

In the event of loss or damage of any kind whatever to any item of equipment, lessee at the option of lessor shall:

- (a) Place the same in good repair, condition and working order; or
- (b) Replace the same with like equipment in good repair, condition and working order; or, if same is determined by lessor to be lost, stolen, destroyed or damaged beyond repair, lessee shall:
- (c) Pay lessor therefor in cash the "Stipulated Loss Value" as set forth in the schedule. Upon such payment this lease shall terminate with respect to such item of equipment so paid for and lessee thereupon shall become entitled to such item of equipment as-is-where-is without warranty, express or implied, with respect to any matter whatsoever.

10. SURRENDER. Upon the expiration or earlier termination of this lease, with respect to any item of equipment, lessee shall (unless lessee has paid lessor in cash the "Stipulated Loss Value" of such item of equipment pursuant to paragraph 9 hereof) return the same to lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, in the following manner as may be specified by lessor:

- (a) By delivering such item of equipment at lessee's cost and expense to such place as lessor shall specify within the city or county in which the same was delivered to lessee or to which same was moved with the written consent of lessor; or
- (b) By loading such item of equipment at lessee's cost and expense on board such carrier as lessor shall specify and shipping the same, freight collect, to the destination designated by lessor.

11. INSURANCE. Lessee shall keep the equipment insured against all risks of loss or damage from every cause whatsoever for not less than the full replacement value thereof as determined by lessor; and shall carry public liability and property damage insurance covering the equipment. All said insurance shall be in form and amount and with companies approved by lessor, and shall be in the joint names of lessor and lessee. Lessee shall pay the premiums therefor and deliver said policies, or duplicates thereof, to lessor. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to lessor, that it will give lessor thirty (30) days written notice before the policy in question shall be altered or cancelled. The proceeds of such insurance, at the option of lessor, shall be applied (a) toward the replacement, restoration or repair of the equipment or (b) toward payment of the obligations of lessee hereunder. Lessee hereby appoints lessor as lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for, loss or damage under any said insurance policy.

12. TAXES. Lessee shall keep the equipment free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment, excluding, however, all taxes on or measured by lessor's net income.

13. LESSOR'S PAYMENT. In case of failure of lessee to procure or maintain said insurance or to pay said fees, assessments, charges and taxes, all as hereinbefore specified, lessor shall have the right, but shall not be obligated, to effect such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, the cost thereof shall be repayable to lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequence, including interest at seven per cent (7%) per annum, as failure to pay any installment of rent.

14. WARRANTIES. Lessor makes no warranties, either express or implied, as to any matter whatsoever, including, without limitation, the condition of the equipment, its merchantability or its fitness for any particular purpose.

15. INDEMNITY. Lessee shall indemnify lessor against, and hold lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment, including without limitation the manufacture, selection, delivery, possession, use, operation or return of the equipment.

16. DEFAULT. If lessee with regard to any item or items of equipment fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if lessee with regard to any item or items of equipment fails to observe, keep or perform any other provision of this lease required to be observed, kept or performed by lessee, lessor shall have the right to exercise any one or more of the following remedies:

- (a) To declare the entire amount of rent hereunder immediately due and payable as to any or all items of equipment, without notice or demand to lessee.
- (b) To sue for and recover all rents, and other payments, then accrued or thereafter accruing, with respect to any or all items of equipment.
- (c) To take possession of any or all items of equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this lease as to any or all items of equipment unless lessor expressly so notifies lessee in writing.
- (d) To terminate this lease as to any or all items of equipment.
- (e) To pursue any other remedy at law or in equity.

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