



PDI Equipment Rental Agreement

Terms and Conditions

This Agreement is made and entered on (date) _____, _____, by and between Power Dynamics Innovations LLC, Building 9166, Stennis Space Center, MS (“Lessor”) and _____ located at _____ (“Lessee”), collectively referred to as the “Parties”.

NOTICE: Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

Lessor:

Lessee:

Either party may change such addresses from time to time by providing notice as set forth above

The Parties agree as follows:

EQUIPMENT SUBJECT TO LEASE: The Lessor shall lease the equipment listed on the attached Exhibit “A” and shall be effective on _____.

LOCATION OF EQUIPMENT:

The equipment shall be located at _____ during the lease term and shall not be removed from that location without the Lessor’s prior written consent.

OWNERSHIP AND STATUS OF EQUIPMENT: The equipment will be deemed to be personal property, regardless of the manner in which it may be attached to any other property. The Lessor shall be deemed to have retained title to the equipment at all times, unless the Lessor transfers the title by sale. The Lessee shall immediately advise the Lessor regarding any notice of any claim, levy, lien, or legal process issued against the Equipment.

LESSOR'S RIGHT OF INSPECTION: The Lessor shall have the right to inspect the equipment during Lessee's normal business hours.

CASUALTY INSURANCE: The Lessee shall insure the equipment in an amount of \$200,000.00 USD to cover the replacement cost of the equipment. Lessor is to be notified



30 days prior to cancellation of insurance. Lessor to be named as Loss Payee on insurance documents.

CARE AND OPERATION OF EQUIPMENT: The equipment may only be used and operated in a SAFE and PROPER MANNER by lessee's TRAINED PERSONNEL. Lessee must comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment, including registration and/or licensing requirements, if any.

MAINTENANCE AND REPAIR: The Lessee shall maintain, at the Lessee's cost, the equipment in good repair and operating condition, allowing for reasonable wear and tear. Such costs shall include labor, material, parts, and similar items. This includes the performance of required equipment maintenance detailed in the equipment operating and service manual. Proof of Maintenance during the rental period is required. PDI field service personal can perform this maintenance at an additional charge.

EQUIPMENT CONDITION: Any equipment rented from PDI will be shipped out clean and functionally tested to operate according to manufacturer's specifications. Customer is responsible for returning the rental equipment as clean as possible. Should the equipment require cleaning PDI may at its discretion charge a clean-up fee, in addition to the incurred rental fees. The Lessor warrants that the above property listed in Exhibit "A" is in good working condition, but makes no further warranties, express or implied.

ACCEPTANCE OF EQUIPMENT: The Lessee shall inspect each item of equipment delivered pursuant to this Lease. The Lessee shall immediately notify the Lessor of any discrepancies between such item of equipment and the description of the equipment in the Equipment Schedule. If the Lessee fails to provide such notice in writing within 1 day(s) after the delivery of the equipment, the Lessee will be conclusively presumed to have accepted the equipment as specified in the Equipment Schedule.

AGGREEMENT AND CONDITIONS: ALL equipment rentals shall be on a business to business basis and rental customers must provide either a signed FED TAX I.D. or E.I.N. The signed delivery ticket shall also serve as agreement that the customer has full read in its entirety and is in full agreement. Should this equipment be rented via telephone, telefax, or letter and the equipment shipped to the customer, a copy of this agreement will be enclosed. Customer automatically agrees to the terms and conditions stated herein unless immediate notification is received via telephone or letter, addressed to Power Dynamics Innovations llc.

PAYMENT TERMS: All payments are to be made to be US. Dollars. Payments shall be \$ _____ per month, \$ _____ per week or \$ _____ per day. Lessor will issue an invoice monthly, at the beginning of each lease period, payable 30 days after receipt. If any Lease installment is not paid within 5



day(s) after the due date, the Lessee shall pay to the Lessor a service charge of \$50.00.

SECURITY DEPOSIT: In addition to the lease payment charge, the Lessee shall pay a security deposit of \$_____ at the time that the lease is signed. Any amounts refundable to the Lessee shall be paid at the time the lease is terminated, subject to the option of the lessor to apply it against Lease charges and damages. The security deposit shall not bear interest.

RENTAL DURATION: A minimum "RENTAL PERIOD", is _____. After the minimum, the rental rate is prorated on a per day / week / month basis, noting a 7 day week. Rental is based on a maximum of 12 hour a day running, This Lease shall begin on the above effective date and shall terminate on return delivery of equipment, unless otherwise terminated in a manner consistent with the terms of this Lease.

OPTION TO RENEW: If the Lessee is not in default upon the expiration of this lease, the Lessee shall have the option to renew this Lease for a similar term on such terms as the parties may agree at the time of such renewal.

TRANSPORTATION: Customer is responsible for all inbound and outbound freight and shipping charges incurred to and from Power Dynamics Innovations LLC, Stennis Space Center, MS 39529.

TERMINATION OF RENTAL: Rental will be terminated upon written notice from the customer to PDI "Equipment Rental", on the date that the equipment is physically received by PDI. Failure to return the equipment in a timely manner will extend the rental period until the equipment is physically received by PDI. Failure to return any components rented will also extend the rental for the component until received by PDI.

RETURN OF EQUIPMENT. At the end of the Lease term, the Lessee shall be obligated to return the equipment to the Lessor at the Lessee's expense.

DAMAGE TO EQUIPMENT: Customer agrees to pay for any all damages to equipment, due to or as a result of fire, theft, negligence, will full destruction, improper use, or loss. If in the opinion of PDI, the equipment is being used in an abusive, dangerous, or unlawful manner PDI may, at its discretion, demand the surrender of the rented equipment via telephone, Telefax and or email. Customer agrees to immediate surrender.

RISK OF LOSS OR DAMAGE: The Lessee assumes all risks of loss or damage to the equipment from any cause, and agrees to return it to the Lessor in the condition received from the Lessor, with the exception of normal wear and tear, unless otherwise provided in this Lease. This includes the loss of use if the equipment is damaged and needs repaired.

NON-FUNCTIONAL EQUIPMENT: If during the rental period the equipment fails to properly function; the customer should notify PDI within 6 hours of failure. Should

customer fail to notify PDI of any failure within the time frame allowed, the rental will continue to be billed until completion of the rental period. With notice given of a failure, within the required time, the customer will not be billed for equipment down time. PDI will provide free phone assistance and if required dispatch a field service technician. If it is determined that the failure was to result damaged to the equipment, the customer will pay for the field service dispatch, the cost to fix the equipment and customer will not receive credit for the equipment down time.

RESPONSIBILITY: If the customer rents equipment and later finds the equipment cannot be used at no fault to PDI, the customer is responsible for full rental charges and shipping. Customer will not sub-rent or allow any usage of product rented, to be used, or borrowed by anyone other than customers trained employees.

INDEMNITY OF LESSOR FOR LOSS OR DAMAGES: Unless otherwise provided in this Lease, if the equipment is damaged or lost, the Lessor shall have the option of requiring the Lessee to repair the equipment to a state of good working order, or replace the equipment with like equipment in good repair, which equipment shall become the property of the Lessor and subject to this Lease

LIMITS OF LIBILITY: Customer agrees to hold harmless, PDI, its officers, and all other employees, in the event of any damages, catastrophic failure, or personal injury caused by the equipment. Failure to take proper safeguards is not the responsibility of PDI. Furthermore, PDI is not responsible for the usage of the equipment when used in unsafe, dangerous or inappropriate manner. During the rental period the customer is responsible for checking that all hydraulic fittings and hoses are properly tightened and are not positioned improperly causing the breakage of these accessories. Customer will be provided a safety/operations manual with which he is to familiarize him/herself and all other users. Failure to read this is not the responsibility of PDI.

LIABILITY AND INDEMNITY: Liability for injury, disability, and death of workers and other persons caused by operating, handling, or transporting the equipment during the term of this Lease is the obligation of the Lessee, and the Lessee shall indemnify and hold the Lessor harmless from and against all such liability or claims including environmental damage.

DEFAULT: The occurrence of any of the following shall constitute a default under this Lease:

- i. The failure to make a required payment under this Lease when due.
- ii. The violation of any other provision or requirement that is not corrected within 10 days day(s) after written notice of the violation is given.
- iii. The insolvency or bankruptcy of the Lessee.

- iv. The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

RIGHTS ON DEFAULT: In addition to any other rights afforded the Lessor by law, if the Lessee is in default under this Lease, without notice to or demand on the Lessee, the Lessor may take possession of the equipment as provided by law, deduct the costs of recovery (including attorney fees and legal costs), repair, and related costs, and hold the Lessee responsible for any deficiency. The rights and remedies of the Lessor provided by law and this Agreement shall be cumulative in nature. The Lessor shall be obligated to re-lease the equipment, or otherwise mitigate the damages from the default, only as required by law.

NOTICE: All notices required or permitted under this Lease shall be deemed delivered when delivered in person or by mail, postage prepaid, addressed to the appropriate party at the address shown for that party at the beginning of this Lease.

ASSIGNMENT: The Lessee shall not assign or sublet any interest in this Lease or the equipment or permit the equipment to be used by anyone other than the Lessee or Lessee's employees, without Lessor's prior written consent.

ENTIRE AGREEMENT AND MODIFICATION: This Lease constitutes the entire agreement between the parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties. This Lease replaces any and all prior agreements between the parties

GOVERNING LAW: This Lease shall be construed in accordance with the laws of the State of Mississippi.

SEVERABILITY: If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER: The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

CERTIFICATION: Lessee certifies that the application, statements, trade references, and financial reports submitted to Lessor are true and correct and any material misrepresentation will constitute a default under this Lease.

SIGNATURES:

This Lease shall be signed on behalf of Power Dynamics Innovations LLC.

By: _____ Title: _____

And on behalf of

By: _____ Title: _____

And shall be effective as of the date first above written.