

**PACIFIC HIGHWAY RENTALS
MASTER RENTAL AGREEMENT TERMS AND CONDITIONS**

This Master Rental Agreement ("MRA") is entered into on _____ by and between Pacific Highway Rentals, LLC, ("PHR") and _____ ("Customer"), its owners, officers, directors, shareholders, representatives, agents and employees.

GENERAL TERMS

1. Customer wishes to rent from PHR various pieces of equipment which PHR offers to rent to its customers (the "rental equipment"). Many times, orders for equipment are made by facsimile, text or telephone, and the rental equipment is delivered directly to the job site. Based on the nature of Customer's business, it is anticipated it will be impractical to have separate individual rental agreements for each piece of equipment being rented.
2. PHR requires that Customer meet certain terms and conditions before Customer uses the rental equipment. These terms and conditions are set forth in this MRA.
3. In order to expedite the use of the rental equipment each time they are ordered by Customer; the Parties agree to comply with this MRA prior to any actual equipment rental. The Parties agree that these terms and conditions apply to any and all equipment rented by or on behalf of Customer, regardless of whether these terms and conditions in this MRA are referenced in any work order or subsequent memo, during the term of this MRA.
4. This MRA shall be in full force and effect from the date of signing unless either party, in writing, sends a notice of cancellation of the MRA. The cancellation of the MRA by either Party shall not cancel the terms and conditions of this MRA until the last rental equipment is returned by Customer.
5. Entering into this MRA shall not obligate either Customer or Pacific Highway for any subsequent request for equipment rentals or to any volume of business during the term of this MRA. If any conditions on any form from Customer conflicts with this MRA, the terms of this MRA shall apply and supersedes any other term(s) to the contrary.

TERMS AND CONDITIONS

6. **INDEMNITY/HOLD HARMLESS.** CUSTOMER WILL TAKE ALL NECESSARY PRECAUTIONS REGARDING THE RENTAL EQUIPMENT AND PROTECT ALL PERSONS AND PROPERTY FROM INJURY OR DAMAGE. CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS PHR FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, JUDGMENTS, ATTORNEYS' FEES AND COSTS, OF EVERY KIND AND NATURE, INCLUDING, BUT NOT LIMITED TO INJURIES OR DEATH TO PERSONS AND DAMAGE TO PROPERTY ARISING OUT OF THE USE, MAINTENANCE, INSTRUCTION, OPERATION, POSSESSION, OWNERSHIP OR RENTAL OF THE RENTAL EQUIPMENT, HOWEVER CAUSED; EXCEPT CLAIMS OR LITIGATION ARISING THROUGH THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF PHR.
7. **ASSUMPTION OF RISK/RELEASE-DISCHARGE OF LIABILITY.** CUSTOMER IS FULLY AWARE AND ACKNOWLEDGES THERE IS A RISK OF INJURY OR DAMAGE ARISING OUT OF THE USE OR OPERATION OF THE EQUIPMENT RENTED HEREUNDER AND HEREBY ELECTS TO VOLUNTARILY ENTER INTO THIS RENTAL AGREEMENT AND ASSUME ALL OF THE ABOVE RISKS OF INJURY OR DAMAGE. CUSTOMER AGREES TO RELEASE AND DISCHARGE PHR FROM ANY AND ALL RESPONSIBILITY OR LIABILITY FROM SUCH INJURY OR DAMAGE ARISING OUT OF THE USE OR OPERATION OF THE EQUIPMENT; AND CUSTOMER FURTHER AGREES TO WAIVE, RELEASE, AND DISCHARGE ANY AND ALL CLAIMS FOR INJURY OR DAMAGE AGAINST PHR WHICH CUSTOMER OTHERWISE MAY BE ENTITLED TO ASSERT.
8. **INDEMNITY/HOLD HARMLESS FROM THIRD PARTY RENTALS.** IF CUSTOMER LOANS, RENTS OUT OR ALLOWS ANY THIRD PARTY TO USE THE RENTAL EQUIPMENT, CUSTOMER, AGREES TO INDEMNIFY AND HOLD HARMLESS PHR FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, JUDGMENTS, ATTORNEYS' FEES AND COSTS, OF EVERY KIND AND NATURE, INCLUDING, BUT NOT LIMITED, TO INJURIES OR DEATH TO PERSONS AND DAMAGE TO PROPERTY, ARISING OUT OF THE USE, MAINTENANCE, INSTRUCTION, OPERATION, POSSESSION. OWNERSHIP OR RENTAL OF THE RENTAL EQUIPMENT BY ANY THIRD PARTY, HOWEVER CAUSED.
9. **INDIVIDUAL RENTAL ORDER (IRO).** It is anticipated that Customer will order the rental equipment from PHR by facsimile, text or telephone and shall be referred to as "Individual Rental Order" ("IRO"). Any such IRO shall bind Customer for the rental equipment being picked up by Customer or delivery of the rental equipment to Customer or Customer's job site, regardless of whether an IRO is signed by Customer.
10. **OPERATORS. NO OPERATORS ARE FURNISHED, DIRECTLY OR INDIRECTLY WITH THE RENTAL EQUIPMENT.**
11. **RECEIPT/INSPECTION OF EQUIPMENT.** Customer hires the equipment on an "as is" basis. Customer acknowledges that they have or will personally inspect the equipment prior to its use and finds it suitable for Customer's needs. Customer acknowledges receipt of all items listed in any IRO, and that the equipment is in good working order and repair and that Customer understands (without further instructions) its proper operation and use.
12. **POSSESSION/TITLE.** Customer's right to possession of the equipment begins upon equipment leaving a PHR facility if Customer picks up the equipment, or upon the equipment delivery to Customer by PHR and terminates on the Agreed Return Date in any IRA. Retention of possession after this date constitutes a material breach of the MRA.

13. **TIME IS OF THE ESSENCE OF THIS RENTAL AGREEMENT.** Any extension of an IRO must be agreed upon in writing. Title to and ownership of the equipment is and shall remain with PHR. Customer hereby agrees to indemnify, defend and hold harmless PHR from all claims and costs arising from such retaking and/or levy. If equipment is levied upon, Customer shall notify PHR immediately. PHR will utilize its reasonable efforts to deliver and retrieve rental items from locations determined solely by Customer.
14. **RENTAL PERIOD/RATE/PAYMENT.** Rental period is for a minimum of twenty-four (24) hours unless a longer term is specified in the Agreed Return Date in any IRO. Rental rates are based upon single shift usage (eight hours per day, seven days per week). **A rental month is 28 days.** If Customer makes greater use of the equipment, it is agreed that the additional usage will be charged. If equipment with engines are used more than forty (40) hours per week, PHR may charge an additional fee. Rental charges begin immediately upon equipment leaving PHR. Rental charges end upon return of the equipment to PHR in an acceptable condition. If the equipment is returned prior to the end of the minimum rental period, the rental due shall be for the entire minimum rental period.
PHR may terminate rental at any time and retake the equipment without further notice in case of violation by Customer of any terms or conditions of this MRA. Customer agrees to pay a monthly service charge of eighteen (18%) percent per annum on all unpaid balances billed as 1.5% per calendar month. Customer agrees to pay PHR a fee (which may go to PHR's general revenue and be utilized by Pacific Highway to pay its environmental expenses and costs of compliance with environmental laws) for environmental compliance. Customer agrees not to use equipment in violation of environmental laws.
15. **ORDINARY WEAR AND TEAR/DAMAGES.** Customer shall be responsible for all damage not caused from ordinary wear and tear. "Ordinary wear and tear" shall mean only the normal deterioration of the rental equipment caused by ordinary, reasonable and proper use of the equipment. Customer is responsible for all tire damage. Damage which is not "ordinary wear and tear" includes, but is not limited to: damage due to overturning, overloading or exceeding rated capacities; breakage; improper use; abuse; loss of use of any damaged equipment which has to be repaired and or replaced and cannot be rented out because of the damage; the loss of use of any equipment damaged shall be limited to a maximum loss of use of 3 weeks; lack of cleaning; dirtying of equipment by paint, mud, plaster, concrete, resin or any other material. A cleaning charge will be made on equipment returned unclean.
16. **COMPLIANCE WITH LAWS/USE OF EQUIPMENT.** Customer agree (a) not to use or allow anyone to use the equipment for any illegal purpose or in any illegal manner or in an unsafe manner; (b) At their sole cost to comply with all municipal, county, state and federal laws, ordinances and regulations which may apply to the use of the equipment during the rental period; (c) To pay all licenses, fines, fees, permits, or taxes arising from their use of the equipment, including any subsequently determined to be due. (d) not to allow any person who is not qualified, not of age, and who has not received and understands safety and operating instructions and who does not utilize all safety equipment required, to operate the equipment or use the equipment; (e) not to allow any person to use or operate the equipment when it needs repair or when it is in an unsafe condition or situation; (f) not to modify, misuse, harm or abuse the equipment; (g) not to permit any repairs to the equipment without PHR's prior written permission; or, allow a lien to be placed upon the equipment; (h) to check filters, oil, fluid levels, air pressure, clean and visually inspect the equipment at least daily and to immediately discontinue use and notify PHR when equipment is found to need repair or maintenance or is not properly functioning; and (i) that PHR has no responsibility to inspect the equipment while it is in Customer's possession.
17. **RETURN OF EQUIPMENT IN SAME CONDITION.** Customer agrees to return to PHR the equipment in as good condition as when received. Customer shall be liable for all damages (up to the full replacement cost of the equipment and loss of rental revenue) to or loss to the equipment and liability incurred prior to equipment's return to PHR. Customer shall be responsible for all costs incurred by PHR recovering and returning damaged equipment to PHR's premises. If equipment is to be "picked up" by PHR, Customer agrees to provide a secure storage location and Customer accepts all risk including damage to and liability relative to equipment for a reasonable period until the equipment is picked-up by PHR. While PHR *may* waive rental charges from the time the equipment is "called off", the Customer is responsible for the equipment and all provisions of this agreement until PHR takes physical possession of the equipment.
18. **DISCLAIMER OF WARRANTIES.** PHR makes no warranty of merchantability or fitness for any use or purpose, either express or implied of its rental equipment. There is no warranty or representation that the equipment is fit for Customer's intended use, or that it is free of latent defects. PHR shall not be responsible to Customer or any third party for any loss, damage or injury resulting from, or in any way attributable to the operation of, use of, or any failure of the equipment. PHR shall not be responsible for any defect or failure unknown to the PHR. Customer's sole remedy for any failure of or defect in the equipment shall be termination of the rental charges at the time of failure if Customer notifies PHR immediately and in writing of such failure and returns the equipment to PHR within twenty-four (24) hours of such failure.
19. **PURCHASE ORDERS.** The use of Customer's purchase order number on any IRO is for Customer's convenience and identification only and does not bind PHR in any way.
20. **SUBLETTING.** If Customer loans, rents out or allows any third party to use the rental equipment, PHR will hold the Customer, and not the third party, responsible for the use of the rental equipment, including its return to PHR.
21. **DEFAULT.** Should Customer in any way fail to observe or comply with any provision of this Rental Agreement, PHR may, at its sole option, terminate this Rental Agreement, retake the equipment, declare any charges due and payable

and initiate legal process to recover monies owed, and/or, pursue any other legal rights and remedies available to PHR. Exercise of any remedy available to PHR shall not constitute an election of remedies or a waiver of any additional remedies to which PHR may be entitled.

22. **RETAKING OF EQUIPMENT.** If for any reason it becomes necessary for PHR to retake the equipment, Customer authorizes PHR to retake the equipment without further notice or further legal process and agrees that PHR shall not be liable for any claims for damage or trespass arising out of the removal of the equipment.
23. **LEGAL FEES.** In the event an attorney is retained to enforce any provision (including collection costs) of this Rental Agreement, the prevailing party in the dispute shall be entitled to recover reasonable attorney's fees and court costs in such action, or proceeding, in an amount to be determined by the court.
24. **NOTICE OF NON-WAIVER/SEVERABILITY.** Any failure of PHR to insist upon strict performance by Customer about any provision of this Rental Agreement shall not be interpreted as a waiver of PHR's right to demand strict compliance with all other provisions of this Rental Agreement against Customer or any other person. The provisions of this Rental Agreement shall be severable so that the unenforceability, invalidity or waiver of any provision shall not affect any other provision.
25. **INSURANCE.** Customer shall maintain in full force and effect during the term of this Agreement separate General Liability and Automobile Liability insurance policies with coverage limits for bodily injury, including death, personal injury and/or property damage that will respond as primary coverage for Customer's liability and all obligations outlined under this Agreement. In addition to the foregoing, Customer shall maintain Property Insurance in an amount adequate to cover any loss and/or damage to the equipment, up to full replacement cost. Customer shall furnish PHR with a Certificate of Insurance evidencing the foregoing insurance requirements and naming "Pacific Highway Rentals, LLC, its officers, agents and its employees" as an additional insured.
26. **MISCELLANEOUS.** (a) Before digging, it is the sole responsibility of the Customer to follow the requirements of the regional notification center law pursuant to Article 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code. By signing this Rental Agreement, the Customer accepts all liabilities and responsibilities contained in the regional notification center law; (b) Customer authorizes and instructs PHR to complete Customer's "blank/open check" and to "fill-in" the amount of all charges; (c) Customer authorizes PHR to submit all Customer charges to Customer's credit card account.
27. **WARNING:** THIS PRODUCT CONTAINS OR PRODUCES ONE OR MORE CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER AND BIRTH DEFECTS (OR OTHER REPRODUCTIVE HARM). (a) Customer acknowledges that it is a violation and Customer assumes potential civil liability of section 4442 or 4443 to use or operate an internal combustion engine on any forest, brush, or grass-covered land unless the engine is equipped with a spark arrestor. (b) Customer is responsible to comply with Fugitive Dust Provisions of Air Quality Management Districts. Customer is responsible for all requirements of the State Air Resources Board and local Air Quality Management Districts.

THE PERSON SIGNING BELOW AGREES THAT HE/SHE IS THE AUTHORIZED REPRESENTATIVE OF CUSTOMER AND IS AUTHORIZED TO SIGN ON BEHALF OF CUSTOMER; HAS READ AND UNDERSTANDS THIS AGREEMENT; AND AGREES TO EACH AND EVERY TERM AND CONDITION SET FORTH IN THIS AGREEMENT.

BY:
TITLE:
DATE:

PACIFIC HIGHWAY RENTALS, LLC
BY:
TITLE:
DATE: