

PEI RENTAL TERMS & CONDITIONS

The following are terms and conditions that apply to the rental of equipment listed on the reverse side of this agreement from Peterson Environmental, Inc. (PEI). By accepting the equipment stated under this agreement, the customer whose name appears on this agreement agrees to all of these terms and conditions. Any modifications made to the terms and conditions must be in writing and signed by an authorized PEI manager.

1.0 RENTAL OF EQUIPMENT

PEI hereby rents to customer, and customer hereby hires and rents from PEI the equipment listed on the reverse side of this agreement for the term and at the rental rates specified. The term "equipment" includes all related accessories, manuals, and all other items delivered to the customer pursuant to this agreement.

2.0 CONDITION, MAINTENANCE AND REPAIR OF EQUIPMENT

2.1 PEI shall rent the equipment to the customer cleaned, calibrated, and in good working condition. For the purpose of this Section 2 "Delivery" of the equipment will be deemed to occur upon the transfer of the equipment to the customer or its agents, representative or employee. Note that shipping, atmospheric and environmental conditions may affect calibration. PEI recommends calibration of the equipment according to manufacturer's specification prior to use. If equipment is received not in good operating condition, defects or discrepancies in the equipment must be reported to PEI in writing by facsimile within two (2) hours of receipt of the equipment by the customer, its agents, representatives, or employees. Failure to make such notification will conclusively deem that the equipment was received as ordered, in good operating condition, accepted by the customer, and full rental fees will be charged.

2.2 If the equipment is not received in good operating condition at no fault to the customer, and customer advises PEI as provided in Section 2.1 above, PEI shall (at its sole discretion) either repair equipment or supply replacement equipment. The obligations of PEI to repair or replace the equipment as provided herein are customer's sole and exclusive remedies. In no event shall PEI be liable for "back charges", direct, indirect, special, incidental, or consequential damages, (including loss of profits) whether based on contract, any legal theory or project downtime.

3.0 PAYMENT TERMS

Terms are NET 30 days from date of invoice subject to PEI credit approval. Payments are delinquent 30 days from the date of invoice and are subject to interest charges at 18% per annum but not exceeding the maximum lawful rate. PEI reserves the right to change the credit terms on future rentals at any time when in PEI's opinion customer financial condition or previous payment record so warrants. Export payment terms are irrevocable letter of credit and/or funds equivalent to the full replacement value of new equipment deposited in an escrow account, proof of which will be provided to PEI prior to shipment of rental equipment. All payments are to be in U.S. dollars. All applicable taxes will be added to the invoice and are payable by customer.

Rental periods less than one (1) month will be billed when the rental equipment is returned to PEI. Rental periods of one (1) month or more will be billed in advance at the time of shipment of the equipment. Rental charges will continue beyond the specified rental term until the equipment is returned to PEI or customer reimburses PEI for the replacement cost of the equipment. If customer cancels an order less than two (2) days prior to a scheduled shipment from or pick up at the PEI office, customer is subject to a 20% charge based on the list rental price of the affected equipment.

4.0 SHIPMENT/DELIVERY

Any shipping costs, including cost of insurance, are payable by customer. PEI will prepay and add to the invoice all shipping and handling charges (if any). All costs associated with the return of the equipment are the responsibility of the customer. ALL RISK OF LOSS AND DAMAGE SHALL PASS TO CUSTOMER UPON DELIVERY OF EQUIPMENT AS DEFINED IN SECTION 2.1 ABOVE. PEI shall not be liable for delays due to causes beyond its control including, but not limited to acts of nature, acts of government, labor disputes, delays in transportation, delivery, or non-delivery by PEI suppliers.

5.0 RENTAL PERIOD

When equipment is shipped the billing period begins the day after shipment by PEI and ends the day prior to receipt by PEI of the returned rental equipment. PEI considers one week rental to be five (5) working days: Monday through Friday. There is no rental charge for Saturday or Sunday.

When equipment is picked up by the customer, its agent, representative or employee at the PEI office the rental billing period begins upon the hour of delivery. There is no prorating for partial days.

6.0 TECHNICAL SUPPORT

Should customers have problems with the operation of the rental equipment during the rental period, customer agrees to contact PEI for instructions or diagnostic aid within two (2) hours of any apparent malfunction. At no time will PEI be responsible for return shipping charges for the rental equipment. Rental credit will be issued only if; (1) PEI receives notice of any malfunction within two (2) hours; (2) the malfunction is not due to the customer's abuse, misuse, or unfamiliarity with the equipment; (3) the equipment is returned by overnight delivery service; and (4) PEI's service department confirms that the equipment was in fact inoperable.

7.0 USE OF THE EQUIPMENT

7.1 Customer agrees to the use of the equipment only for the purpose for which it was intended by the manufacturer; (2) To use the equipment in a safe and proper manner; (3) To return the equipment to PEI at the end of the rental period in the same condition as when received by customer, reasonable wear and tear expected; (4) Not to abuse the equipment or engage in any practices in connection with the operation of the equipment which might reasonably be expected to increase the cost of its maintenance and upkeep; (5) To permit only qualified agents or employees of customer to operate the equipment and to maintain sole and absolute control over such operators; (6) To notify PEI in writing as soon as possible of any theft, fire, accident or damage, or claims by third parties of litigation action against PEI or customer involving the rental equipment; and (7) Not to permit any alterations, additions, improvements or modifications to the equipment.

8.0 CUSTOMER OBLIGATIONS

Customer warrants that it understands and is familiar with the field operation of the equipment. PEI is not responsible for project downtime due to lack of operator experience or training. The equipment shall be returned to PEI in good condition and repair. Wear from reasonable and proper use expected. Customer is responsible for damage to equipment due to abuse, misuse, or negligence and agrees to pay for any charges to repair or replace equipment so damaged, along with any shipping charges. Repair rates will be charges at \$60 per hour plus the cost of repair parts. Customer is responsible for loss or damage to the equipment from theft, fire, disappearance, loss in shipping, or any other cause. In accepting liability for the safe keeping of all rental equipment, customer agrees to pay PEI the replacement cost of any such equipment which customer is for any reason unable to return to PEI at the end of the rental period.

9.0 DECONTAMINATION

Customer is required to protect the rental equipment from environmental contamination, and if necessary, to decontaminate the rental equipment. In cases where the equipment is exposed to regulated, hazardous, or toxic substances it is mandatory that PEI personnel be notified that such substances may be present. Failure to decontaminate the rental equipment will result in a decontamination fee of not less than \$70.

10.0 LIABILITY

Customer assumes all risk and liability for the loss or damage to the rental equipment, for the death or injury to any person or property of another, and for all risks and liabilities arising from the use, operation, possession, or storage of the rental equipment prior to return of the equipment to PEI. Nothing in this agreement shall authorize customer or any other person or entity to operate any of the equipment so as to impose any liability or other obligation on PEI.

11.0 INDEMNIFICATION

Customer shall hold PEI along with any third party owner, harmless from and indemnify them against any and all claims of any nature whatsoever by reason of the operation, possession, storage, or shipment of the rental equipment, including any damages awarded, court costs, attorney fees, or cost of arbitration.

12.0 DEFAULT

Upon a default by customer of any of its obligation under this agreement the customer agrees as follows: (1) To immediately return all equipment to PEI; (2) Without legal process allow PEI right of access to any premises under control of customer in order for PEI to take possession of the equipment; (3) If PEI elects to recover possession of the equipment, customer shall remain liable to PEI for any damages resulting to PEI from customer's breach of this agreement despite such recovery of possession of the equipment with or without termination of this agreement.

13.0 NOTIFICATIONS

Any required notices shall be given in writing to the PEI corporate office located at 2917 West Cypress Street, Tampa, FL, 33609. Facsimile is accepted at (813) 871-1366. PEI shall provide notices to the customer at the address, telephone and facsimile numbers noted on the reverse side of this agreement.

14.0 OWNERSHIP

The rental equipment remains the property of PEI. Customer shall not remove, deface, or obscure ownership decals.

Customer has no purchase right or purchase option under this agreement.

15.0 WAIVERS

Should PEI choose not to exercise any of its rights; that shall not constitute or be deemed a waiver of forfeiture of such rights.

16.0 GOVERNMENTAL JURISDICTION

PEI shall be notified in writing of any binding U.S. governmental procurement regulations that will affect this contract. This agreement shall be governed by the laws of the state of Florida.

17.0 ERRORS

Stenographic, typographic, and/or clerical errors in this agreement are subject to correction and customer hereby agrees to re-execute any document that requires correction or signature.

18.0 ENTIRE AGREEMENT

This agreement constitutes the entire agreement between PEI and customer pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written. Where a conflict exists between the terms and conditions of this agreement and any purchase order, work order or other terms of the customer, the terms and conditions of this PEI agreement shall prevail.