

## EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement ("Lease"), made and entered into on the date stated on reverse by and between PALMER LEASING, INC., a Missouri corporation, and having its principal place of business at the address stated on the reverse (hereafter referred to as "Lessor"), and Lessee, having its place of business stated on reverse side (hereinafter referred to as "Lessee"). Witness: Whereas, Lessee from time to time requires the use of truck trailers and appurtenant equipment. Now therefore, Lessor and Lessee mutually agree as follows:

**1. Definitions:** (a) "Leased Equipment" means equipment listed on Schedule A to this Lease, substitute equipment, and subsequent additions thereto and, substitutions and replacements therefor. (b) "Day" means any part of a day. (c) "DOT" means United States Department of Transportation and the department of transportation or similar agency in each state in which Lessee uses the Equipment.

**2. Condition of Equipment:** (a) **Lessee agrees that Lessor is not the manufacturer of the Leased Equipment and has made no and makes no representation or warranty of any nature, directly or indirectly, expressed or implied, with respect to the Leased Equipment, including, without limitation, the merchantability of the Leased Equipment, its fitness for a particular purpose, its compliance with applicable laws or regulations nor as to any repairs or maintenance thereto. Lessee leases the Leased Equipment "as is". Lessee has had opportunity to inspect the Leased Equipment.** (b) Lessee, from the time it takes possession of Leased Equipment, agrees that the Equipment is in good condition, free from known defects and fit for Lessee's designated purpose(s) for the Leased Equipment. (c) **Lessee irrevocably waives any claims against Lessor with respect to the Leased Equipment, whether for breach of warranty against interference, warranty against infringement, warranty of merchantability, warranty of fitness for a particular purpose or otherwise. Lessee agrees that its obligations to Lessor with respect to the Leased Equipment are absolute and unconditional at all times.**

**3. Use.** (a) Lessee shall use the Equipment in a careful and proper manner, only in the ordinary course of Lessee's normal business operations for the purpose for which Lessee specified to Lessor and in a manner consistent with the Equipment's designated purpose. (b) Lessee shall comply with all DOT regulations and federal, state and local laws relating to possession and use of the Equipment, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. (c) Lessee shall not use the Equipment for the transportation or storage of unprotected corrosive substances, trash, medical and/or solid waste, or noxious, odorous or potentially staining materials (collectively "Damaging Materials") and/or hazardous materials as defined by federal statutes ("Hazardous Materials"). Lessee's use of the Equipment for the transportation or storage of such Damaging Materials or Hazardous Materials or the violation of any federal, state or local laws, rules or regulations regarding the transportation of Hazardous Materials shall be considered a Default of the Lease. Lessee shall promptly notify Lessor of any such Default. If Lessee notifies Lessor or Lessor determines that such Damaging Materials or Hazardous Materials were placed in the Equipment, Lessor may, in its sole discretion, (1) require the Lessee to immediately pay Lessor the fair market value of the Equipment; or (2) require Lessee, at Lessee's sole expense to restore and decontaminate the Equipment and provide proof of such decontamination, including without limitation, methodology and pre and post decontamination sampling results and any other inspection or testing Lessor deems necessary to perform.

**4. Storage.** If the Equipment provided to Lessee is designated to be utilized as a storage trailer, such Equipment is intended for storage use only and shall not be used to transport merchandise and/or freight over -the-road. If Lessee, following initial delivery of such storage trailer, operates Equipment over-the-road in violation of the preceding sentence, Lessee shall be responsible for all drayage and road service charges and Lessee shall pay Lessor a mileage charge of \$.10 per mile traveled by such storage trailer following initial delivery to Lessee in addition to all rental payments and fees otherwise due under the Lease.

**5. Maintenance.** (a) Until the time of its return in accordance with the provisions hereof, Lessee shall keep and maintain the Equipment in good operating condition, at Lessee's own expense, in accordance with DOT regulations, manufacturer's guidelines and Lessor Leasing Maintenance Terms and Trailer Repair Standards, as published on the Lessor's website from time to time. (b) Lessee or Lessee's Agent is responsible for performing all daily pre-trip inspections and safety inspections required by DOT or any state or local law. (c) Lessee agrees to make the Equipment available at Lessor's St. Louis location at six (6) month intervals or twenty five thousand (25,000) miles; whichever comes first for regular maintenance and inspections, and to immediately comply with Lessor's requests for location(s) of the Leased Equipment. (d) Lessee shall return all Equipment to Lessor in the same condition as when received with normal wear excepted as defined by Normal Wear Definitions and Tire Replacement Policy published on Lessor's website from time to time. Lessee is responsible for all damage to the Equipment and must notify Lessor promptly of any potential mechanical failure or problem. In case of partial loss or damage to any unit of Equipment, Lessee shall make all necessary repairs and/or replacements at Lessee's expense and in accordance with Lessor Leasing Trailer Repair Standards. Lessee shall use new, first class materials and parts in the repair and service of the Equipment. In addition to any other applicable warranty, Lessee agrees that it will, at its own expense, rectify, repair and replace any and all known defects or other conditions to the Equipment not in compliance with Lessor Leasing Trailer Repair Standards, arising from defective or improper materials or workmanship furnished by it, its subcontractors or its or their employees and agents. All additions, improvements or repairs to the Leased Equipment shall accrue to the Leased Equipment and become the property of Lessor. (e) Lessor shall have the right, during normal business hours, to enter Lessee's premises where the Leased Equipment is located to inspect it, affix labels or other markings thereto, in the event of a default to remove the Leased Equipment, or to otherwise protect Lessor's interest therein, Lessee shall fully cooperate with Lessor and afford Lessor such opportunity and Lessee grants Lessor an irrevocable license to enter such premises during normal business hours.

**6. Damage and Loss.** If Lessor determines that any part of the Equipment is lost, stolen, or damaged beyond repair whether by unavoidable accident, act of God, the negligence of any person or persons, or any other cause whatsoever, Lessee shall pay to Lessor the fair market value of the Leased Equipment together with all rent payments due and accruing hereunder until the date said fair market value is paid to Lessor in full. Until Lessor receives payment from Lessee's insurance company, and regardless of any dispute by Lessee's insurance company, Lessee is responsible for and shall promptly pay Lessor the fair market value of such unit of Equipment. Lessor reserves the right in its sole discretion to determine whether a unit of Equipment has in fact been damaged beyond repair. Lessee's requests for fair market value quotes shall in no way constitute notice to Lessor that Lessee has suffered a total loss of a unit of Equipment. In no circumstance will previous payments or amounts due be applied to the payment of fair market value for a loss on a unit of Leased Equipment. Damage or loss to the Leased Equipment shall not relieve Lessee from paying rental payments and fees under the Lease prior to Lessor receiving fair market value for the Leased Equipment

**7. Laws and Regulations.** All laws, rules, and regulations whether governmental or otherwise, including, without limitation, the DOT compliance requirements, daily pre-trip inspections and safety inspections, applicable to the use, possession or control of the Leased Equipment by Lessee shall be complied with by Lessee at Lessee's expense. Lessor will provide, at its expense, motor vehicle registrations and license plates together with any required renewals. Lessee shall be responsible for all other registration, license plate, operating permits, traffic and parking violations, towing and storage expenses

and or other similar fees, which may be required or incurred. If subsequent to the date of execution of the Lease any federal, state, or local law, ordinance, or regulation shall require additional modifications or the installation of any additional equipment, specifically including but not limited to anti-pollution or safety devices, Lessee will cooperate in tendering the trailer to Lessor for such modifications. If the customer fails to cooperate in the tendering of the trailer for the purpose of making such modifications, Lessee shall be liable for all costs, penalties, and fees, including reasonable attorney's fees, incurred by Lessor for such failure to cooperate.

**8. Limitation of Liability and Indemnity:** (a) Lessor is in no way liable for cargo damage of any kind. (b) Lessee acknowledges that Lessor is not responsible for incidental or consequential damages of any kind, including loss of profit, financial loss, cargo loss, loss of equipment use, warehousing, transportation costs, labor, handling or service charges, loss of business, or any other damages, losses, charges, direct, indirect, incidental, special, consequential or otherwise, in connection with, related to, or arising out of sale, use, operation, alteration, repair or replacement of any equipment or part or component thereof which may be directly or indirectly caused by or attributable to the inadequacy of any equipment for any purpose or use thereof or by any defect therein, whether or not discoverable. (c) Lessee agrees to indemnify and hold Lessor harmless of and from any liability, loss, cost, injury, damage, demand, claim and expenses whatsoever (including, without limitation, attorneys' fees and expenses) (collectively the "Claims") arising out, on account of, or in connection with any manufacture, lease, delivery, installation, use or operation whatsoever of any of the Leased Equipment and for the failure to otherwise comply with the terms of this Lease or any law or regulation, without regard to whether Lessee had possession of or was using the Leased Equipment at the time of the occurrence giving rise to any such liability, injury, loss or damage, and without regard to whether Lessee was negligent or at fault for the occurrence giving rise to any such Claim, unless waived in writing by an officer of Lessor or solely due to the gross negligence of Lessor. **The indemnification obligations and limitation of liability provisions of this Lease shall survive the expiration or termination of this Lease.**

**9. Insurance.** (a) Lessee at its own cost shall carry primary insurance on the Leased Equipment equal to the value of the Leased Equipment against any loss whatsoever including but not limited to loss from fire, theft, collision or upset for the period commencing at the time it takes possession thereof until the same is returned in accordance with this Lease with an insurance carrier acceptable to Lessor and shall contain the following provisions: (1.) Lessee shall furnish Lessor with certificates of such insurance and all such certificates shall show "Palmer Leasing, Inc." as certificate holder, additional named insured and loss payee for Commercial General & Automobile Liability and Umbrella coverage with respect to all leased and rented trailers; (2.) Commercial General & Automobile Liability coverage with a minimum combined single limit for bodily injury and property damage in an amount not less than one million dollars (\$1,000,000) per occurrence, coverage to include physical damage for hired and non-owned vehicles; (3.) Such policy(ies) shall provide that if any such policy shall be cancelled or materially changed, such cancellation or change will not be effective until thirty (30) days after written notice to Palmer Leasing, Inc. thereof; (4.) The interest of Palmer Leasing, Inc. will be insured regardless of any breach or violation of any warranties, declarations or conditions contained in such policies; and will be primary and all other coverages enforced secondarily, contingency coverage will not be accepted under any circumstances and policies will include waiver of subrogation; (5.) Palmer Leasing, Inc. will be provided thirty (30) days written notice of any modifications or cancellation to coverage provided above, and written notice if the insurance provider requires notification of additional leases. Such insurance shall insure the Leased Equipment and Lessor regardless of whether or not any Claim arises while the Leased Equipment was in the actual possession of, or was being operated by Lessee at the time of such loss, damage, or injury from which the Claim may arise. Lessee shall furnish to Lessor evidence satisfactory to Lessor that said insurance is in full force and effect during the term of this Lease. Lessee shall immediately furnish to Lessor a certificate of insurance, which certifies that the above insurance is in full force and effect during the term of this Lease. Failure to furnish such certificate of insurance within two (2) Days after execution of this Lease shall constitute default. If Lessee fails to procure or maintain such insurance, Lessor shall have the right, but not the obligation, to obtain such insurance, and the amount Lessor pays for such insurance will be immediately due and payable by Lessee to Lessor. Lessee's insurers may not assert subrogation against Lessor and such policies shall contain a waiver of subrogation against Lessor. Lessor's insurance shall be excess as to any insurance carried by Lessee and shall not inure to the benefit of Lessee. Lessee agrees to notify Lessor at once, but in no event later than twenty-four (24) hours after any accident and/or damage to the Leased Equipment or within twenty-four (24) hours after any Leased Equipment is missing, and Lessee agrees to file with Lessor, and any officials designated by Lessor, a complete report, in writing, of such accident, damage to or loss of the Leased Equipment. Lessee shall be solely liable for fines, penalties, special permits or any forfeitures imposed with respect to the Leased Equipment while the Leased Equipment is subject to this Lease (whether or not being actively used or operated pursuant to this Lease) and shall hold harmless and indemnify Lessor for the same.

**10. Title and Liens.** THIS IS AN AGREEMENT OF LEASE ONLY. Nothing herein shall be construed as conveying to Lessee any right, title or interest in or to Leased Equipment, except the expressed interest as a lessee. No options or agreements for purchase of the Leased Equipment by the Lessee or extension of the term hereof exist, except as specifically stated herein. All of the Leased Equipment shall remain personal property and the title thereto shall at all times remain exclusively in the Lessor. Lessee shall keep the Leased Equipment free from any and all liens, claims and encumbrances, attachments, and all other similar and related rights and legal processes ("Liens") of creditors of Lessee and all other persons except Lessor. Lessee shall promptly notify Lessor upon receipt of notice of any such Liens effecting the Leased Equipment and Lessee shall promptly defend Lessor at Lessee's own expense Lessor's title to the Equipment.

**11. Security Interest in Contents:** To secure all present and future amounts due hereunder, Lessee hereby grants Lessor a security interest in all inventory, equipment, documents, instruments and all other personal property that Lessee may now or hereafter own or acquire and store, hold or carry within or on the Leased Equipment at any time while such Leased Equipment remains in Lessee's possession. This security interest shall survive termination of this Lease but terminate 91 days after irrevocable payment in full of all amounts owed hereunder to Lessor.

**12. Default and Remedies:** If Lessee: (a) breaches any of the terms of this Lease, (b) breaches any term of, or defaults under, any insurance policy required under this Lease, (c) violates any DOT regulation or federal, state or local law while transporting, using, operating, handling or storing the Leased Equipment, (d) provides false or misleading financial information or other information to Lessor, (e) ceases doing business, (f) files a petition under, or a petition is filed against Lessee under, the United States Bankruptcy Code or any state bankruptcy or insolvency law, Lessee shall be in default. (g) **Remedies.** In the event of a default as set forth herein occurs, Lessor shall have the right at its option to exercise any or all remedies permitted by law, including, one or more of the following: (i) terminate the Lease at any time (and in the event of termination, any rights of Lessor for recovery of unpaid rents or other costs, fees or expenses due hereunder, including, without limitation, attorneys' fees, shall survive termination); (ii) to demand that Lessee shall immediately return the Leased Equipment, and if Lessee fails to return the Leased Equipment after Lessor's demand or otherwise upon the expiration or termination of this Lease, Lessee hereby admits for all purposes that Lessee's retention of the Leased Equipment shall be without Lessor's consent and in deprivation of Lessor's lawful right of possession, and if such failure shall persist for ten (10) Days, the Leased Equipment shall be deemed "stolen" pursuant to 2005 Missouri Revised Statutes section § 578.150 and Lessor shall have any and all remedies available to it to recover stolen property; (iii) declare all sums due and to become due during the full remaining term of the Lease immediately due and payable; (iv) take whatever steps may be necessary to recover possession of the Leased Equipment, including, but not limited to, entering upon the premises of Lessee or such premises where the

Leased Equipment may be found (and Lessee grants Lessor an irrevocable license to enter such premises during normal business hours) and taking possession of the Leased Equipment and any contents stored, held or carried within or on the Leased Equipment and sell said contents at public auction in satisfaction of any amounts due hereunder. Lessee expressly waives the benefits of all federal, state or local laws, now or hereafter enacted, exempting any leased property from replevin, distraint, levy or sale in any legal proceeding taken by Lessor to enforce any right under the Lease. Lessee shall pay all court costs, attorneys' fees and expenses incurred by Lessor in enforcing this Lease.

**13. Permission to Charge Lessee's Credit Card and/or ACH:** In the event of a default by Lessee hereunder, Lessor shall be entitled to charge the amounts owed to Lessor against Lessee's credit card and/or ACH using the information that Lessee has provided to Lessor on Lessee's "Credit Application Agreement". This section shall survive termination of this Lease but terminate 91 days after irrevocable payment in full of all amounts owed hereunder to Lessor.

**14. Inspection and Receipt of Equipment:** Lessee has inspected the Leased Equipment, found it to be in good condition and working order except as noted on the reverse hereof and acknowledges possession of the Leased Equipment as of the date stated on the reverse hereof (and that this Lease commences on such date and runs until the same is returned to Lessor other than provision hereof that survive termination). This Lease applies equally to any substitute equipment.

**15. Term:** This Lease shall be for a term of thirty (30) Days and thereafter shall be extended for subsequent thirty (30) day terms. During extended subsequent 30-Day terms, this Lease may be terminated by Lessee upon the return of all of the Leased Equipment to Lessor and payment of all rental charges due to that date, or by Lessor, upon ten (10) Days written notice to Lessee.

**16. Rental:** Rental payments for the Leased Equipment shall be at the rate published on most recent Lessor's rate card for the type of equipment leased hereunder (updated each January), as provided to Lessee by Lessor. Lessee hereby acknowledges that it has seen and agreed to the rates listed on the rate card. Lease payments are due within thirty (30) Days of invoice date. Lessee agrees to pay a late fee of one and one-half percent (1 ½%) per month on the unpaid balance due under this lease. Rental payments shall cease only when the Leased Equipment has been returned to Lessor or Lessor's designated agent and Lessor has received payment in good funds for all rents due hereunder or Lessor has received an amount in good funds equal to the fair market value of the Leased Equipment.

**17. Authorization and Acceptance.** By submitting a signed Palmer Leasing credit application, entering into a Lease with Lessor, taking possession of Leased Equipment or any other equipment from Lessor (including substitutions or replacements), executing an Equipment Rental Agreement, completing payment to Lessor of any invoices or completing any other transaction with Lessor, Lessee and Lessee's agents represent and warrant that they are authorized to enter such agreements and transactions with Lessor and expressly acknowledge receipt and on-going acceptance of the terms of this Lease, and terms of these additional standard Lessor documents (based on access to a copy of Lessor's standard Equipment Lease Agreement and such documents on Lessor's website at (<http://www.palmerleasing.com/maintenance.html>): Trailer Repair Standards, Normal Wear & Tear Definition and Tire Replacement Policy.

**18. Jurisdiction: This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Missouri without reference to conflict of laws principles. Lessor and Lessee consent to the exclusive jurisdiction of the Courts of the State of Missouri, sitting in St. Louis County, Missouri and the United States District Court for the Eastern District of Missouri for all purposes in connection with this Agreement. Lessor and Lessee hereby waive and agree not to assert any objection to the jurisdiction of any of such Courts, including the objection of inconvenient forum. Lessor and Lessee further consent that any process or notice of motion or other application to any of said Courts or a Judge thereof, or any notice in connection with any proceedings hereunder, may be served inside or outside the State of or the Eastern District of Missouri by registered or certified mail, return receipt requested, to the last known address or by personal service provided a reasonable time for appearance is allowed, or in such other manner as may be permissible under the Rules of said Courts.**

**19. Miscellaneous:** The invalidity of any provision of this Lease shall not affect the validity of the remainder of such provision or the remaining provisions of this Lease. All notices and demands relating to this Lease shall be in writing and mailed to the Lessor or Lessee at their respective addresses shown on the reverse hereof or at any other address designated by notice served in accordance herewith. Lessor may provide to any affiliate or third party any financial, credit or other information on Lessee that Lessor may at any time possess, and Lessee irrevocably authorizes third parties to provide Lessor any credit, financial or other information on Lessee possessed by such third parties at any time. Storage of this Lease in any electronic medium shall be acceptable, and retrieval of this Lease from any electronic medium shall be admissible for all purposes including the best evidence hereof. This Agreement contains the entire understanding of the parties. No representations, warranties, promises or inducements, oral or written, not specifically set forth in this Agreement shall be binding on any of the parties. This Agreement can be amended only in writing signed by both parties. This Agreement is binding upon the successors and permitted assigns of the respective parties, and the respective parties shall so inform the other party of any such successor. Lessor may freely assign this Equipment Lease Agreement and all other documents and agreements between Lessor and Lessee, but Lessee may not assign this Equipment Lease Agreement or any other documents and agreements between Lessor and Lessee without the prior written consent of Lessor and any attempted assignment without Lessor's written consent will be void.

**In Witness hereof, the Lessor and Lessee, by and through their duly authorized representatives, have executed this Equipment Lease Agreement and Schedule A on the reverse hereof as of the day and year stated on the reverse hereof.**