

## ***EQUIPMENT LEASE***

This Equipment Lease (this "Lease") is made effective as of \_\_\_\_\_, between Patrick and Candace Prout (the "Lessor"), 149 Forest Circle, Kerrville, Texas 78028, and \_\_\_\_\_ (the "Lessee"), \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, and states the agreement of the parties as follows:

**EQUIPMENT SUBJECT TO LEASE.** The Lessor shall lease the equipment listed on the attached Exhibit "A".

**PAYMENT TERMS.** The total lease payment, based on a rate of \$145.00 per day of use, is due and payable at the time the equipment is returned. Charges will be computed from the effective date of this Lease until the equipment is returned.

**SECURITY DEPOSIT.** In addition to the lease payment charge, the Lessee shall pay a security deposit of \$750.00 at the time that this Lease is signed. Any amounts refundable to the Lessee shall be paid within 2 day (s) after this Lease is terminated, subject to the option of the Lessor to apply it against Lease charges and damages. The security deposit shall not bear interest.

**LEASE TERM.** This Lease shall begin on the above effective date and shall terminate on \_\_\_\_\_, unless otherwise terminated in a manner consistent with the terms of this Lease.

**LOCATION OF EQUIPMENT.** The equipment shall be located at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, during the lease term, and shall not be removed from that location without the Lessor's prior written consent.

**CARE AND OPERATION OF EQUIPMENT.** The equipment may only be used and operated in a careful and proper manner. Its use must comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment, including registration and/or licensing requirements, if any.

**ALTERATIONS.** Lessee shall make no alterations to the equipment without the prior written consent of the Lessor. All alterations shall be the property of the Lessor and subject to the terms of this Lease.

**MAINTENANCE AND REPAIR.** The Lessee shall maintain, at the Lessee's cost, the equipment in good repair and operating condition, allowing for reasonable wear and tear. Such costs shall include labor, material, parts, and similar items.

**LESSOR'S RIGHT OF INSPECTION.** The Lessor shall have the right to inspect the equipment during Lessee's normal business hours.

**RETURN OF EQUIPMENT.** At the end of the Lease term, the Lessee shall be obligated to return the equipment to the Lessor at the Lessee's expense.

**OPTION TO RENEW.** If the Lessee is not in default upon the expiration of this lease, the Lessee shall have the option to renew this Lease for a similar term on such terms as the parties may agree at the time of such renewal.

**ACCEPTANCE OF EQUIPMENT.** The Lessee shall inspect each item of equipment delivered pursuant to this Lease. The Lessee shall immediately notify the Lessor of any discrepancies between such item of equipment and the description of the equipment in the Equipment Schedule. If the Lessee fails to provide

such notice before accepting delivery of the equipment, the Lessee will be conclusively presumed to have accepted the equipment as specified in the Equipment Schedule.

**OWNERSHIP AND STATUS OF EQUIPMENT.** The equipment will be deemed to be personal property, regardless of the manner in which it may be attached to any other property. The Lessor shall be deemed to have retained title to the equipment at all times, unless the Lessor transfers the title by sale. The Lessee shall immediately advise the Lessor regarding any notice of any claim, levy, lien, or legal process issued against the equipment.

**RISK OF LOSS OR DAMAGE.** The Lessee assumes all risks of loss or damage to the equipment from any cause, and agrees to return it to the Lessor in the condition received from the Lessor, with the exception of normal wear and tear, unless otherwise provided in this Lease.

**INDEMNITY OF LESSOR FOR LOSS OR DAMAGES.** Unless otherwise provided in this Lease, if the equipment is damaged or lost, the Lessor shall have the option of requiring the Lessee to repair the equipment to a state of good working order, or replace the equipment with like equipment in good repair, which equipment shall become the property of the Lessor and subject to this Lease.

**LIABILITY AND INDEMNITY.** Liability for injury, disability, and death of workers and other persons caused by operating, handling, or transporting the equipment during the term of this Lease is the obligation of the Lessee, and the Lessee shall indemnify and hold the Lessor harmless from and against all such liability.

**CASUALTY INSURANCE.** The Lessee shall insure the equipment in an amount sufficient to cover the replacement cost of the equipment.

**TAXES AND FEES.** During the term of this Lease, the Lessee shall pay all applicable taxes, assessments, and license and registration fees on the equipment.

**DEFAULT.** The occurrence of any of the following shall constitute a default under this Lease:

- A. The failure to make a required payment under this Lease when due.
- B. The violation of any other provision or requirement that is not corrected within 0 day(s) after written notice of the violation is given.
- C. The insolvency or bankruptcy of the Lessee.
- D. The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

**RIGHTS ON DEFAULT.** In addition to any other rights afforded the Lessor by law, if the Lessee is in default under this Lease, without notice to or demand on the Lessee, the Lessor may take possession of the equipment as provided by law, deduct the costs of recovery (including attorney fees and legal costs), repair, and related costs, and hold the Lessee responsible for any deficiency. The rights and remedies of the Lessor provided by law and this Agreement shall be cumulative in nature. The Lessor shall be obligated to re-lease the equipment, or otherwise mitigate the damages from the default, only as required by law.

**NOTICE.** All notices required or permitted under this Lease shall be deemed delivered when delivered in person or by mail, postage prepaid, addressed to the appropriate party at the address shown for that party at the beginning of this Lease.

**ENTIRE AGREEMENT AND MODIFICATION.** This Lease constitutes the entire agreement between the parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties. This Lease replaces any and all prior agreements between the parties.

**GOVERNING LAW.** This Lease shall be construed in accordance with the laws of the State of Texas.

**SEVERABILITY.** If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**WAIVER.** The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

**CERTIFICATION.** Lessee certifies that the application, statements, trade references, and financial reports submitted to Lessor are true and correct and any material misrepresentation will constitute a default under this Lease.

**SIGNATORIES.** This Lease shall be signed by Patrick and Candace Prout and by \_\_\_\_\_ and shall be effective as of the date first above written.

**LESSOR:**

By: \_\_\_\_\_  
Patrick and Candace Prout

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

**LESSEE:**

By: \_\_\_\_\_  
\_\_\_\_\_

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

**EXHIBIT A**

## **Equipment Schedule**

Equipment Description: 2022 reflection 150 series 278BH VIN# 573FR342XN3339540