

STANDARD TERMS AND CONDITIONS

1. Liability of JAX Logistics, Inc. Lessee acknowledges that it has examined and tested the Equipment herein (hereinafter the Equipment), that it is in good working condition, and is fit for the particular use and purpose intended by Lessee, and Lessee accepts the Equipment as is, Lessee understands that the Equipment and any and all services or labor to be provided pursuant hereto are leased or provided without warranty or guaranty of any kind, express or implied. Lessee further understands that JAX Logistics, Inc. assumes no responsibility or liability of any nature whatsoever to any person, firm, corporation or any other type of entity for claim, injury, damage or loss arising out of, relating to or resulting from (a) the Equipment; (b) the use of such Equipment; (c) labor or services furnished pursuant to this Agreement; (d) the performance or nonperformance of this Agreement. Lessee hereby waives any and all claims it may have against JAX Logistics, Inc. with regard to any of the foregoing. Anything to contrary notwithstanding, in the event any Equipment becomes inoperable or fails to perform as contemplated hereunder through no fault of the Lessee during the rental term hereof, Lessee shall return for repairs or for exchange or replacement said Equipment to JAX Logistics, Inc. during JAX Logistics, Inc.'s regular business hours at its place of business, and if JAX Logistic does not repair said Equipment or does not provide a replacement for said Equipment, Lessee sole right shall be to receive a pro-rata refund or credit from JAX Logistics, Inc. in the event of a claim by Lessee relating to, arising out of, or resulting from the performance for services and/labor provided for in this Lease. Lessee's sole remedy shall be to receive a pro-rata refund or credit from JAX Logistics, Inc. based upon such services and/or labor.

2. Use, Return and Repairs; Liability of Lessee.

Lessee agrees to return the Equipment in the same condition as delivered, Normal wear and tear excepted, and at the time and place specified herein, and, Lessee further agrees that it shall not remove the Equipment from the State of California without the written consent of JAX Logistics, Inc. If JAX Logistics, Inc. does not furnish labor to operate the Equipment, the Equipment shall be used only by duly qualified employees and/or agents of Lessee. Lessee shall use the Equipment in strict accordance with all applicable laws, according to the Equipment's prescribed operating procedure, and only for purpose of production contemplated and set forth in connection with this Lease. Except while labor is supplied by JAX Logistics, Inc. Lessee shall keep the Equipment in its sole custody and control. After delivery to lessee, if any item of Equipment is lost, stolen, damaged or destroyed, whether by fire, theft, burglary, fraud, disappearance, water or confiscation, Lessee shall pay to JAX Logistics, Inc. the replacement cost without deduction for depreciation of such item, provided that if any item is returned in a condition which JAX Logistics, Inc. in its sole discretion, deems a repairable one. Lessee shall pay JAX Logistics, Inc. the actual or estimated cost of such repairs as determined by JAX Logistics, Inc.. In the event of any such damage, loss, theft or destruction, or in the event of non-return, Lessee agrees that the monetary value of each item of Equipment is the value listed in JAX Logistics, Inc.' office at the time JAX Logistics, Inc. is notified of such fact. A copy of such list will be shown to lessee upon request.

3. Ownership

Lessee acknowledges that JAX Logistics, Inc. owns all rights, and interest in and to the Equipment and warrants that it shall keep the Equipment free of all liens, levies land encumbrances and further acknowledges that it shall be responsible for all taxes, transportation charges, duties, broker fees, bonds, fines forfeiture, penalties, and all other costs imposed upon the leasing or use of the Equipment. Lessee will not assign, transfer or sublet the Equipment or any right under this Lease, and Lessee will not pledge, mortgage, or encumber in any way the Equipment or Lessee's rights hereunder, and any such assignment, transfer, sublease, pledge, mortgage or encumbrance shall null and void. The rental rates herein will not apply to purchase of any of the Equipment, except as otherwise stated herein.

Initials: _____

4. Default.

Upon termination of this Lease, or upon the breach of any provision hereof, or in the event that Lessee suffers or initiates any act of insolvency or bankruptcy, or in the event a receiver is appointed to take possession of all, or substantially all of Lessee's assets, or in the event a general assignment for benefit of creditors is made by Lessee, or in the event any legal process of any kind is taken with regards to any item of Equipment or upon any use of Equipment or in violation of JAX Logistics, Inc.' rights, title, and interest in the Equipment, JAX Logistics, Inc. Inc. and its agents may at any time thereafter enter upon Lessee's premises to remove all of the Equipment without any liability for damages caused by any such entry and without prejudice to JAX Logistics, Inc.' right to receive the rent due pursuant to this Lease, and to recover from Lessee any and all other damages which JAX Logistics, Inc. shall have sustained by reason of any breach hereof.

5. Indemnity.

Lessee agrees to indemnify and hold JAX Logistics, Inc. and JAX Logistics, Inc.' Agents and employees harmless from and against any and all claims, actions, suits, proceedings, cost, expenses, damages and liabilities including attorneys fees, arising out of, connected with, or resulting from this Lease or the Equipment or its use, save and except damages or injuries resulting from sole negligence and/or willful misconduct of JAX Logistics, Inc.

6. Rental Charges and Interest.

All sums owed by Lessee under this Contract which are thirty (30) days overdue shall bear interest at the rate one and one-half (1.5%) per month (18% per Annum) on the first \$1,000.00 owed and one percent (1%) per month (12% per Annum) on any sum greater than \$1,000.00 and Lessee agrees to pay reasonable attorney fees and court cost arising from or relating to collection of any balance which is thirty (30) days or more overdue. Sums owed by Lessee hereunder shall not be subject to any abatement or set-off. All Equipment must be returned by 10:00 a.m. of the return date, and in the event the Equipment is not so returned, an additional days rental shall be charged for each additional day.

7. Responsibility for and During Shipment.

Unless otherwise specified herein, all costs of shipment to and from Lessee shall be Lessee's responsibility. Lessee shall be responsible for any loss to the Equipment from any cause whatsoever occurring after delivery of the Equipment to Lessee and before the possession of the Equipment is returned to JAX Logistics, Inc. Acceptance by JAX Logistics, Inc. of the return of the Equipment shall not be a waiver of any claims that JAX Logistics, Inc. may have against Lessee arising hereunder nor a waiver of claims for latent or patent damage to the Equipment prior to such return. Delivery to Lessee shall be deemed to occur at the time Lessee takes possession of the Equipment, at the time the Equipment is provided to a location designated by Lessee, or at the time the Equipment is placed upon a common carrier for forwarding to Lessee, whichever occurs first.

8. Insurance - Equipment.

Lessee agrees, at its own expense, to insure the Equipment for its full replacement cost without deduction for depreciation, any loss of use of such Equipment, and loss arising from the transportation and use of such Equipment. Coverage shall begin from the time the Equipment leaves the JAX Logistics, Inc.' premises for Lessee's use until such Equipment is returned to the JAX Logistics, Inc.' premises. Such insurance shall name JAX Logistics, Inc. as the Loss Payee for loss or damage to the Equipment. Limits of such insurance shall be sufficient to cover all Equipment and property at risk, regardless of source, but in no event less than \$1,000,000.00.

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9. Insurance-Business Automobile.

Lessee agrees, at its own expense, to maintain automobile liability insurance, including coverage for loading and unloading Equipment, and hired auto physical damage insurance, covering owned, non-owned, hired and rented vehicle. Coverage for damage shall include "comprehensive" and "collision". JAX Logistics, Inc. shall be named as an additional insured respecting the liability coverage and the Loss Payee on the hired auto physical damage coverage. Such insurance shall provide coverage for no less than \$1,000,000.00 in combined single limits, and actual cash value less than \$1,000.00 deductible for physical damage on comprehensive and collision coverage.

10. Insurance- Workers Compensation.

Lessee agrees to maintain, at its own expense, workers compensation/employers liability insurance during the duration of the rental of the Equipment with minimum limits of \$1,000,000.00.

11. Insurance- Commercial Liability.

Lessee agrees to maintain, at its own expense, commercial general liability insurance including coverage for independent contractors, and contractual liability, specifically referring to this agreement. Such insurance shall name JAX Logistics, Inc. as an additional insured and provide that such insurance is primary coverage with respect to all insured, the limits of which must be exhausted before any obligation arises under JAX Logistics, Inc. Insurance. Such insurance shall remain in effect during the term of the lease and shall include the following coverage - 3 -; Broad Form Contractual liability; Person Injury Liability; Complete Operations; and Products Liability. Such insurance shall provide general aggregate limits of not less than \$2,000,000.00, personal injury and advertising injury of not less than \$1,000,000.00, and per occurrence limits of not less than \$1,000,000.00.

12. Insurance-Insurer.

All insurance obtained by Lessee pursuant to the above provisions shall be issued by an insurance carrier authorized to do business in the State of California with a BEST rating of A or better, and shall be deemed the primary insurance, issued on a non-contributory basis.

13. Insurance-Waiver.

All insurance maintained by Lessee pursuant to the foregoing Terms and Conditions shall contain waiver of subrogation against JAX Logistics, Inc. Lessee shall provide JAX Logistics, Inc. with 30 days written notice prior to the effective date of any cancellation or material change to any insurance maintained by Lessee pursuant to foregoing Terms and Conditions.

14. Insurance - Certificate of Insurance.

Before obtaining possession of the Equipment, Lessee shall provide JAX Logistics, Inc. a Certificate of Insurance and applicable endorsements, including additional insured and loss payee endorsements confirming each of the coveragePage 3 of 4 specified in the foregoing Terms and Conditions. All Certificates of Insurance must be signed by an authorized agent of the insurance carrier.

15. Legal Proceedings.

This Lease shall be governed by the State of California, and Lessee agrees to accede to and not contest the jurisdiction of the courts of the State of California. Lessee agrees to pay JAX Logistics, Inc.' costs and attorney fees in having to enforce the Terms and Conditions of this agreement.

16. Obtaining Government permits, licenses Laws.

Lessee is responsible for obtaining all government permits and licenses pertaining to use and/or operation of the Equipment and for compliance with all applicable laws and regulations.

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17. Penal Code Provisions.

Lessee acknowledges it is aware that California Penal Code Section 484

Provide that intent to commit theft by fraud may be presumed if one who has leased or rented the personal property of another pursuant to a written contract fails to return the personal property to its owner within twenty (20) days after the owner has made written demand following the expiration of the lease or rental agreement. Lessee also acknowledges it is aware that Penal Code Section 4848 provide that such intent may be presumed if one presents to the owner of personal property identifications which bears a false or fictitious name or address for the purpose of obtaining a lease or rental agreement covering the property.

18. Credit to JAX Logistics, Inc.

In the event other suppliers of material or services are accorded public credit in some fashion or manner relating to the purpose or production set forth herein. Lessee agrees to use its best efforts to display and/or mention JAX Logistics, Inc.' logo, trademark and/or trade-name in a similar fashion or manner.

19. General Provisions. This Lease expresses the entire agreement of the parties, and here to must be made in writing. No term, representation or warranty, express or implied, not herein set forth shall bind JAX Logistics, Inc. The terms and conditions (including the purpose) on this Lease, as set forth on the front side hereof, as well as in these Standard Terms and Conditions, shall apply to any and all Equipment leased by Lessee from JAX Logistics, Inc. and any and all services and/or labor provided or to be provided by JAX Logistics, Inc. to Lessee from after the date of execution hereof for which no separate written lease is executed.

Performance of any covenant of JAX Logistics, Inc. hereunder may be suspended by JAX Logistics, Inc. to the event it is delayed, hindered or prevented because of any act of God, Force majeure, war, governmental regulation, labor dispute, shortage of necessary supplies or personnel, or other matters beyond its control, including without initiation, failure or delay of delivery by common carrier for any reason whatsoever. In the Event JAX Logistics, Inc. is prevented from performance hereunder due to any of circumstances set forth in the preceding sentence, JAX Logistics, Inc. in it sole discretion, may be relieved of performance hereunder without any liability whatsoever to Lessee for any reason except that Lessee shall be entitled to pro-rata refund or credit for any Equipment not delivered to Lessee and/or services and labor nor provided by JAX Logistics, Inc.

Notices hereunder shall be given in writing and mailed by certified mail, return receipt requested to either party to addresses specified in the Agreement. The waiver by JAX Logistics, Inc. of any breach of any term, condition or covenant herein shall not be deemed a waiver of any other breach of the same or any other term, condition or covenant. Section headings herein are for convenience and shall not be deemed to be among the terms.

Print Name:

Sign Name:

Date:
