

**TRANSPORT SERVICES, INC.**  
**STANDARD TERMS AND CONDITIONS**

LESSEE: \_\_\_\_\_

TRAILER RENTAL AGREEMENT NO. \_\_\_\_\_ (the "Agreement")

**Lessee or its authorized agent hereby acknowledges receipt of Lessor's Standard Terms and Conditions and further acknowledges and accepts these Standard Terms and Conditions form part of the Rental Trailer Agreement.**

LESSEE OR ITS AUTHORIZED AGENT:

Signature: \_\_\_\_\_

Print: \_\_\_\_\_

Date: \_\_\_\_\_

1. **AUTHORIZATION TO ENTER INTO AGREEMENT & ACCEPTANCE OF STANDARD TERMS AND CONDITIONS.** By submitting or completing the Rental Trailer Agreement, taking possession of the Trailer, completing payment of any invoices to Lessor or entering into any other transaction with Lessor, Lessee and Lessee's representatives, employees, drivers and agents represent and warrant that they are authorized by Lessee to enter into this Agreement and other transactions with Lessor and expressly acknowledges receipt and on-going acceptance of Lessor's Standard Terms and Conditions as such Standard Terms and Conditions may be amended from time-to-time. The most current version of Lessor's Standard Terms and Conditions is posted on Lessor's website ([www.TransportServices.com](http://www.TransportServices.com)). Lessee may request a copy of Lessor's current Standard Terms and Conditions at any time from Lessor pursuant to the notice provisions set forth herein.

2. **TERM.** The rental term for the Trailer shall commence on the earlier of: (a) the day the Trailer is accepted by Lessee as reflected in the Agreement; or (b) the day the Trailer is available for delivery to or pickup by Lessee, and shall terminate on the day the Trailer is returned to Lessor, subject to the provisions set forth herein. Lessor may, at any time upon seven days prior written notice to Lessee, terminate this Agreement and require Lessee to return the Trailer in accordance with the provisions below. On the termination date, the Agreement shall terminate except with respect to the provisions contained herein that expressly survive the termination date including, without limitation, limitations of liability, indemnity, confidentiality, payment and billing.

3. **RENTAL AND USE CHARGES.** During the rental term of this Agreement, Lessee shall pay Lessor all applicable rental and use charges associated with the Trailer, as specified in the Agreement. These rental and use charges may include, but are not limited to:

A. **RENTAL CHARGES.** Lessee shall pay Lessor the rental charges pursuant to the "Rental Schedule" set forth in the Agreement.

B. **MILEAGE.** Lessee shall pay Lessor any mileage charges for actual miles traveled by the Trailer pursuant to the "Mileage Calculation" set forth in the Agreement. Miles traveled will be measured by a hubodometer or other such tracking device attached to each Trailer. Lessee shall report a hubodometer reading of the Trailer on a monthly basis. Lessee shall immediately notify Lessor of any failure or malfunction of a hubodom eter. In the event that Lessee fails to report a hubodometer reading as required by this section or the hubodometer is missing or fails to function properly, Lessee shall pay Lessor a mileage charge based on the average miles historically traveled by similar Trailers rented from Lessor, as determined by Lessor.

C. **TIRE WEAR.** Pursuant to the terms of the maintenance plan selected by Lessee, Lessee shall pay Lessor a charge for tire wear. The tire depth of each tire will be measured by Lessor in increments of thirty-two seconds (1/32nds) of an inch at the time of delivery to or pick up by Lessee. A similar measurement will be made by Lessor upon return of the Trailer to Lessor. Tire depth shall be measured at the lowest point of remaining tire tread.

D. **BRAKE WEAR.** Pursuant to the terms of the maintenance plan selected by Lessee, Lessee shall pay Lessor a charge for brake lining wear. The brake lining drum will be measured by Lessor in increments of one-eighth (1/8<sup>th</sup>) of an inch at the time of delivery to or pick up by Lessee. A similar measurement will be made by Lessor upon return of the Trailer to Lessor.

4. **PAYMENT TERMS.** Lessor shall invoice Lessee for all applicable rental and use charges and Lessee hereby agrees that its obligation to pay said rental and use charges is absolute, unconditional and not subject to any abatement or recoupment whatsoever. In the event that Lessee fails to pay any amounts invoiced by Lessor within ten days of the date of an invoice, the past due amount shall bear interest at the rate of one and one half percent (1 ½ %) per month until paid in full. If Lessee provides Lessor with a check, or authorizes Lessor to collect payments through a pre-authorized payment, electronic payment, or any other form of payments that is returned due to insufficient funds, or payment is otherwise declined, the Lessee shall be subject to and agrees to pay Lessor an additional processing fee of One Hundred Dollars (\$100.00) for each such occurrence.

5. **LESSEE'S OBLIGATIONS CONCERNING ACCEPTANCE, USE, INSPECTION, OPERATION AND MAINTENANCE.**

A. Lessee acknowledges that the Trailer is in good repair, working condition and free from known defects, fit for its designated purpose and unconditionally accepts the Trailer in "as is" condition.

B. Lessee shall be conclusively presumed to be in possession of the Trailer from the moment the Trailer is delivered to or pickup by Lessee until the moment that Trailer is returned to, and accepted by, Lessor. Lessee shall bear the risk of all-direct, indirect or consequential loss, damage or deprivation of use, of the Trailer during the term of the Agreement.

C. Lessee shall be responsible for determining whether the Trailer is fit and sufficient for the designated purpose for which Lessee intends to utilize the Trailer.

D. Lessee shall not permit the Trailer to be used, operated, maintained or stored in an improper, careless or any other manner that would result in damage to the Trailer or any other manner otherwise than for the uses contemplated by the manufacturer thereof.

E. Lessee shall not permit any unlawful use, operation or handling of the Trailer and shall, at its sole cost and expense, comply with all applicable federal, state and local laws, rules and regulations that affect, or are otherwise applicable to, the use, operation, storage and possession of the Trailer by Lessee, including, without limitation, all DOT compliance requirements, daily pre-trip inspections and safety inspections.

F. Lessee is responsible for all damage to the Trailer and must immediately notify Lessor of any known, suspected and/or potential mechanical failure or problem.

G. Lessee shall not permit the Trailer to be moved beyond the territorial limits of the continental United States.

H. If Lessee's use of the Trailer is designated as "Storage," the Trailer is intended for storage use only and should not be used to transport any goods and/or freight over the road. If Lessee, following delivery of a Trailer designated for use as a storage trailer, operates the Trailer over the road in violation of this provision, Lessee shall be responsible for all drayage and road service charges and Lessee shall pay Lessor a mileage charge of ten cents (\$.10) per mile traveled by such Trailer following initial delivery to Lessee.

6. **TAXES AND LICENSES.** Lessor shall, at its expense, register and license the Trailer under the motor vehicle laws of such state in the United States as Lessor may select. Lessee assumes all responsibility to obtain and maintain any and all additional licenses, permits and other certificates as may be required by any state, federal or local law, rule or regulation relating to Lessee's lawful use and operation of the Trailer. Lessee assumes all responsibility for, and shall pay when due, all applicable taxes and charges (governmental or otherwise), either now or hereafter imposed, relating to the use, operation and/or possession of the Trailer, together with all related interest and penalty charges, excluding only net income taxes assessed against Lessor.

7. **MAINTENANCE.** Lessor has three levels of service, which are described below. The applicable level of service is indicated in the Agreement, or in the absence of such indication is deemed to be Net. Under all service levels, Lessee is solely responsible for checking the hub oil level of the Trailer daily and adding oil as required. In the event that Lessor performs repairs for which Lessee is responsible hereunder, Lessee shall pay for such services at a rate of \$75 per hour for labor and Lessor's then current prices for parts. Lessor shall have the right to inspect all maintenance or repairs performed on the Trailer by anyone other than Lessor, and to correct, at Lessee's sole cost and expense, all defects in materials or workmanship that, in Lessor's sole discretion, result from the Lessee's use operation, maintenance and /or repair of the Trailer. If Lessee replaces any parts, accessories or tires, such replacement item(s) shall be comparable in quality to the item(s) being replaced as of the time when the Trailer was first accepted by Lessee, and shall become the property of Lessor immediately upon attachment to the Trailer. Lessee shall maintain all records relating to the maintenance, repairs and use of the Trailer at its principal place of business and Lessor, upon request, shall be permitted to examine said records and/or inspect the Trailer during normal business hours.

To the extent Lessee is unable to return the Trailer to Lessor's designated facility due to exigent circumstances, Lessee shall contact Lessor to locate an acceptable third-party vendor to perform the necessary maintenance and/or repair. Under no circumstances will Lessor be obligated to pay, or otherwise credit/reimburse, Lessee for any maintenance and/or repair performed by any non-Lessor party (including Lessee and all third parties) without Lessor's prior written approval and consent to said repair, maintenance and associated charges. Moreover, under no circumstances shall Lessor be obligated to pay, or otherwise credit/reimburse, Lessee for any expenses relating to any maintenance and/or repair: (i) that does not constitute normal wear and tear including, without limitation, damage; and/or (ii) performed by, or otherwise caused by, services provided by a non-Lessor party without Lessor's prior written consent and approval.

A. **NET.** Lessee shall, at Lessee's expense, maintain the Trailer in good operating order and in the same condition and appearance as when accepted by Lessee. Lessee's obligation hereunder extends to the maintenance and, when necessary, the replacement, of all parts, accessories and tires.

B. **STANDARD.** Lessor shall perform preventive maintenance and all other maintenance occasioned by normal brake and tire wear whenever the Trailer is returned to Lessor's facility designated in the Agreement as the service location; provided however, that as a condition to Lessor's obligation hereunder, Lessee shall return the Trailer to the service location for preventive maintenance servicing at least every six (6) months during the term of this Agreement. Lessee shall be responsible for, and shall solely bear the cost and expense of, all other required maintenance and repairs (including, without limitation, all road calls for maintenance service). Lessee shall, at its sole cost and expense, maintain and repair the Trailer in good operating order, condition and appearance, and pay all costs associated with all shuttling of the Trailer to and from any repair facilities. Lessee shall be responsible for, and shall solely bear the cost and expense of, all maintenance and repairs required due to Lessee's failure to make the Trailer available to Lessor for servicing as stated above. Lessor shall (upon Lessee's request and for Lessee's account) perform the repairs for which Lessee is responsible hereunder whenever the Trailer is made available to Lessor at a location within the designated service region.

C. **FULL.** Lessor shall perform preventive maintenance and all other maintenance occasioned by normal wear and tear whenever the Trailer is returned to Lessor's facility designated in the Agreement as the service location; provided however, that as a condition to Lessor's obligation hereunder, Lessee shall return the Trailer to the service location for preventive maintenance servicing at least every six (6) months during the term of this Agreement. Lessee shall be responsible for, and shall solely bear the cost and expense of, all other required maintenance and repairs (including, without limitation, all road calls for maintenance service). Lessee shall, at its sole cost and expense, maintain and repair the Trailer in good operating order, condition and appearance, and pay all costs associated with all shuttling of the Trailer to and from any repair facilities. Lessee shall be responsible for, and shall solely bear the cost and expense of, all maintenance and repairs required due to Lessee's failure to make the Trailer available to Lessor for servicing as stated above. Lessor shall (upon Lessee's request and for Lessee's account) perform the repairs for which Lessee is responsible hereunder whenever the Trailer is made available to Lessor at a location within the designated service region.

8. **LIMITED WARRANTIES.** BY TAKING POSSESSION OF THE TRAILER, LESSEE ACKNOWLEDGES RECEIPT OF THE TRAILER IN GOOD REPAIR AND WORKING CONDITION AND THAT THE TRAILER IS FIT AND SUFFICIENT FOR LESSEE'S INTENDED USE. TO THE MAXIMUM EXTENT PERMITTED UNDER LAW, LESSEE HEREBY WAIVES THE PROVISION OF ANY STATE LAW LIMITING OR PROHIBITING A GENERAL RELEASE. LESSOR IS NOT A SUPPLIER OR MANUFACTURER (AS SUCH TERMS ARE DEFINED OR USED IN THE UNIFORM COMMERCIAL CODE OR OTHERWISE). NO WARRANTY, EXPRESS OR IMPLIED, IS MADE BY LESSOR OF THE QUALITY, DESIGN, MANUFACTURE, CONDITION OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE TRAILER. LESSEE HEREBY WAIVES ANY AND ALL CLAIMS AGAINST LESSOR FOR ANY AND ALL LOSS OR LIABILITY (INCLUDING, WITHOUT LIMITATION, CARGO LOSS) RESULTING FROM ANY DEFECTS OR FAILURES OF DESIGN, MATERIALS, CONDITION OR FITNESS FOR ANY PARTICULAR USE OF THE TRAILER, EITHER LATENT OR PATENT.

LESSOR EXPRESSLY DISCLAIMS AND LESSEE EXPRESSLY WAIVES ALL OTHER WARRANTIES WITH RESPECT TO THE TRAILER, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NON-INFRINGEMENT. EXCEPT FOR THE LIMITED WARRANTIES CONTAINED IN THIS PROVISION, THE TRAILER IS PROVIDED ON AN "AS IS" BASIS WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND.

9. **LESSEE'S INDEMNIFICATION OBLIGATIONS.** FOR PURPOSES OF THESE STANDARD TERMS AND CONDITIONS, THE TERM "INDEMNIFIED PARTIES" SHALL REFER TO LESSOR, ITS AFFILIATES AND ITS SUCCESSORS, ASSIGNS, EMPLOYEES, SHAREHOLDERS, OFFICERS, DIRECTORS, REPRESENTATIVES AND AGENTS AND THEIR RESPECTIVE HEIRS, SUCCESSORS, BENEFICIARIES, ADMINISTRATORS AND ASSIGNS.

LESSEE HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, LIABILITIES, OBLIGATIONS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) (COLLECTIVELY, "CLAIMS"), IN ANY WAY ARISING OUT OF OR INCIDENT TO THE AGREEMENT OR LESSEE'S USE, POSSESSION, MAINTENANCE, CONTROL OR CONDITION OF THE TRAILER DURING THE TERM OF THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIMS WERE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES, AND INCLUDING, ANY CLAIMS FROM OR INCIDENT TO: (i) THE ACTS OR OMISSIONS OF LESSEE AND/OR LESSEE'S EMPLOYEES, DRIVERS, AGENTS, REPRESENTATIVES AND ASSIGNS; (ii) THE PERFORMANCE, BREACH OR DEFAULT OF THE AGREEMENT BY LESSEE, OR THE ENFORCEMENT OF ANY OF THE TERMS OF THE AGREEMENT BY LESSOR; (iii) THE DEATH OR INJURY TO ANY PERSON; (iv) DAMAGE TO ANY PROPERTY; (v) DAMAGE TO, OR ANY DAMAGE OR INJURY RESULTING FROM, ANY CARGO PLACED ON OR CONTAINED IN THE TRAILER; (vi) THE VIOLATION OR ALLEGED VIOLATION OF ANY APPLICABLE FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION INCLUDING, WITHOUT LIMITATION, ANY FAILURE OR ALLEGED FAILURE TO USE, OPERATE, MAINTAIN OR CONTROL THE TRAILER IN COMPLIANCE WITH SAID APPLICABLE LAW, RULE AND/OR REGULATION; (vii) ANY TAXES AND ASSESSMENTS, INCLUDING WITHOUT LIMITATION ALL IMPORT AND CUSTOM DUTIES AND ALL WITHHOLDING, PROPERTY, SALES AND/OR USE TAXES AND ALL PENALTIES; AND (viii) ANY FINES, TOLLS, USER FEES, TRAFFIC AND PARKING VIOLATIONS, TOWING AND STORAGE EXPENSES, AND ANY OTHER SIMILAR FINES, FEES OR CHARGES.

LESSEE SHALL NOT SETTLE OR COMPROMISE ANY CLAIM AGAINST THE INDEMNIFIED PARTIES INCLUDING, WITHOUT LIMITATION, ANY CLAIM FOR WHICH LESSEE HAS ASSUMED THE DEFENSE OF THE INDEMNIFIED PARTIES, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. LESSEE SHALL REIMBURSE THE INDEMNIFIED PARTIES FOR ALL COSTS AND EXPENSES INCURRED, INCLUDING REASONABLE ATTORNEYS' FEES, TO DEFEND ANY ACTION WHICH THE LESSEE IS REQUIRED TO DEFEND PURSUANT TO THESE STANDARD TERMS AND CONDITIONS. THE TERMS OF THIS ENTIRE PROVISION SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.

10. **LIMITATION OF LESSOR'S LIABILITY.** Under no circumstances shall Lessor be liable for any incidental, indirect, special, consequential, exemplary or punitive damages of any kind, whether or not resulting from the negligence of Lessor and including, without limitation, any lost profits, business failure or interruption damages, or any damages associated with lost or damaged cargo. In no event will Lessor's total liability to Lessee exceed the amount of the rent and use charges paid by Lessee during the three (3) months immediately preceding the event that gave rise to the claim or action. The terms of this provision shall survive the termination of the Agreement.

11. **INSURANCE.** Minimum levels of insurance covering the Trailer shall be maintained by Lessee, at Lessee's sole cost and expense, with a licensed insurance carrier with an A.M. Best rating of not less than B+ and shall include the following: (i) all risk insurance covering physical loss or damage to the Trailer from any cause whatsoever. Lessor shall be named as a loss payee; (ii) comprehensive automobile liability coverage protecting Lessor from and against all loss and damage it may sustain or suffer because of death of or injury to any person, as a result of the use, possession, maintenance and/or control of the Trailer by Lessee. Coverage must include minimum limits of \$1 million combined single limit or \$1 million bodily injury and \$500,000 property damage. Lessor shall be named as an additional insured; and (iii) comprehensive general liability coverage protecting Lessor from and against any and all loss and damage it may sustain or suffer because of or injury to any person, or damage to the property of any person, as a result of the use, possession, maintenance and/or control of the Trailer by Lessee.

Coverage must include minimum limits of \$1 million general aggregate or \$1 million each occurrence and include contractual liability coverage and/or endorsement. Lessor must be named as an additional insured and loss payee.

The policies of insurance required by this provision shall be valid and in force until the Trailer is returned to Lessor. Lessee shall provide Lessor with certificate(s) of insurance evidencing the required coverage prior to delivery or acceptance of the Trailer, and thereafter with certified copies of the insurance policies as may be requested by Lessor. Such certificates shall contain a requirement that Lessor receive thirty (30) days prior written notice of the cancellation or material change to Lessee's insurance policies. All policies of insurance must carry deductible limits acceptable to Lessor. **Insolvency or failure by Lessee's insurance carrier to provide coverage for any and all loss, claim, liability or damage arising out of this Agreement shall not relieve Lessee of any of its obligations set forth in this Agreement or these Standard Terms and Conditions. Nothing contained in these insurance requirements is to be construed as limiting the extent of Lessee's liability under this Agreement. Lessee is responsible for ensuring that it maintains the minimum levels of financial responsibility required by any applicable federal, state or local law, rules and/or regulation.**

If Lessee fails to maintain the insurance required by this provision, or fails to furnish Lessor the required evidence of insurance, Lessor is, without prejudice to any other remedy that it may have, authorized, but is not obligated, to procure the insurance required by this provision, upon reasonable terms and conditions, and Lessee shall pay Lessor, as an additional payment, the amounts of all premiums paid by Lessor. The terms of this provision shall survive the termination of the Agreement.

12. **TITLE AND ENCUMBRANCES.** This transaction is a rental agreement and not a sale, conditional or otherwise. Lessee shall not acquire hereunder, or by payment of the rental, any right to, or interest in, the Trailer or any part thereof, except the right to possess and use the Trailer in accordance with the provisions of this Agreement so long, and only so long, as Lessee shall not be in default in the performance of its obligations hereunder. Lessee shall keep the Trailer free from all liens, charges and encumbrances arising in connection with Lessee's use, operation or possession of the Trailer.

13. **RETURN.** Upon the termination of this Agreement, Lessee shall, at its expense, return the Trailer to the facility of Lessor where originally accepted, or to such other facility as may be designated by Lessor. The Trailer shall be returned in good repair, and in the same condition and appearance as when accepted by Lessee. Prior to said return, all marks of identification or logos applied to the Trailer during the term of this Agreement shall be removed and the surfaces restored at Lessee's sole cost and expense. The rights created for Lessor and the obligations assumed by Lessee under this Agreement shall continue until the Trailer has been returned as required hereunder or, if returned in damaged or otherwise unsatisfactory condition, until the Trailer has been properly repaired and restored, at Lessee's sole cost and expense, to the condition required hereunder; provided however, that during any such period of continuance the rental charges payable by Lessee shall be at the rate set forth on the "Rental Schedule" of the Agreement. Lessee acknowledges and agrees that Lessor shall be under no obligation to prorate, or otherwise refund/reimburse Lessee, any unused portion of the Term that has been paid by Lessee at the time the Trailer is deemed returned, as provided by this provision.

14. **NOTIFICATION OF ACCIDENT OR LOSS.** Lessee shall, at its expense, promptly notify Lessor of each accident and each occurrence of loss involving the Trailer. Lessee's notice shall describe the time, place and nature of the accident or loss, the extent of any Trailer damage resulting therefrom, the names and addresses of all involved parties, a copy of any police report and such other information as may be known. In the event of an occurrence of loss resulting from theft and/or criminal conduct, Lessee shall immediately notify the appropriate law enforcement agency and file a report concerning the occurrence of loss. Lessee shall promptly advise Lessor of all notices or documents received by Lessee in connection with any claim, accident and/or loss relating to the Trailer and hereby agrees to cooperate with Lessor, and to take all actions requested by Lessor, in order to facilitate Lessor exercising any and all rights that it may have under law, in equity and/or pursuant to these Standard Terms and Conditions.

15. **EVENTS OF DEFAULT.** Lessee SHALL BE IN DEFAULT of the Agreement if: (i) Lessee fails to comply with any of the terms or conditions of the Agreement including, without limitation, the retention of the Trailer for the term of the Agreement and the timely payment of all invoices; (ii) Lessee is in default of any of the terms and conditions of any other agreement with Lessor; (iii) insurance required under this Agreement is not purchased or is to be cancelled or reduced or if such insurance lapses; (iv) Lessee becomes insolvent, or subject to any voluntary or involuntary bankruptcy proceeding including, without limitation, acquiescence in the appointment of a trustee or receiver, or the commencement of any dissolution or liquidation proceeding (individually/ collectively referred to as an "Event of Default").

16. **REMEDIES UPON DEFAULT.** In addition to any other rights and remedies available at law or in equity, upon the occurrence of an Event of Default, Lessor shall have the right, at its option and without demand or notice to Lessee to 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 Lessee under the Agreement and charge the Lessee as additional rent the amount paid or the reasonable value of the services performed therefore, together with interest thereon at the rate of one and one half percent (1 ½%) each month thereafter until paid in full; (ii) declare the entire balance of the remaining payments due under this Agreement immediately due and payable by acceleration and recover such amounts as liquidated damages, the reasonableness of such damage being hereby acknowledged by Lessee; (iii) take immediate possession of all outstanding Trailers, all of which is to be returned to Lessor at Lessee's sole cost and expense; (iv) terminate the Agreement, whereupon the terms and conditions of this Agreement shall continue to apply to the Trailer then in possession and control of Lessee until its return; and/or (v) calculate and recover from Lessee any lost profits and damages that Lessor would have generated had the Agreement not been prematurely cancelled. Lessee acknowledges that Lessor is under no duty to mitigate its damages resulting from an Event of Default. Lessor shall have the right, without demand or notice, to set-off Lessee's obligations to Lessor any amounts previously paid by Lessee to Lessor as deposits, pre-payments, overpayments estimated charges, fees or otherwise. The terms of this provision shall survive the termination of the Agreement.

17. **CALIFORNIA REGULATORY ADVISORY.** The California Air Resources Board has implemented the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Measure, which can be found at Section 95300 of Title 17 of the California Code of Regulations (the "HDV Regulation"). The HDV Regulation may require trailers operated in the State of California to have low rolling resistance tires and aerodynamic technologies that are U.S. Environmental Protection Agency Verified SmartWay Technologies prior to use in the State of California. Pursuant to Lessor's Standard Terms and Conditions, Lessee is solely responsible for ensuring that Lessee's use, operation and maintenance of the Trailer complies with the HDV Regulation prior to operation in the State of California. Lessee may learn more about the specific requirements of the HDV Regulation by visiting the California Air Resource Board website at <http://www.arb.ca.gov/cc/hdghg/hdghg.htm>.

18. **REPOSSESSION.** In the event of an Event of Default by Lessee, and upon demand of Lessor, Lessee shall immediately return the Trailer to Lessor. If Lessee fails or refuses to promptly return the Trailer after demand by Lessor, or if an Event of Default has occurred and is continuing, Lessor shall have the right to enter upon any premises where the Trailer is located and take immediate possession of and remove the Trailer and shall be deemed to be Lessee's agent for such purposes. All costs and expenses associated with Lessor's repossession of the Trailer shall be borne solely and exclusively by Lessee. If Lessor takes possession of the Trailer with property contained in, upon or attached to the Trailer, Lessor may take possession of such property and hold it in its own or public storage for the account, and at the sole cost and expense, of the Lessee, or, upon thirty (30) days advance written notice to Lessee, Lessor may dispose of such property in a commercially reasonable manner with no further liability to Lessee or third parties. Lessee hereby expressly waives the benefits of any federal, state or local laws, rules and/or regulations, now or hereafter enacted, exempting any leased property from replevin, distraint, levy or sale in any legal action or proceeding taken by Lessor to enforce any right under the Agreement including, without limitation, these Standard Terms and Conditions.

19. **FORCE MAJEURE.** Lessor shall not be liable for any failure to perform any obligation hereunder when prevented from so doing by act of God, war, fire, riot or civil disturbance, snow or flood, strikes or other labor trouble, or by other conditions beyond the control of Lessor.

20. **SUBORDINATION.** This Agreement is hereby made subordinate to any chattel mortgage, pledge, security agreement, conditional sale contract, lease or similar agreement applicable to the Trailers to which Lessor is bound.

21. **INDEMNITY AGAINST LOSS OF FEDERAL TAX BENEFITS.** The rental payable hereunder has been negotiated in reliance upon the understanding that Lessor or Lessor's designee shall recognize and realize for Federal Income Tax purposes the entire economic benefit of the investment tax credit and accelerated cost recovery deductions ("Tax Credits and Deductions") applicable to the Trailer in accordance with the terms of the Internal Revenue Code and Regulations in

force as of the date of this Agreement. A portion of the anticipated economic benefit has been passed through to Lessee in the form of reduced rental. If by any reason of Lessee's usage of the Trailers, Lessor or Lessor's assignee is unable to realize the full economic benefit of such Tax Credits and Deductions, Lessee shall, upon demand, pay as additional rent to Lessor an amount equal to the economic loss suffered by Lessor or Lessor's assignee as a result of the inability to realize such economic benefit.

22. **IDENTIFICATION OF INTEREST.** Lessor reserves the right to attach in one or more locations upon each Trailer, identifying marks, decals, signs or other forms of notice indicating Lessor's interests in the Trailer. Lessee shall not remove, obscure, deface or obliterate any such identifying marks or notice and shall not permit any other person to do so.

23. **SECURITY DEPOSIT.** As a condition precedent to Lessor entering into this Agreement and to Lessor delivering the Trailer to Lessee, and as security for the full performance by Lessee of the obligations set forth in this Agreement, a security deposit in an amount determined by Lessor may be required and, if required, shall be delivered to Lessor by Lessee prior to delivery or acceptance of the Trailer. Such security deposit may be used to offset any amounts due and owing by Lessee to Lessor under the Agreement. The security deposit, or any balance thereof, if any, will be returned to Lessee after the Trailer has been returned to Lessor and after dedication of any amounts due and owing by Lessee to Lessor including, without limitation, all unpaid rental and use charges and any and all costs and expenses relating to the repair and/or replacement of the Trailer.

24. **NON-WAIVER.** The failure by either party to require the strict performance of any obligation assumed by the other party hereunder, or the failure of either party to exercise any right or remedy to which it is entitled, shall not constitute a waiver nor cause a diminution of the rights or obligations set forth in this Agreement including, without limitation, these Standard Terms and Conditions. None of the provisions of the Agreement shall be held to have been waived by any act or knowledge of the parties, and may only be waived by a written instrument executed by the party to be bound thereby. Waiver of any default shall not be a waiver of any other or subsequent default.

25. **AMENDMENTS.** Lessor reserves the right to change, upon thirty (30) days written notice (or such shorter period of time as specified in the Agreement or these Standard Terms and Conditions), any term or provision of this Agreement including, without limitation, the use charges to be paid under the Agreement and these Standard Terms and Conditions. No change to the Agreement shall be effective unless in writing executed by a duly authorized representative of Lessor and delivered to Lessor pursuant to the notice provisions of the Standard Terms and Conditions.

26. **NOTICE.** All notices and other communications required or permitted to be given hereunder, shall be in writing and shall be deemed delivered to Lessee when made: (i) if by personal delivery, on the date of delivery; (ii) if by delivery by facsimile, on the date sent (as evidenced by confirmation by transmitting equipment); (iii) if by a nationally recognized overnight courier, on the next day following deposit; and (iv) if by mail, on the third business day following deposit in the mail by Lessor. Any notice sent to Lessee shall be sent to the address or facsimile number set forth in the Agreement, or such other address as may be designated by Lessee by written notice to Lessor. In the case of Lessor, any notice or communication shall be sent to Lessor, either by via Certified United States Mail or a nationally recognized overnight courier, to: Transport Services, Inc., 10499 Royalton Road, Cleveland, Ohio 44133, Attention: Risk Services Manager. Notwithstanding the foregoing, Lessee hereby agrees that Lessor may provide the Agreement, these Standard Terms and Conditions, invoices, notices and other communication to Lessee in an electronic format, via electronic mail or otherwise.

27. **ASSIGNMENT & SUCCESSORS.** Lessee shall not assign or sublease any right or interest in the Trailer, or any Agreement relating thereto, without the prior written consent of Lessor. Lessor shall have the right to assign any of its rights or interests in the Trailer, or any Agreement relating thereto, without the consent and/or approval of Lessee. For purpose of this provision, an assignment shall be deemed to have occurred if there has been a change in control of Lessee or Lessee's business, whether by merger, consolidation or reorganization, the sale of a majority of the ownership of Lessee or Lessee's ultimate parent, or a sale, assignment or transfer of all or substantially all of the Lessee's assets. Notwithstanding anything to the contrary contained herein, the Agreement and these Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties, their heirs, successors, administrators, beneficiaries and assigns.

28. **CONFIDENTIALITY.** The confidentiality of the Agreement including, without limitation, the rental and use charges applicable, are strictly confidential and shall be strictly maintained by Lessee and shall not be disclosed, released, shared, disseminated or revealed to any third party, either intentionally or inadvertently, by Lessee. Lessee shall be responsible for any violation of this provision, including any and all damages resulting therefrom, by Lessee, its shareholders, members, directors, officers, employees, drivers, agents, assigns and any other representative of Lessee that is provided with access to this strictly confidential information.

29. **CHOICE OF LAW AND VENUE SELECTION.** This Agreement shall be governed by the laws of the State of Ohio, without regard to conflicts of law provisions. Both Lessor and Lessor hereby agree to the jurisdiction of the Court of Common Pleas of Cuyahoga County, Ohio for purposes of adjudicating any action arising out of the Agreement and hereby waive, to the fullest extent permitted by law, any objection to laying of venue of any action arising out of this Agreement therein. Notwithstanding the foregoing, Lessor hereby reserves the right to bring suit in any other jurisdiction that Lessor determines, in its discretion, to be appropriate.

30. **CONFLICTS BETWEEN AGREEMENT AND THE STANDARD TERMS AND CONDITIONS.** All documents comprising the Agreement shall be read in a complimentary manner. Except as otherwise expressly stated in the Agreement, these Standard Terms and Conditions shall take precedence over all other agreements and documents.

31. **SEVERABILITY.** If any term or provision hereof is declared to be illegal, invalid or otherwise enforceable for any reason by a court of competent jurisdiction, such illegality, invalidity or enforceability shall not affect the remaining terms and provisions hereof, which shall remain binding and fully enforceable.

32. **SURVIVAL.** Upon the termination date the Agreement shall terminate except with respect to provisions contained herein intended to survive the termination date including, without limitation, Sections 1, 3, 4, 5, 8, 9, 10, 16, 19, 21, 26, 27, 28, and 29 above.

33. **INTEGRATED AGREEMENT.** This Agreement constitutes the entire agreement between the parties pertaining to the Trailer and the subject matter relating thereto. Except as otherwise expressly stated herein, the terms, covenants, conditions, and other provisions of this Agreement may hereafter be supplemented, changed amended, or modified only by a written instrument that specifically purports to do so and is signed by both parties. No Agreements, representations, or understandings not specifically contained herein or otherwise reduced to a written instrument signed by both parties shall be binding upon the parties.

34. **SECURITY INTEREST.** THIS AGREEMENT IS SUBJECT TO THE SECURITY INTEREST AND LIEN PURSUANT TO A CREDIT AND SECURITY AGREEMENT DATED DECEMBER 4, 2019 (AS THE SAME MAY BE AMENDED OR RESTATED) MADE BY LESSOR IN FAVOR OF CIBC BANK USA, AS ADMINISTRATIVE AGENT.