer, via Certified Mail, at least 90 days prior to the expiration date of current period. In the event of a pandemic/mandated shutdown, customer has the option to a) Return all inventory and suspend billing or b) Keep inventory on hand and be billed 33% of the invoice. Any adjusted weeks will be added to the end of the agreement. Initials: _____
Customer: _____
Servall: _____
- STANDARD OF QUALITY** – Supplier agrees that the quality of its service shall be comparable to that of other companies providing textile rental services in Supplier's market area. Customers shall have the right to terminate this agreement in the event that Supplier fails to provide the agreed quality of service, provided that Customer first gives Supplier written notice of any deficiencies in service, and further, that Supplier does not correct the same within a period of sixty (60) days after receiving such notice. The deficiencies in service shall be presumed cured within the sixty (60) days period unless Customer gives Supplier written notice detailing the continued deficiencies within ten days after the expiration of the sixty (60) days period. Customer may then cancel this agreement after giving thirty (30) days written notice of intention to do so.
- PAYMENT AND CREDIT** – Customer will be billed upon textile delivery. If credit is extended, payment is due within 15 days of the invoice. Late payments will incur a 2% per month service charge. Supplier may refuse further credit if payments are not timely.
- LIMITATIONS ON USE OF TEXTILES** – Customer must not attempt to launder or clean the textiles furnished by Supplier. Unless specifically noted above, the items rented are neither acid nor flame retardant (FR) and contain neither special acid nor FR features. The items should be used only in the course of employment under working conditions where they cannot catch fire or come into contact with acid. Customer shall notify its employees of the foregoing. Customer warrants that none of the employees for whom items are rented require acid or FR clothing, unless specifically stated above. Merchandise designated as FR is intended only to prevent the ignition and burning of fabric at the point of high heat impingement and to be self-extinguishing upon removal of the ignition source. FR garments will not provide significant protection from burns in the immediate area of high heat contact. FR garments are designed for continuous wear as only a secondary level of protection.

Customer Initials: _____

10. **DELIVERY** – Supplier shall make reasonable efforts to make deliveries of the textiles to Customer in the frequency set forth in the SKU Product/Service Detail of this agreement. However, Customer acknowledges that the actual time of deliveries of the textiles may be different, and Customer hereby agrees to hold Supplier harmless from any inconvenience or damages caused by any difference in or infrequency of delivery of the textiles. Customer further acknowledges that the delivery frequency stated may differ due to extraordinary circumstances as set forth in the opening paragraph.
11. **SPECIAL DELIVERY CHARGES** – Supplier will make special deliveries to Customer at no extra charge to rectify a failure in service caused by Supplier. Customer agrees to pay, in addition to any other charges, a special handling charge of Thirty-Five (\$35) dollars if Supplier is required to make a special delivery or special pick-up because of customer's failure to give Supplier timely notice of any change in Customer's service requirements.
12. **PROPERTY RIGHTS IN TEXTILES** – Textiles remain Supplier's property. Customer is liable for the replacement cost of any lost or damaged textiles, outside of ordinary wear. In that event, Customer agrees to pay the then current replacement cost when billed.
13. **MARKING OF TEXTILES** – Any lettering or emblems that are placed on the textiles, except markings placed there by Supplier for its own purposes, shall be at the sole expense of Customer. Supplier may place markings of identification on all textiles in the Supplier's sole discretion.
14. **RETURN OF GOODS UPON TERMINATION** – Upon termination of this agreement for any reason, Customer agrees to return to Supplier all textiles supplied by Supplier pursuant to this agreement. Customer agrees to pay all charges due upon termination of this agreement, including but not limited to the charges set forth in Sections 5 and 13 of this Agreement. Any payments due from Customer under this agreement shall be in addition to any liquidated damages Customer may be required to pay pursuant to Section 15.
15. **LIQUIDATED DAMAGES** – The parties agree that in the event of the breach of this agreement by customer it will be both impracticable and extremely difficult to fix and assess Supplier's actual damages since, among other things, Supplier will have continuing general overhead and administrative expenses which will not be appreciably diminished in the event of the loss of Customer's business. It is understood that these continuing expenses in the aggregate equal or exceed forty (40%) percent of the textile rental revenues received from Customer, and the parties therefore agree, as liquidated damages and not as a penalty, that in the event of a breach of this agreement by Customer, Supplier's loss shall be determined and fixed by multiplying forty percent (40%) of Customer's average weekly charges during the term of this agreement times the number of weeks remaining in the term. These liquidated damages shall be in addition to any other legal or equitable remedies provided for in this agreement or by law.
16. **LEGAL ACTION AND VENUE** – It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of South Dakota. The parties further agree that any dispute arising out of this agreement shall be litigated in a court of competent jurisdiction in Rapid City, South Dakota and the parties hereby consent to the jurisdiction of that court. Should any dispute arise regarding the performance of the terms and conditions of this agreement and legal action is commenced, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs of suit.
17. **EFFECT OF WAIVER** – A waiver of any breach of the terms and conditions of this agreement by either party shall not be deemed to be a waiver of any future breach of any such terms and conditions by that party.
18. **WRITTEN NOTICE** – Any written notice provided for in this agreement shall be given to Supplier at its place of business, 312 Main St, Rapid City, SD 57701 and to Customer at its address as shown on Part A of this agreement. If given by mail, notice shall be given to the party by certified mail.
19. **ANCILLARY CHARGES** – Customer agrees to pay all "ancillary charges," which are defined as any charge other than the unit rental charge and specifically includes but is not limited to garment preparation charges, name emblems, embroidery, extra charges by manufacturers of unusual garment sizes, delivery minimums environmental charges (the initial environmental charge is noted in the "Environment", energy charges (the initial energy charge is noted in the "Energy". Supplier may adjust "ancillary charges" from time to time, as costs increase. Adjustments are not subject to the annual price increase for unit rentals and do not justify termination of the agreement.
20. **SUPPLIER'S RIGHT TO ENTER CUSTOMER'S BUSINESS PREMISES** – Supplier shall have access to customer's business premises to check all of Supplier's property in the possession of Customer at any time during Customer's normal business hours.
21. **INDEMNIFICATION** – To the full extent permitted by law, Customer agrees to defend, indemnify, and hold harmless Supplier and its affiliates and their respective officers, directors, employees and agents from and against all claims, causes of action, suits, damages, liabilities, costs and expenses or other obligations of any nature whatsoever relating or arising out of or alleged to have arisen out of the degradation of the textiles or the provision or use of any textile, including but not limited to the use of any textile by Customer's employees, agents and independent contractors.
22. **SEVERABILITY** – If any part of this agreement is invalid, the remaining provisions remain in effect.
23. **ENTIRE AGREEMENT** – This agreement consists of Terms & Conditions as well as SKU Product/Service Detail and supersedes all prior agreements. Any modifications must be in writing and signed by both parties. Additional pages of Part A, if added, will become part of the agreement once signed.
24. **DEFINITIONS** – "Textiles" includes flat goods, towels, garments, rugs, mops, and other rental products. "Term" refers to both the initial and any extended term of the agreement.
25. **POWER TO EXECUTE AGREEMENT** – The party executing this agreement understands that Customer will be bound by its terms and conditions and with that knowledge warrants that he, she, or it has the authority and power to execute this agreement on behalf of the Customer.

AUTHORIZED SIGNERS

CITY OF DEADWOOD

Suds & Duds, Inc. dba Servall Uniform & Linen Supply

NAME & TITLE

TROY LAWRENCE-CSSR
SERVALL REP

X _____
SIGNATURE DATE

JD SCOTT SERVICE MANAGER
SERVALL MANAGER'S NAME TITLE

X _____
SERVALL MANAGER'S SIGNATURE DATE

