

Central TX Commercial A/C & Heating, Inc.

656 FM 812
Red Rock Texas 78662
License #: TACLA 002692C

(512) 288-0822 office
(512) 288-0941 fax
1-866-880-9097

RENTAL MASTER TERMS AND CONDITIONS:

By accepting the Equipment upon delivery, the “Bill To” party on the front of this Invoice (“Customer”) agrees that they have read, understood and agreed with CTCA (“Company”) to these terms and conditions (“Terms”):

Rental Charges and Taxes. Customer will pay Company for use of the “Equipment” and “Accessories” (“Equipment”) at the Rental Rate for the “Billing Days” (the “Rent”), as shown on the face of this Invoice. All Rental Rates are based on a 28-day month. Customer will also promptly pay when due all sales, use, property, excise and other taxes or assessments (whether federal, state or local), license or registration fees, other charges, and amounts in lieu of the foregoing (including interest and penalties thereon), however designated or levied, imposed on the Equipment, its use or rental excluding, however, taxes based on Company’s income. The obligation to pay Rent and such taxes is without setoff and is absolute and unconditional under all circumstances. Customer is responsible for all costs and expenses of any kind whatsoever for the possession and use of the Equipment.

Inspection: Before Equipment is loaded for shipment to CUSTOMER's receiving point, the CUSTOMER may require and inspection thereof by a qualified inspector. If the CUSTOMER does not inspect the Equipment before it is loaded for transit, the CUSTOMER is conclusively deemed to have accepted that the Equipment is in good running order without broken or worn out parts and in a clean and unmarred condition. CTCA shall have the right at any time to enter the premises occupied by the Equipment and shall be given free access thereto and afforded necessary facilities for the purpose of inspection.

Delivery; Risk of Loss: Company will have no liability for any delay in delivery or failure to supply Equipment. Customer shall bear the risk of all loss of or damage to the Equipment and loss of its use, whether caused by fire, flood, storm, accident, explosion, theft, wreck, act of God, hostilities, civil disturbance, strike, labor difficulties, machinery breakdown or any other cause whatsoever (each a “Loss”) from the time the Equipment leaves the premises of Company and until it is returned to the possession of Company and accepted by it. There will be no reduction of Rent on account of any Loss. Customer will insure the Equipment against all risk of Loss in an amount at least equal to its replacement cost. If a Loss occurs, Customer shall be liable for the expense of repairing the Equipment, or if the Equipment cannot be repaired, then for an amount equal to the cost of purchasing similar Equipment from the manufacturer less the amount of any insurance or other recovery received by Company.

Maintenance, Operation and Repair: Customer will, at its expense, cause competent and qualified personnel to properly install, operate and maintain the Equipment in good operating condition, in accord with applicable instruction manuals, laws and regulations. Customer will not do or permit any act to be performed with the Equipment which would result in endangering or injuring persons or property in the vicinity of the Equipment or the premises where it is being used, create a safety hazard, or interfere with the normal and satisfactory operation or maintenance of the Equipment. Company is not responsible for service and repair arising out of Customer’s negligence, including improper use, over-firing, inadequate fuel or electric power, damage to the Equipment, or neglect. Customer will promptly notify Company of any breakage or failure of the Equipment and Company will, in its sole discretion, replace the Equipment, make repairs or authorize repairs. Any parts furnished during repairs will become part of the Equipment.

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Customer will keep and use the Equipment only at the “Ship To” location specified on the front of this Invoice and will not relocate or remove any Equipment without the prior consent of Company.

Removal or Return of The Equipment:

Customer grants to Company the right to enter any job or location for the purpose of inspecting or repairing the Equipment, or to remove Equipment on twenty-four hours' notice if Company deems the Equipment is at risk due to improper use, over-firing, inadequate fuel or electric power, damage, neglect, or as otherwise reasonably determined by Company. It shall be Customer's responsibility to notify Company when Equipment is no longer needed, at which time Customer will be advised how and where Equipment is to be returned. Customer will at its risk and expense promptly return the Equipment to Company at location designated by the Company in the same condition as when delivered to Customer, ordinary wear and tear excepted. Prior to return, so long as Customer is not in default under these Terms, Company shall not interfere with Customer's possession and use of the Equipment.

Ownership and Title:

No Liens or Encumbrances. The Equipment is and shall always be and remain the sole and exclusive property of Company, and Customer has no right, title or interest therein, except for the right expressly provided for here to use the Equipment in the normal operation of its business. Company is permitted to display notice of its ownership on the Equipment by means of a suitable stencil, label or plaque affixed thereto. Customer will not attempt to assign its rights to the Equipment, sublet the Equipment, or move the Equipment away from the “Ship To” job site without first obtaining Company's prior consent. The Equipment will remain personal property regardless of its attachment to real property. Title to the Equipment will at all times remain with Company and Customer at its expense will defend the title of Company and always keep the Equipment free and clear of all claims, levies, liens or encumbrances except those created by or arising through Company. Customer will not pledge, lend, create a security interest in, or sublet the Equipment without Company's prior written permission. Customer will give Company immediate written notice of any attachment or other judicial process affecting the Equipment and will take action at its expense to prevent any third party from acquiring an interest in the equipment.

Financing Statement: Upon request, Customer will promptly execute and deliver financing statements in a form satisfactory to Company. Company and Customer specifically agree that this Agreement is intended as a true Lease and not as a security agreement, and any filing of a financing statement by Company is intended merely to protect the rights of Company.

Warranties and Disclaimers: Company warrants only that, at the time the Equipment is delivered to Customer, Company has the right to lease the Equipment to Customer. Customer acknowledges that it is not relying upon Company's skill or judgment to select or furnish Equipment suitable for its purpose or any particular purpose. All warranties are void if the Equipment has been subject to abuse or abnormal damage or use.

Regardless of what representations may be contained in conversations, correspondence, labels, advertisements, owner's manuals or warranty cards, Customer acknowledges that Company makes no warranty, expresses or implied, except the warranty provided in this section. **THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

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Liability Disclaimer, Indemnity and Insurance: Company expressly disclaims liability, and Customer will indemnify, hold harmless and defend Company (including its officers, directors, employees, agents and shareholders) against any claim, suit, liability, loss, damage (including indirect, consequential, special or punitive damages), lost profits or revenues, or expense of any kind (including attorney's fees) arising out of or caused, directly or indirectly, by:

(1) the ordering, use, condition, performance, operation or transportation of the Equipment;

(2) the inadequacy of the Equipment for Customer's purpose or any purpose;

(3) a deficiency or defect in the Equipment or its component parts;

(4) loss of use of the Equipment;

(5) any loss of Customer's business; or

(6) personal injury (including bodily injury or death) or property damage by reason of any act done, permitted to be done, suffered or omitted to be done by Customer in connection with the use of the Equipment, regardless of whether any of the aforesaid claims are based contract, tort, breach of warranty, product liability or otherwise. These indemnities survive termination of this agreement.

Customer will carry liability insurance against any such liability in the sum of not less than One Million Dollars (\$1,000,000) per occurrence/annual aggregate for all bodily injury or property damage in such form and with such insurance companies as shall be satisfactory to Company. Customers will add CTCA as an additional insured.

Reports: Customer shall immediately notify Company in writing of each accident arising out of the alleged or apparent manufacture, function or operation of the Equipment, describing the time, place and nature of the accident, damage to property or Equipment, and names of the persons involved or injured, if any.

Default and Remedies: Any of the following will be a default by Customer:

(1) failure to pay Rent when due;

(2) failure to maintain liability insurance;

(3) taking or permitting action to remove, sell, transfer, encumber, pledge, part with or sublet the Equipment;

(4) the Equipment is attached, levied upon or seized;

(5) irreparable damage, loss or destruction occurs to the Equipment;

(6) bankruptcy or insolvency proceedings are commenced by or against Customer, or a receiver is appointed for the business of Customer; or

(7) failure to perform Customer's agreements under these Terms.

Upon the occurrence of Customer's default, Company may at its option take one or more of the following actions:

(1) terminate this agreement for rental of the Equipment;

(2) whether or not this Agreement is terminated, take immediate possession of any or all Equipment wherever situated and, for such purpose, enter onto any premises owned or controlled by Customer without liability for doing so;

(3) terminate any outstanding option to purchase the Equipment;

(4) sell, dispose of, hold, use or lease the Equipment as Company in its sole discretion may decide, retaining any surplus and holding Customer liable for any deficiency; or

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(5) purchase similar equipment from the manufacturer and recover the cost from Customer, less any insurance proceeds received by Company. Customer hereby waives notice and service of process and confesses judgment against it for any remedy provided herein. Customer remains liable for all unpaid Rent or other charges due under these Terms up to and including the day on which Company obtains possession of the Equipment. Customer is responsible for all legal fees and other costs and expenses resulting from the foregoing defaults or the Company's exercise of its remedies, including the costs of repossession, repair, storage, transportation and disposition of the Equipment, collection costs and attorneys' fees. No remedy is intended to be exclusive, and each remedy shall be cumulative and in addition to any other remedy provided for in these Terms or at law or in equity.

Miscellaneous. Governing Law and Civil Actions:

The validity, interpretation and performance of this purchase agreement shall be governed and construed pursuant to the law of the State of Texas. Any dispute, controversy or difference arising between the parties, out of or in relation to or in connection with this purchase agreement, or the breach thereof, which cannot otherwise be settled between the parties shall be determined in legal proceedings, which shall be brought in the Circuit Court of Travis County located in Austin, Texas. Each of the parties hereto expressly consent to the jurisdiction of this court. Judgements may be enforced in any locality.

Payment: All invoices are due, without setoff, 30 days after receipt. Customers agree to pay interest on all past-due sums at the lower of one and one-half percent (1.5%) per month or the highest rate allowed by law. Customer will pay for, and will indemnify and hold Company harmless from, any applicable sales, use, transaction, excise or similar taxes and any federal, state or local fees or charges (including, but not limited to, environmental or similar fees), imposed on, in respect of, or otherwise associated with the order or the products. In the event of a payment default, Customer will be responsible for all of Company's costs of collection, including, but not limited to, court costs, filing fees and attorneys' fees. **Waiver of Jury Trial.** The parties hereto irrevocably and unconditionally waive, to the fullest extent possible, their right to a jury trial in any suit, action or proceeding on any matter arising from or relating to these Terms.

TERMINATION OF THE AGREEMENT:

Should the CUSTOMER:

- (i) fail to make payment in accordance with the terms of this Agreement and such failure shall continue for a period of five (5) days,
- (ii) become bankrupt, become insolvent or do an assignment for the benefit of its creditors
- (iii) fail to maintain and/or operate or to return the Equipment as provided by this agreement,
- (iv) fail to maintain insurance required herein, or
- (v) violate any material provision hereof, CTCA may, after three (3) days' notice in writing of such event terminate this Agreement, take possession of the Equipment wherever it may be found without becoming liable for damages or for trespass, and, in addition to any other remedies CTCA may recover all rental due together with any damage for injury to the Equipment and all expenses incurred in returning and repossessing the equipment.