



## **STANDARD TERMS AND CONDITIONS**

### **1. DOCUMENTS.**

These Standard Terms and Conditions (the "Terms"), together with a Standard Lease Agreement which is signed by the Customer and references these Terms (the "SLA") form the agreement (this "Agreement") of Southwest Trailer Leasing (STL) and the Customer with respect to the lease of the Vehicle specified in the SLA.

### **2. TERM.**

The lease term shall commence on the Commencement Date.

### **3. DELIVERY.**

STL delivers to Customer and Customer accepts delivery of the Vehicle at the Delivery Location.

### **4. RENT.**

- a)** Customer shall pay rent to STL without demand for the use of the Vehicle at the rates and upon the schedule set forth on the SLA ("Rent"). Customer's Rent obligation shall commence on the Commencement Date and shall continue until the later of (I) the end of the lease term as extended, if applicable (the "Lease Term"), or (II) the date the Vehicle is returned to STL in accordance with Section 19 of these Term (the "Return Date").
- b)** For Customers convenience STL intends to issue invoices for amounts due under this Agreement. If Customer fails to pay any amount within ten (10) days of the due date without set-off or deduction a late charge of the lesser of 1% % per month (18% per annum compounded monthly) or the maximum legal rate (the "Late Charge Rate") shall be assessed on any such amount. Payments received by STL after the due date shall be applied first to the most recent invoices issued to Customer.
- c)** This Agreement is a non-cancelable lease and Customer's obligation to pay rent, and to otherwise perform its obligations under this Agreement are absolute and unconditional and shall not be affected by any right of setoff counterclaim, recoupment, deduction defense or other right which Customer may have against STL, the manufacturer or vendor of the Vehicle or anyone else, for any reason whatsoever. Timeliness of Customer's payment and its other performance under this Agreement is of the essence.
- d)** At Customer's request, STL may from time to time provide maintenance and repair services for which Customer is responsible under this Agreement. Customer shall pay for such services in accordance with this Agreement.
- e)** All payments made under this Agreement shall be made by Customer's check drawn on its regular bank checking accounts or such other form of payment acceptable to STL.

### **5. USE AND OPERATION.**

Customer warrants that:

- a)** The Vehicle shall be used only in the Continental United States and only for the transportation and/or storage of the products set forth on the SLA (the "Products").
- b)** The Vehicle shall not be operated by any person other than agents or employees of Customer, each warranted to be a careful, dependable operator not operating under the influence of alcohol or drugs, with a valid license to operate such Vehicles.
- c)** Customer shall use the Vehicle, if designated as a storage Vehicle, for storage purposes only and shall use the Vehicle for the purpose for which it was designed in a careful and proper manner.
- d)** Customer shall comply with all current and future statutes, regulations, rules, ordinances and orders of any governmental or quasi-governmental entity including without limitation environmental statutes, regulations, rules ordinances and orders affecting the use operation or maintenance of the Vehicles (collectively "Applicable Laws").
- e)** Customer shall avoid abusive handling and concentrated or excessive loads.
- f)** Customer shall provide STL with any Vehicle operation data as may be required by any governmental agency and such data shall be true and accurate and:
- g)** upon reasonable request. Customer shall make the Vehicle available to STL for inspection. Customer shall not use or permit the Vehicle to be used for third-party advertising purposes without STL's prior written consent. Customer shall not remove any advertising placed by STL on the Vehicle without STL's prior written consent.

### **6. MAINTENANCE.**

**a)** At Customer's sole cost and expense Customer shall:

**I** Provide daily safety inspections of the Vehicle and maintain proper axle lubricants levels, tire inflation and repair brake operation and lighting. Customer shall not purchase replacement tires for STL's account or change STL for any expense except upon STL's prior written consent.

**II** Maintain the Vehicle in the same condition as when delivered excepting normal wear and tear making all necessary repairs and replacements.

**III** Reimburse STL for tires damage by improper inflation impacts breaks, running flat or flat spotted tires.

**IV** Pay STL the fair market value of tires supplied or paid for by STL that are not returned with the Vehicle, and

**V** deliver the Vehicle to the Delivery Branch when requiring inspection tire or brake replacement, alignment, maintenance, or repairs required to be performed by STL.

**b)** At STL's sole cost and expense, STL shall:

**I** Inspect lubricate and provide maintenance for normal wear and tear as reasonably required to maintain the Vehicle in good repair mechanical condition and running order and

**II** **replace** tires and brakes on the Vehicle in accordance with Federal and State Vehicle safety regulations.

## **7. HAZARDOUS MATERIALS.**

**a)** Customer shall not transport load or store in or on the Vehicle any medical wastes, hazardous wastes, infectious materials, poison gases, radioactive materials or explosives (collectively "Ultra hazardous Materials"). If STL determines that customer has used the Vehicle for such purposes, STL in its sole discretion may require Customer to purchase the Vehicle at 115% of such Vehicle's FMV (as defined below) prior to use for such purposes.

**b)** If the Vehicle is damaged, contaminated, stained, soiled or tainted by Ultra hazardous Materials or any other substances, customer shall promptly restore such Vehicle to its condition on the Commencement Date and, if decontaminated provide proof of such decontamination including without limitation methodology and pre and post decontamination sampling results STL in its sole discretion and at Customer's sole cost may have the Vehicle inspected and tested for any hazardous substance or material. If customer fails to restore any damaged, contaminated, stained ,soiled or tainted Vehicle within seven (7) business days of STL's demand, STL may at its sole discretion **(I)** Require customer to purchase the Vehicle at 115% of such Vehicle's FMV prior to use for such purposes or **(II)** Restore such Vehicle and invoice customer for costs incurred.

## **8. HOLD HARMLESS / LIMITATION OF LIABILITY.**

**a)** Customer shall defend indemnify and hold STL harmless from:

**I** any loss or damage STL may sustain as a result of any damage to or loss of the Vehicle due to any cause, including without limitation collision, fire lightning, theft, explosion, flood, windstorm, Act of God, act of war or terrorism.

**II** any loss or damage STL may sustain as a result of the death or injury to or damage to the property, including cargo of any person as a result in whole or in part of the use or condition of the Vehicle.

**III** any loss, claim liability, damages, expense or disbursement, penalty, fine or citation disposal remediation or corrective action cost, or forfeiture or seizure that may arise in whole or in part from the delivery ownership operation, maintenance use or condition actual or alleged of the Vehicle or that may arise from the failure actual or alleged of Customer to use and maintain the Vehicle as provided under this Agreement and in compliance with Applicable Laws, unless such loss or damage arises from STL's gross negligence, or that may arise from the breach of Customer's covenants under this Agreement.

**IV** any claim lien or liability arising from work performed or for materials supplied in connection with the operation or maintenance of the Vehicle, and

**V** any sale uses stamp or other taxes, levies imposts duties charges or withholdings of any nature whatsoever together with any penalties fines or interest thereon imposed against STL. Customer or the Vehicles or any part thereof by any foreign, federal, state or local government or taxing authority during the Lease Term or in connection with the termination of this Agreement upon or with respect to the Vehicles or any part thereof or upon the purchase ownership, delivery, leasing, possession, use, operation, return or other disposition thereof or upon the rentals receipts or earnings arising there from or upon or whit respect to this Agreement excluding however any taxes imposed by any taxing authority on based on or measured by the income of STL. Customer shall not absent STL's prior written consent settle or compromise any claim against STL unless such settlement or compromise unconditionally and absolutely releases STL. Customer indemnification obligation under this Agreement shall in each case include attorneys' fees and costs and shall survive the termination of this Agreement.

**b)** STL shall not be liable in connection with this Agreement for incidental, special, indirect, consequential or exemplary damages of any kind, including without limitation, lost profits and business interruption damages, or damage to cargo

suffered by Customer or any other party. No right of STL under this section may be waived unless in writing and signed by a corporate officer of STL.

**9. INSURANCE.**

- a)** Customer shall at its sole cost and expense procure and keep in full force and effect from the Commencement Date until the return of the Vehicle, valid and pre-paid Commercial Auto Liability insurance and Commercial Auto Physical Damage or Trucker's Liability insurance and Trucker's physical damage policies satisfactory to STL with coverage for:
- I)** hired autos (trailers) for bodily injury and property damage liability with a minimum combined single limit of one million dollars (\$1,000,000) per occurrence or, if the Vehicle is used to haul or store acceptable hazardous materials a minimum combined single limit of five million dollars (\$5,000,000) per occurrence and either an Environmental Impairment Liability or Pollution Liability endorsement equal to the combined single limit per occurrence or a separate policy for Environmental Impairment Liability or Pollution Liability with a minimum combined single limit of five million (\$5,000,000) per occurrence. **II)** hired autos (trailers) for physical damage providing collision and comprehensive coverage with limits equal to the fair market value of the Vehicle with STL named as loss payee and **III)** Commercial General Liability with contractual liability coverage for hold harmless agreements with a minimum combined single limit of one million dollars (\$1,000,000) per occurrence.
- b)** If the Vehicle is used solely for stationary storage of non-hazardous materials, Customer may provide only the coverage set forth in clause (a) (III), If the Vehicle is used solely for stationary storage of acceptable hazardous materials, Customer may provide only the coverage set forth in clause (a) (III) with a combined single limit of five million dollars (\$5,000,000) per occurrence and either an Environmental Impairment Liability or Pollution Liability endorsement equal to the combined single limit per occurrence or a separate policy for Environmental Impairment Liability or Pollution Liability with a minimum combined single limit of five million (\$5,000,000) per occurrence. Each of the foregoing liability policies shall name STL an additional insured.
- c)** All policies required in this Agreement shall require written notice to STL at least thirty (30) days prior to cancellation or material change. Customer shall provide STL with prompt written notification of any accident or other event involving the Vehicle that may give rise to claims against STL. Customer shall deliver to STL valid certificates of insurance evidencing that insurance coverage in compliance with this Section 9 is in force. The first such certificate shall be delivered within 21 days of the Commencement Date and thereafter a renewal certificate shall be delivered prior to expiration of the then outstanding certificate. Failure by STL to demand or collect any such certificate shall not waive its rights under this Section or any other provision of this Agreement.

**10. COLLISION DAMAGE WAIVER.**

If Customer accepts the Collision Damage Waiver ("CDW") and pays all required charges as set forth in this Agreement Customer shall not be liable to STL for loss or damage to the Vehicle arising from collision and upset and/or the specified perils of fire lightning, theft, explosion, flood, windstorm, hail, earthquake, vandalism or roof damage in excess of the CDW deductible, unless such loss or damage arises from non-compliance with Customer's obligations under this Agreement and Customer shall not be required to provide comprehensive Insurance coverage for physical damage to the Vehicle, CDW shall not be applicable to and the following are excluded:

- a)** Tire and/or wheel theft unless the Vehicle is stolen.
- b)** Tire damage unless the tires are damaged as a result of a collision.
- c)** Unlawful operations.
- d)** Vehicle upset due to load shift improper operation.
- e)** Driver negligence including failure to obey all traffic laws and road signs.
- f)** Floor damage resulting from improper loading or unloading of the Vehicle.
- g)** Damage caused by the hauling of hazardous materials or ultrahazardous materials.
- h)** Vehicle sublet without STL's written consent, or the transfer or assignment of this Agreement to another party without STL's written consent.
- i)** Failures to properly maintain equipment during the lease term.
- j)** Alterations to the Vehicle by Customer or
- k)** Use of unauthorized (unlicensed or improperly licensed) drivers, Customer shall indemnify and hold STL harmless from and against all losses, damages and expenses not covered by CDW. **CUSTOMER ACKNOWLEDGES THAT CDW IS A DAMAGE WAIVER PROGRAM, NOT INSURANCE COVERAGE.** Customer shall report any loss or damage to the Vehicle to STL within 48 hours of occurrence provide any requested documentation and fully cooperate with STL non-compliance with this Section shall void the CDW liability limitation. STL may change the CDW rates or cancel CDW upon

10 days written notice. In the event of CDW cancellation. Customer shall immediately provide comprehensive coverage for physical damage in accordance with Section 9.

**11. SAFETY INSPECTION.**

Customer shall be solely responsible for ensuring that the Vehicle is in compliance with all applicable safety regulations. Customer shall perform and pay for all required safety inspections and shall maintain proper documentation evidencing said inspections.

**12. LICENSES.**

STL, at its sole cost and expense shall procure licenses and registrations required for the lawful operation of the Vehicle in the state specified as the Registration State on the SLA.

**13. TAXES.**

- a) Customer shall cooperate and provide necessary Vehicle usage information to STL, including without limitation prorated fleet mileage days in various jurisdictions, and garage locations.
- b) In order to avoid recapture of any tax benefit claimed by STL with respect to the Vehicle, including but not limited to any deduction allowable under Section 168 and related Sections of the internal Revenue Code of 1986 as amended (the "Code"), Customer shall:
  - I) Use the Vehicle predominantly within the continental United States within the meaning of the Code and
  - II) Neither take nor permit any action that will cause the Vehicle to be considered tax-exempt use property within the meaning of the Code or would otherwise cause the Vehicle not to qualify for modified accelerated cost recovery deductions under the Code.

**14. MILEAGE AND USE CHARGES.**

- a) Miles traveled in excess of the daily free mileage, if any, set forth on the SLA shall be billed each billing period on an estimated.
- b) Refrigerated van running time in excess of the Reefer Hour Allowance, if any, shall be billed each billing period for each refrigerated Vehicle on an estimated basis. If the actual clock reading indicates more hours run than billed as of the date of such reading then at STL's option the clock reading shall constitute the basis for an adjusted hourly billing.
- c) Customer shall immediately notify STL if any hub odometer or refrigerated van clock has been removed or fails to function properly, in which case, the applicable mileage and/or refrigeration hours usage shall be the higher of the mileage or hours usage indicated by STL's records for Customer from prior transactions or eighty (80) miles per day and ten (10) refrigeration hours per day.
- d) In addition to the brake wear and tread wear charges set forth in the SLA, if upon the return of the Vehicle or upon the replacement of any tire by STL, tread wear exceeds  $1/32^{\text{nd}}$  inch per tire for each five thousand (5,000) miles traveled for a Vehicle with bias ply tires or ten thousand (10,000) miles for a Vehicle with radial tires. Customer shall pay STL a charge, base upon the then current tire price, for each  $1/32^{\text{nd}}$  inch or fraction thereof of tread wear in excess of such allowances. If upon the return of the Vehicle or replacement of brakes by STL brake wear is in excess of  $1/8^{\text{th}}$  inch for each twelve thousand five hundred (12,500) miles traveled, Customer shall pay STL a charge, based upon the then current price for a brake reline service, for each  $1/8^{\text{th}}$  inch or fraction thereof of lining wear in excess of such allowance. Customer shall be responsible for the replacement cost for cracked or scored brake drums.

## **15. EVENTS OF DEFAULT.**

The occurrence of one or more of the following shall constitute an Event of Default:

- a)** Customer fails to pay when due any rent or any other payment under this Agreement.
- b)** Customer fails to perform any other term or condition of this Agreement and such failure remains unremedied for more than ten (10) days after STL has requested Customer to perform, except if such default arises due to noncompliance with Section 9 which default shall become effective immediately.
- c)** Customer or any guarantor of Customer
  - I)** becomes insolvent
  - II)** commits an act of bankruptcy
  - III)** becomes subject to any bankruptcy proceedings
  - IV)** makes an assignment for the benefit of creditors
  - V)** appoints or submits to the appointment of a receiver for all or any of its assets
  - VI)** admits in writing its inability to pay its debt as they become due, or
  - VII)** enters into any type of voluntary or involuntary liquidation.
- d)** Customer defaults under any other agreement with STL or any affiliate of STL or any material obligation for the payment of borrowed money or for the deferred purchase price of property and such default shall have been declared.
- e)** any letter of credit guaranty or other security given to secure the performance of this Agreement shall expire, terminate or become worthless in the opinion of STL.
- f)** Customer shall make or permit any unauthorized Lien (as defined below) against or assignment or transfer of this Agreement the Vehicle or any interest therein.
- g)** any certificate statement representation warranty or audit contained in this Agreement or furnished to STL by or on behalf of Customer proving to have been false in any material respect at the time ass of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Customer.
- h)** there is a substantial change in Customer's financial condition:
- i)** Customer shall have terminated its corporate existence consolidated with merged into or conveyed or leased a substantial portion of its assets to any person unless not less than thirty (30) days prior to such event: (1) such person executes and delivers to STL an agreement satisfactory in form and substance to STL in its sole discretion containing such person's effective assumption and its agreement to pay perform comply with and otherwise be liable for in a due and punctual manner all of Customer's obligations having previously arisen or then or thereafter arising under this Agreement; and (2) STL is satisfied as to the creditworthiness of such person and as to such person's conformance to the other standard criteria then used by STL for such purposes; or
- j)** if Customer is a privately held corporation and effective control of Customer's voting capital stock issued and outstanding from time to time is not retained by the present stockholders (unless Customer shall have provided thirty (30) days prior written notice to STL of the proposed disposition of stock and STL shall have consented thereto in writing) .

## **16. REMEDIES UPON DEFAULT.**

Upon any Event of Default, STL may at its option and without demand or notice to Customer, do any one or more of the following:

- I)** pay all amounts required to be paid or perform or cause to be performed all obligations required to be performed by Customer under this Agreement and charge Customer as additional rent the amount paid or the reasonable value of all services performed therefor together with interest thereon at the Late Charge Rate.
- II)** declare the net present value of the entire balance of Rent for the remainder of the Lease Term discounted by the rate for commercial paper placed directly by General Electric Capital Corporation with an average maturity of ninety (90) days as published in the Eastern Edition of the Wall Street Journal on the date of this Agreement immediately due and payable by acceleration and recover such amount as liquidated damages, the reasonableness of such damages being acknowledged by Customer.
- III)** suspend STL's maintenance and repair obligations; or
- IV)** cancel this Agreement and Customer's rights hereunder and require Customer at its sole cost to promptly return the Vehicle to STL at such locations as STL may designate. No termination repossession or other act by STL after default by Customer shall relieve Customer from any of its obligations hereunder. In addition, Customer shall pay to STL on demand all fees, costs and expenses incurred by STL in enforcing its rights under this Agreement including without limitation reasonable attorney's fees and others expenses incurred by reason of any default or the exercise of STL's rights or remedies, including all expenses incurred in connection with the return of the Vehicle in the condition required by Section

19 of this Agreement and all other pre-judgment and post-judgment enforcement related actions taken by STL Customer shall also be liable for interest at the Late Charge Rate which shall accrue and be payable with respect to all amounts becoming due pursuant to this Section from and after the due date therefor until payment of the full amount thereof is made. In addition upon the occurrence of an Event of Default, STL shall have the immediate right, without notice demand or other action to set-off against Customer's liabilities or obligations to STL any amounts of Customer that STL may hold as prepayments, deposits or otherwise. Unless prohibited by law, STL shall be deemed to have exercised such right of set-off and to have made a charge against any such sums immediately upon the occurrence of any Event of Default by Customer. The remedies provided in favor of STL shall be cumulative and in addition to all other remedies provided in this Agreement or existing at law or in equity.

**17. REPOSSESSION.**

If Customer fails or refuses to promptly return the Vehicle to STL after demand for such return or if an Event of Default has occurred and is continuing. STL shall have the right to enter upon any premises where the Vehicle is located and take immediate possession of and remove the Vehicle and shall be deemed Customer's agent for such purposes if STL takes possession of the Vehicle with other property contained in , upon or attached to such Vehicle STL may take possession of such property and hold it in its own or public storage for the account and at the expense of Customer or dispose of such property in a commercially reasonable manner with no further liability.

**18. WARRANTY DISCLAIMER.**

Customer acknowledges receipt of the Vehicle in good and satisfactory condition STL IS NOT A SUPPLIER OR MANUFACTURER (AS SUCH TERMS ARE DEFINED OR USED IN THE UNIFORM COMMERCIAL CODE). **THE VEHICLE IS LEASED UNDER THIS AGREEMENT "AS IS", AND STL HAS NOT MADE AND HEREBY DISCLAIMS LIABILITY FOR AND CUSTOMER HEREBY WAIVES ALL RIGHTS AGAINST STL RELATING TO ANY AND ALL WARRANTIES REPRESENTATIONS OR OBLIGATIONS OF ANY KIND WITH RESPECT TO THE VEHICLE EITHER EXPRESS OR IMPLIED ARISING BY APPLICABLE LAW OR OTHERWISE INCLUDING ANY OF THE SAME RELATING TO (a) MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE (b) COURSE OF PERFORMANCE COURSE OF DEALING OR USAGE OR TRADE OR (c) TORT (WHETHER OR NOT ARISING FROM THE ACTUAL IMPLIED OR IMPUTED NEGLIGENCE OF STL OR STRICT LIABILITY) WITH RESPECT TO THE VEHICLE INCLUDING ITS TITLE OR FREEDOM FROM LIENS, FREEDOM FROM TRADEMARK PATENT OR COPYRIGHT INFRINGEMENT, FREEDOM FROM LATENT DEFECTS (WHETHER OR NOT DISCOVERABLE), CONDITION, MANUFACTURE, DESIGN, SERVICING OR COMPLIANCE WITH APPLICABLE LAW.**

**19. VEHICLE RETURN.**

**a)** Customer shall return the Vehicle to STL at the Return Location free of all liens and encumbrances and in good condition normal wear and tear excepted with tires and brakes maintained in accordance with Section 6 (a), and all Customer identification logos and decals together with any residue therefrom removed to STL's satisfaction in the event Customer returns the Vehicle to any other location Customer shall pay all costs incurred by STL in returning said Vehicle to the Return Location in addition to STL's other rights and remedies under this Agreement or if the Vehicle is not returned in a timely fashion Customer shall continue to pay to STL Rent for such Vehicle during the period of delay in redelivery (the "Return Date") STL's acceptance of a Vehicle at any STL location prior to the completion of the term does not constitute a termination of the Agreement for such Vehicle unless agreed to in writing by Customer and STL. STL reserves the right to change the Return Location upon ten (10) days prior written notice to Customer.

**b)** In the event that the Vehicle shall become totally destroyed, stolen or otherwise unavailable to or unusable by Customer for the balance of the Lease Term. Customer shall provide prompt notice to STL and shall pay to STL on the next rent payment date an amount calculated as 115% of the Fair Market Value of the Vehicle (FMV) prior to such damage destruction or loss, less any insurance proceeds actually received by STL with respect to such Vehicle, At its sole option STL may provide a substitute vehicle for the balance of the Lease Term.

**c)** FMV shall be determined by STL to be the value that would be obtained in an arm's-length transaction between an informed and willing buyer and seller under no compulsion to buy or sell.

**d)** In the event of damage to the Vehicle which does not constitute the total loss or destruction of such Vehicle, Customer shall at its sole cost and expense promptly repair and restore the Vehicle to the condition required by this Agreement.

**20. ASSIGNMENT.**

**a)** WITHOUT THE PRIOR WRITTEN CONSENT OF STL CUSTOMER WILL NOT ASSIGN, TRANSFER OR ENCUMBER ANY OF ITS RIGHTS OR OBLIGATIONS HEREUNDER OR ITS LEASEHOLD INTEREST OR SUBLET THE VEHICLE.

No assignment or sublease whether authorized pursuant to this Section or in violation of the terms this Section shall relieve Customer of its obligations and Customer shall remain primarily liable hereunder. Any unpermitted assignment transfer encumbrance delegation or sublease by Customer shall be void ab initio.

**b)** STL may assign any or all of this rights obligations, title and interest under this Agreement.

**c)** Subject always to the foregoing this Agreement inures to the benefit of and is binding upon the successors and assigns of the parties hereto.

**21. TITLE / FINANCING STATEMENTS.**

This Agreement is a lease and not a sale and Customer shall not acquire any right, title or equitable interest in the Vehicle or its title STL reserves to itself, its successors and assigns at all times during the Lease Term, the right to place or maintain in one or more locations upon the Vehicle STL's or its designee's, name logo or similar designation.

**22. LIENS AND ALTERATION.**

Customer shall keep the Vehicle free from any liens claims or encumbrances attachments, rights of others and legal processes ("Liens") of creditors of Customer or any other persons. Customer will defend at its own expense STL's title to the Vehicle from such Liens. Customer shall also notify STL promptly upon receipt of notice of any Lien affecting the Vehicle Customer shall not without STL's prior written consent make or suffer any changes alterations or improvements (including logos and decals) in or to said Vehicle or remove therefrom any parts accessories attachments or other equipment. Any modification or addition to the Vehicle which is required by law shall be made by Customer at its expense. Title to all parts improvements and additions to the Vehicle shall vest in STL immediately without cost or expense to STL or any further action by any other person.

**23. RENEWAL.**

In the event that Customer shall without further written agreement continue to hold the Vehicle upon the expiration of its Lease Term STL at its option may:

**a)** renew this Agreement for a term and at lease rates specified in writing by STL upon ten (10) days prior notice; or

**b)** demand the immediate return of the Vehicle to the Return Location in the event that STL does not elect either (a) or (b) above any period during which Customer continues to hold the Vehicle shall be billed at STL's standard card rates, subject to change at any time by STL with advance notice to Customer and under the terms and conditions set forth in this Agreement.

**24. Notices.**

Any notice request or demand given under this Agreement whether or not required shall be valid only if in writing and shall be deemed effective three (3) days following deposit in a United States Post Office if mailed by certified mail return receipt requested, postage, prepaid, or upon receipt if delivered by a nationally recognized carrier addressed to STL to the attention of Contracts Administration, Southwest Trailer Rentals, 6682 Gateway Park Drive San Diego, Ca. 92154 and to Customer at the address set forth in the SLA or at such other address as either party may designate in writing.

**25. ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings of the parties. Except as set forth below, this Agreement may not be amended or altered in any manner unless in a writing signed by duly authorized representatives of Customer and STL.

**26. WAIVER.**

The failure of STL to insist at any time upon the strict performance of any of the terms covenants or conditions of this Agreement or to exercise any right or remedy herein, or the waiver by STL of any breach of any of the terms, covenants or conditions of this Agreement shall not be construed as thereafter waiving any such terms, covenants, conditions, rights or remedies.

**27. MISCELLANEOUS.**

The form of this Agreement is intended for general use in the Continental United States and, in the event that any of the terms and provisions hereof are in violation of or prohibited by any law, statute, regulation, ordinance or order such terms and provisions shall be deemed amended to conform thereto without invalidating any other terms or provisions of this Agreement.

**This Agreement and the parties' rights and obligations hereunder shall be governed by the laws of the Commonwealth of California. Customer hereby submits to the non-exclusive jurisdiction and venue of any courts of the Commonwealth of California sitting in San Diego County, California and the United States District Court for the district containing such county.**

Section headings are for convenience only and shall not affect the construction or interpretation of this Agreement.

I, \_\_\_\_\_, have read and understand all the Terms and Conditions and agree to them.

Officer of the company signature: \_\_\_\_\_ Date: \_\_\_\_\_