

RENTAL CONTRACT ADDITIONAL TERMS AND CONDITIONS

1. **DEFINITION.** "Traffic Safety" means the corporation of Traffic Safety & Equipment Company, Inc. from whom the Customer has rented the Equipment. "Equipment" means any one or more of the items identified as such on the first page of the Rental Contract, and shall include any accessories, attachments or other similar items received by the Customer. "Customer" means the person or entity identified as such on the first page of this Rental Contract, including any representative, agent, officer or employee of the Customer. "Rental Period" means the period of time between the "Date Out" and the "Date Due In" set forth on the first page of this rental contract, except that the Rental Period may terminate earlier as provided in item # 16.

2. **AUTHORITY TO SIGN.** Any individual signing this Rental Contract represents and warrants that he or she is of legal age, and has the authority and power to sign this Rental Contract on their own behalf or for the Customer.

3. **DISCLAIMER OF WARRANTIES.** Traffic Safety makes no warranties, express or implied, as to the merchantability of the Equipment or its fitness for any particular purpose. There is no warranty that the Equipment is suited for the Customers intended use or that it is free from defects, except as may be specifically set forth in this Rental Contract. Traffic Safety disclaims all warranties, either express or implied, made in connection with this rental transaction.

4. **INDEMNITY/HOLD HARMLESS/DAMAGES.** Customer acknowledges and assumes all risks inherent in the operation and use of the Equipment by Customer, and will take all necessary precautions to protect all persons and property from injury or damage from the Equipment. Traffic Safety shall not be responsible to Customer or to any other party for, and Customer agrees to defend, indemnify and hold Traffic Safety harmless from and against any liability, claim, loss, damage or injury (including any attorneys fees, loss of profit, business interruption or other special or consequential damages) caused by, or in any way connected with the use, maintenance, instruction, operation, possession, ownership, or rental of the Equipment, however caused.

5. **RECEIPT & INSPECTION OF EQUIPMENT.** Customer acknowledges that Customer has inspected the Equipment prior to taking possession thereof, finds in good working order and repair and suitable for Customer's needs. Customer is familiar with the proper operation and use of each item of Equipment. Customer has inspected or will inspect all hitches, bolts, safety chains, hauling tongues and other devices and materials used to connect the Equipment to Customer's towing vehicle, if any. Traffic Safety is not responsible for any damage to Customer's towing vehicle caused by detachable hitchers or mirrors.

6. **USE OF EQUIPMENT.** Customer will not use or allow anyone to use the Equipment: (a) for an illegal purpose or in an illegal manner; (b) without a license, if required under any applicable law, or (c) who is not qualified to operate it. Customers agree, at Customer's sole expense, to comply with all applicable municipal, state and federal laws, ordinances and regulations (including O.S.H.A) which may apply to the use of the Equipment. Customer agrees to check filters, oil, fluid levels and the air pressure, to clean and visually inspect the Equipment daily and to immediately notify Traffic Safety when Equipment needs repair or maintenance. Customer acknowledges that Traffic Safety has no responsibility to inspect the Equipment while it is in Customer's possession. Traffic Safety shall have the right to replace the Equipment with other similar equipment at any time and for any reason.

7. **MALFUNCTIONING EQUIPMENT.** Should the Equipment become unsafe, malfunction, require repair or become damaged beyond repair, Customer shall immediately cease using the Equipment and immediately notify Traffic Safety. If such condition is the result of normal operation, Traffic Safety will repair or replace the Equipment with similar Equipment in working order, if such replacement Equipment is available. Traffic Safety has no obligation to repair or replace Equipment rendered inoperable by misuse, abuse or neglect. Customer's sole remedy for any failure or defect in Equipment shall be the termination of any rental charges accruing after the time of failure. Customer must return the Equipment to the store location within 24 hours from the time of defect in order to terminate rental charges.

8. **RETURN OF EQUIPMENT, DAMAGED & LOST EQUIPMENT.** At the expiration of the Rental Period, Customer will return the Equipment to the store location during Traffic Safety's regular business hours, such Equipment to be in the condition and repair as when delivered to Customer, subject to reasonable wear and tear, as defined below. Customer shall be liable for all damages to or loss of the Equipment from the time the Equipment leaves the store location until the Equipment is returned to the store location, including any damage during transit to and from the Customer. In the case of the loss or destruction of any Equipment, or inability or failure to return same to Traffic Safety for any reason whatsoever, Customer will pay Traffic Safety the then full replacement list value together with the full rental rate as specified until such Equipment is replaced. If the Equipment is returned in a damaged or excessively worn condition, Customer shall pay Traffic Safety the reasonable cost of repair and pay rental on the Equipment at the regular rental rate until all repairs have been completed. Traffic Safety shall be under no obligation to commence repair work until customer has paid to Traffic Safety the estimated cost therefore. If equipment is deemed beyond repair by Traffic Safety, the Customer will pay full list value of said unrepairable product in addition to the full rental charges.

9. **REASONABLE WEAR & TEAR.** Reasonable wear and tear of the Equipment shall mean only the normal deterioration of the Equipment caused by ordinary and reasonable use on a one shift (8 hours per day, 40 hours per week) basis. The following shall not be deemed reasonable wear and tear: (a) damage resulting from lack of lubrication or maintenance of necessary oil, water and air pressure levels; (b) except where Traffic Safety expressly assumes the obligation to service or maintain the Equipment, any damage resulting from lack of servicing or preventative maintenance suggested in the manufacturer's operation and maintenance manual; (c) damage resulting from any collision, overturning or improper operation, including overloading or exceeding the rated capacity of the Equipment; (d) damage in the nature of dents, bending, staining and misalignment to or of the Equipment or any part thereof; (e) wear resulting from the use in excess of shifts for which rented; and (f) any other damage to the Equipment which is not considered ordinary and reasonable in the Equipment rental industry. Repairs to the Equipment shall be made to the reasonable satisfaction of Traffic Safety and in a manner which will not adversely affect the operation, manufacturer's design or value of the Equipment.

10. **LATE RETURN.** If not returned by the end of the Rental Period, in addition to the rental rates set forth in this Rental Contract. Customer agrees to pay an additional charge of 1/6 of the daily rental rate for each hour the Equipment is retained beyond the expiration of the Rental Period. Customer agrees to pay for any damage to or loss of the Equipment occurring between the time the Equipment is returned and the commencement of Traffic Safety's next business day in the event the Equipment is returned to store location at other than Traffic Safety's regular business hours.

11. **RENTAL PERIOD & CALCULATION OF CHARGES.** Rental charges commence when the Equipment leaves the store location and end when the Equipment is returned to the store location. Customer's right to possess the Equipment terminates on the expiration of the Rental Period, and retention of possession after this time is a material breach of this Rental Contract. **TIME IS OF THE ESSENCE.**

12. **DEPOSIT.** In addition to securing the payment of rental charges hereunder, Customer agrees that any rental deposit shall be deemed to be a guaranty by Customer of the full and complete performance of each and all of the terms, covenants and agreements to be performed by Customer hereunder, and in the event of any breach by Customer, the deposit will be credited against any damages, cost or expense incurred by Traffic Safety as a result of the breach.

13. **PAYMENT.** All amounts due hereunder shall be payable in full upon the end of the Rental Period, return of the Equipment to Traffic Safety, or 30 days following receipt of the Equipment by the Customer, whichever comes first. Customer acknowledges that timely payment of rental charges is essential to Traffic Safety's business operations, and it would be impractical and extremely difficult to fix the actual damages caused by late payment. Customer and Traffic Safety agree that there shall be added to all past due rental charges a late payment fee equal to the lesser of 2% per month (24% per annum) on any such past due amounts, or the maximum amount allowed by applicable law.

14. **FAILURE TO DELIVER.** Customer releases and discharges Traffic Safety from any and all liability or damages (including consequential and specific damages) which might be caused by Traffic Safety's failure or inability to deliver any Equipment by any specified date or time.

15. **PURCHASE OPTION.** Purchase credit of 50% of the rent paid per item, up to a maximum of 50% of the purchase price per item, shall be applied toward the purchase of the rented item, provided the purchase is exercised during the Rental Period. If rent payments become 30 days or more past due, any accumulated purchase credit is lost. Once the account becomes current, purchase credit will again accumulate.

16. **DEFAULT.** Customer shall be deemed to be in default should Customer in any way fail to pay any amount when due hereunder, or to perform, observe or keep any provision of this Rental Contract, or should the Customer become insolvent (as defined herein) or should Traffic Safety anticipate that Customer may become insolvent or that Customer may otherwise become in default. If Customer is in default, Traffic Safety may do any one or more of the following: (a) terminate the Rental Period; (b) declare the entire amounts due hereunder immediately due and payable and commence legal action therefore; (c) cause Traffic Safety's employees or agents, without notice or legal process, to enter upon Customer's property and take all action necessary to retake and repossess the Equipment, in which event customer waives all claims for damages and losses, physical and pecuniary, caused thereby and shall pay all costs and expenses incurred by Traffic Safety in retaking and repossessing; or (d) pursue any other remedies available by law. The Customer shall be considered insolvent if the Customer (1) shall generally not pay, or shall be unable to pay, or shall admit its inability or anticipated inability to pay its debts as such debts become due; (2) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (3) shall have had any such petition or application filed or any such proceeding commenced against in which an order for relief is entered or an adjudicator or appointment is made; or (4) shall take any action indicating its consent to, approval of, or acquiescence in any such petition, application, proceeding or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties.

17. **CUSTOMERS INSURANCE COVERAGE.** Customer agrees to maintain and carry, at its sole cost, adequate liability, physical damage, public liability, property damage and casualty insurance for the full replacement cost of the Equipment, including all risks of loss or damage covered by the standard extended coverage endorsement, to cover any damage or liability arising from the handling, transportation, maintenance, operation, possession or use of the Equipment during the entire Rental Period. When requested, Customer shall supply to Traffic Safety proof of such insurance by Certificate of Insurance clearly setting forth the coverage for the Equipment and naming Traffic Safety as loss payee and additional insured; such insurance and evidence thereof to be in amounts and form satisfactory to Traffic Safety. The Certificate of Insurance and policy shall provide that Traffic Safety shall receive not less than 30 days notice prior to any cancellation of the insurance required hereunder.

18. **NO ASSIGNMENT, LENDING OR SUBLETTING.** Customer shall not sublease, subrent, assign or loan the Equipment without first obtaining the written consent of Traffic Safety, and any such action by customer, without Traffic Safety's written consent shall be void. Customer agrees to use and keep the Equipment at the job site set forth on the first page of this Rental Contract unless Traffic Safety approves otherwise in writing.

19. **ENTIRE AGREEMENT/ ONLY AGREEMENT.** This Rental Contract represents the entire agreement between the Customer and Traffic Safety with respect to the Equipment and the rental of the Equipment. There are no oral or other representations or agreements not included herein. None of Traffic Safety's rights may be changed and no extension of the terms of this Rental Contract may be made except in writing, signed by both Traffic Safety and the Customer. Any use of Customer's purchase order number on this Rental Contract is for Customer's convenience only. This Rental Contract supercedes any purchase order or other Customer provisions or forms whether sent to or received prior, or subsequent to this Rental Contract.

20. OTHER PROVISIONS.

(a) Any failure of Traffic Safety to insist upon strict performance by Customer of any terms and conditions of this Rental Contract shall not be construed as a waiver of Traffic Safety's right to demand strict compliance. Customer has carefully reviewed this Rental Contract and waives any principle of law which would construe any provision hereof against Traffic Safety as the draftsman of this Rental Contract.

(b) Customer agrees to pay all reasonable costs of collection, court, attorney's fees and other expenses incurred by Traffic Safety in the collection of any charges due under this Rental Contract or in connection with the enforcement of its terms.

(c) Customer shall pay the rental charge (s) without any offsets, deductions or claims.

CRIMINAL WARNING: The use of false identification to obtain Equipment or the failure to return the Equipment by the end of the Rental Period may be considered a theft subject to criminal prosecution pursuant to applicable criminal or penal code provisions.