



RENTAL ORDER TERMS AND CONDITIONS

2530 Xenium Lane N, Suite 150
Minneapolis, MN 55441-4591
800-453-1299
www.satelliteco.com
Inquiry@satelliteco.com

1. Term

The minimum Initial Term of this Lease Agreement is as set forth on each line item of the Rental Order, and shall continue month to month until terminated. The term of this Lease Agreement as to all Equipment (relocatable buildings, trailers, portable restrooms, modular buildings, ground level buildings, blast resistant buildings, aluminum steps) designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or any month thereafter by either party mailing written notice of its termination to the other party not less than thirty (30) days prior to such termination date.

2. Insurance, Certificate of Insurance

Unless Lessee provides Lessor with a certificate of insurance acceptable to Lessor, in the amounts stated herein, or Lessee has maintained a blanket insurance certificate on file with Lessor, Lessee is required to utilize Lessor's Damage Waiver Program. Lessee, at Lessee's cost and expense to procure and deliver to Lessor, prior to delivery to Lessee of the Equipment to be leased hereunder, and keep in full force and effect during the entire term of this lease, a policy or policies of insurance satisfactory to Lessor as to the form and amount of coverage, with premiums prepaid thereon for the term of this lease, protecting Lessor against all loss and damages it may sustain or suffer because of (1) loss or damage to said Equipment, or any portion thereof, because of fire, theft, lightning, flood, vandalism, windstorm, collision, explosion or other casualty for full replacement value of the Equipment and (2) the death of, injury to, or damage to the property of any third person as a result of in whole or part, the use or condition of said Equipment or any portion thereof, while in the custody, possession, or control of Lessee with amounts of \$1,000,000 per occurrence as to personal injury liability and \$1,000,000 as to property damage.

Lessee's liability insurance shall be primary during the lease term. It is understood that the procurement of insurance by Lessee as herein provided shall not, and does not, affect Lessee's covenants, obligations and indemnities under this Lease, and the loss, damage to, or destruction of any of the Equipment leased hereunder shall not terminate this Lease and shall not, except to the extent, and only to the extent, the Lessor is totally compensated by insurance paid for by Lessee, relieve Lessee of any of the Lessee's liability hereunder. Lessee is, and shall be and remain a full insurer of the Equipment, and Lessee hereby releases and waives any and all defenses available to a bailee by law.

Certificate of Insurance

Lessee must provide all risk insurance coverage on the Equipment with a maximum \$5000 deductible for which Lessee is responsible, for the full replacement value and naming Satellite Shelters, Inc., as Additional Insured and Loss Payee. Satellite Shelters, Inc. must be named on Lessee's liability policy as an additional insured. A Certificate of Insurance is required to be forwarded to Satellite Shelters Inc. prior to delivery of the unit with a cancellation period of not less than thirty days.

IF A CERTIFICATE OF INSURANCE OR NOTIFICATION OF SELF-ASSUMPTION OF RISK OF LOSS IS NOT RECEIVED PRIOR TO THE EFFECTIVE DATE HEREOF, LESSEE AGREES TO UTILIZE LESSOR'S DAMAGE WAIVER PROGRAM AND AN AMOUNT EQUAL TO THE DAMAGE WAIVER PROGRAM BILLING RATE FOR THE EQUIPMENT UNDER LEASE WILL BE ADDED TO THE INVOICE FOR EACH BILLING PERIOD. THE DAMAGE WAIVER PROGRAM IS FOR PROPERTY COVERAGE ONLY SUBJECT TO PROVISIONS OF ARTICLE 3 WILL BE APPLIED TO THIS LEASE AGREEMENT FOR THE FULL TERM HEREOF, UNLESS A CERTIFICATE OF INSURANCE IS PROVIDED TO LESSOR DURING ANY BILLING CYCLE AFTER THE 28-DAY PERIOD SPECIFIED HEREIN, IN WHICH CASE A MAXIMUM STOP CHARGE AND BILLING CREDIT EQUAL TO THE COST OF THE DAMAGE WAIVER PROGRAM FOR ONE BILLING CYCLE WILL BE MADE UPON THE REQUEST OF LESSEE.

3. Damage Waiver Program

The Damage Waiver Program is not insurance and does not protect you for liability to others or Lessor.

For an additional lease rate as set forth above, Lessor will provide the Damage Waiver for damage or loss to the Equipment under lease. This Damage Waiver Program is subject to a \$1,000 deductible amount, per floor. Therefore Lessee is solely responsible for the first \$1,000 per floor of damage or loss with respect to the Equipment under the lease. This Damage Waiver Program covers only loss or damage to the leased Equipment. Lessee bears sole responsibility for all other direct or incidental losses, damage or injuries occasioned by its use of the Equipment, including but not limited to personal injuries to employees or third parties or physical damage or loss to real or personal property not included as Equipment under this Lease Agreement. The program does not cover damages from vandalism, flood, named storms, damages caused by Lessee's negligence or any third party not representing Lessee or Lessor. Lessee's willful actions or failure to act, improper use or operation of the Equipment in a manner prohibited by this Lease Agreement, overloading or improper load distribution, failure to perform routine janitorial or cleaning causing damage or damage caused by Lessee's failure to promptly notify Lessor in writing of items requiring correction or repair, or failure by Lessee to take reasonable precautions against theft or forced entry (theft and forced entry must be accompanied by police report and reported within 3 days).



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OPTION TO OFFER DAMAGE WAIVER PROGRAM IS AT LESSOR'S SOLE DISCRETION.

4. Delivery by Lessor

Lessor shall not be liable to Lessee for any failure or delay in obtaining the Equipment or making delivery thereof.

By taking delivery thereof, Lessee acknowledges that the Equipment is in good operating order, repair, and working condition and is fit for the purpose for which it is leased. Lessor may require Lessee to sign an Equipment acceptance certificate.

Lessee is solely responsible for site selections, local code compliance, all zoning approvals, permits (except transport), providing a level (1' in 70') and truck accessible site, both at time of installation and removal, with a bearing surface of a minimum of 3,000 PSF and a site clear of obstructions both above and below ground. Lessor is not responsible for building settlement or soil heaving due to inadequate foundation. All site restoration is by Lessee.

5. Taxes, Fees, and Expenses

In addition to the rental payments provided for herein, Lessee shall pay all costs, expenses, fees, and charges incurred in connection with the Equipment, the use and operation thereof during the term hereof, servicing costs, sales taxes, personal property, and other ad valorem taxes, and all assessments and other governmental charges whatsoever and by whomsoever payable on said Equipment, or on the use, ownership, possession, rental, shipment, transportation, delivery, or operation thereof. However, Lessor shall pay licensing and registration fees and federal or state net income taxes against Lessor on or measured by rentals payable hereunder or the net income therefrom.

Lessee shall reimburse Lessor upon demand for the full amount of any costs, expenses, taxes, fees, or other charges paid by Lessor which constitute an obligation of Lessee hereunder.

6. Lawful Use, Assignment, and Subletting

Lessee shall use or permit the use of the Equipment only for lawful purposes, and shall keep it at the location provided hereinabove during the term of this Lease Agreement. The Equipment shall be at all times used and operated in compliance with all laws of any jurisdiction in which it is located. Lessor assumes no responsibility for compliance with local codes. Lessee shall not assign, transfer, sublet, or in any way assign its rights hereunder, and shall not pledge, permit to be lien, mortgage, hypothecate, or otherwise encumber or charge its rights or interests hereunder.

Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor's written permission, Lessee shall not attempt to or actually: (i) pledge, lend, create a security interest in, sublet, exchange, trade, assign, swap, use for an allowance or credit or otherwise; (ii) allow another to use; (iii) part with possession; (iv) dispose of; or (v) remove from the location of installation, any item of Equipment. If any item of Equipment is exchanged, assigned, traded, swapped, used for an allowance or credit or otherwise to acquire new or different equipment (the "New Equipment") without Lessor's prior written consent, then all of the New Equipment shall become equipment owned by Lessor subject to this Lease Agreement.

7. Indemnity

Lessee does hereby indemnify Lessor and hold Lessor, its agents and employees, harmless of and from any and all losses, damages, claims, demands, or liability of any kind or nature whatsoever, including legal expenses and attorney's fees arising from the use, condition or operation of the Equipment, and by whomsoever used or operated, during the term hereof.

8. Maintenance, Damage, and Destruction

Lessee shall at its own expense at all times keep the Equipment in good and efficient working order, condition, and repair, and shall keep, and maintain thereon such identification of ownership as Lessor may require. Lessee shall bear the risk of damage, theft, or destruction of the Equipment from every cause, and shall make all replacements, repairs, or substitution of parts or equipment thereon at its expense, all of which shall constitute an accession to the Equipment, and title hereof shall vest in Lessor. Should the Equipment be damaged by any reason and be capable of repair, Lessor shall repair the same at Lessee's expense, or at Lessor's option Lessee shall repair the same at Lessee's expense to Lessor's specifications, as quickly as circumstances permit. Lessee shall be responsible for all damages caused by moisture or water intrusion not reported promptly to Lessor for correction and repair. Lessee will not move Equipment without written permission of Lessor.

9. Inspection by Lessor

Lessor may inspect the Equipment at any reasonable time, subject to the security regulations of any agency of the United States, and shall have the right to post any notice of non-responsibility or any other notice protecting its interest.



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10. Accidents and Claims

Lessee shall within 24 hours after any casualty involving Equipment notify Lessor by telephone, and within 48 hours notify Lessor in writing. Said report shall state the time, place, and nature of the event, the damage sustained, the addresses of persons involved, persons injured, and witnesses, and any other information relating to said event, and shall promptly forward to Lessor all correspondence, notices, or documents received in connection with any claim or demand relating to the Equipment or its operation, and shall aid in the investigation and defense of all such claims and demands. Nothing herein shall be deemed to modify the provisions of paragraph 6 above, in which Lessee holds Lessor harmless and indemnifies Lessor against all these matters, and Lessor shall have no responsibility to take any actions whatever in the event of such casualty. Rent will continue to be charged on damaged equipment until a final settlement check has been received from Lessee's insurance provider.

11. Non-Liability of Lessor

Unless caused by Lessor's proven negligence, Lessor shall not be liable to Lessee for any loss, damage, or expense of any kind or nature caused directly or indirectly by the Equipment or by the use, maintenance, operation, handling or storage thereof, or for the loss of Lessee's business, or damages whatsoever or howsoever caused.

12. Default

If Lessee shall default in the payment of any installment of rent or any other amounts payable hereunder by Lessee, or if Lessee fails to comply with any other of the terms, covenants, or conditions herein on its part to be kept or performed, or if Lessee or its creditors files for relief under any bankruptcy or similar law for the relief of debtors, or if Lessee shall make any assignment for benefit of creditors, or if a receiver be appointed to take possession of any of the assets of Lessee, then and in that event Lessor may at its option terminate Lessee's right to possession of the Equipment. The Equipment and any rights of Lessee therein shall thereupon be surrendered to Lessor and Lessor may take possession thereof and is hereby authorized by Lessee to enter upon any premises of Lessee without notice for the purpose of taking possession of the Equipment. Lessor shall retain all rents and any other amounts paid by Lessee hereunder. Repossession by Lessor or the surrender of the Equipment to Lessor shall not affect the right of Lessor to recover from Lessee any and all damages which Lessor shall have sustained by reason of the breach of any of the covenants, terms, or conditions thereof. Lessee shall continue to be responsible for the rental payments provided for herein for the remainder of the term of the Lease Agreement and for the payment of any other amounts to be made by it hereunder. Lessor may (a) relet the Equipment or any portion thereof for such periods, at such rental amounts as it deems advisable, and after deducting its costs and expenses in such reletting, may apply any net proceeds received therefrom to the amounts payable by Lessee hereunder, or (b) sell the Equipment or any portion thereof, and after deducting its costs and expenses in connection with said sale or sales, apply the net proceeds thereof to the amounts payable by Lessee hereunder, and Lessee shall pay any deficiency as determined by the amount the net proceeds of said sale or reletting is less than the amount to be paid by Lessee hereunder, or (c) cancel and terminate the Lease Agreement. In addition to any other remedies provided for herein, Lessor may recover from Lessee the worth at the time of the termination of the Lease Agreement of the excess of the amount of rent and charges equivalent to rent reserved herein for the remainder of the term of the Lease Agreement over the then reasonable rental value of the Equipment for the remainder of the stated term, and Lessor shall have all other remedies in its favor existing in law, equity, or bankruptcy, and the remedies herein shall be deemed to be cumulative and not exclusive.

13. Cross-Default

Lessor and Lessee may supplement this Lease Agreement with schedules and amendments. In addition, Lessor and Lessee may enter into additional lease agreements or sale agreements with each other. A default under this Lease Agreement also constitutes a default under every other agreement the parties may have with each other. Further, a default under any agreement between Lessor and Lessee constitutes a default under this Lease Agreement.

14. Return of Equipment; Termination of Lease

At the end of the Term, Lessee shall cause the Equipment to be returned to Lessor at any location designated by Lessor. Lessor, in its sole discretion, shall determine the manner by which the Equipment will be returned to it, and Lessee will provide Lessor with at least fourteen (14) working days in advance notice of its return. The Equipment shall be "broom clean" and in the same condition as delivered to Lessee, ordinary wear and tear accepted.

Termination will become effective only when the Equipment has been returned to Lessor as provided herein and Lessee has paid Lessor all unpaid rental and other charges applicable to the Equipment. Lessee agrees that prior to the return of the Equipment to Lessor or upon notice of its repossession, Lessee shall immediately disconnect all utilities connected to the Equipment, remove all of the Lessee's personal property from the Equipment and vacate the Equipment so that the Equipment can be returned to the Lessor. Whenever Lessor or its agents pick up or repossess the Equipment, Lessee shall remove any barriers or restrictions to make the Equipment readily accessible for removal by truck without additional inconvenience or expense. All site restoration is by Lessee.

Lessor shall not be liable for keeping or storing any personal property of Lessee left in, on or around the Equipment; such property



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will be deemed abandoned by Lessee and Lessee hereby consents to the disposal of such personal property by Lessor, at Lessee's expense. Any accessories in addition to the returned Equipment shall be deemed to be part of the Equipment and the property of the Lessor. Lessee shall reimburse Lessor for any and all costs incurred related to the return of the Equipment and in repairing, cleaning charges resulting from debris, trash or personal property left in the Equipment or otherwise restoring the Equipment to its condition when delivered, ordinary wear and tear excepted.

Lessee shall indemnify, defend and hold Lessor harmless from any and all claims of Lessee or third parties arising from any return, retaking or repossession of the Equipment.

15. Early Termination

If Lessee terminates this Lease Agreement prior to expiration of the Initial Term, Lessee must pay Lessor all costs and expenses of Lessor caused by the early termination, in addition to the following:

- a. If the Equipment was new at the start date of the Initial Term, Lessee must pay 100% of all remaining lease payments due under the Lease Agreement.
- b. If the Equipment was used at the start date of the Initial Term, Lessee must pay 50% of all remaining lease payments due under the Lease Agreement.

16. REPOSSESSION

LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 12 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER. LESSEE HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE LESSOR TO GIVE LESSEE NOTICE AND A JUDICIAL HEARING PRIOR TO EXERCISING SUCH RIGHT OF REPOSSESSION.

17. Limited Warranty

Lessor shall have no liability whatsoever for any consequential, incidental or punitive damages, costs or expenses, whether they be related to any defect, condition or repair or repossession of the Equipment, repairs to the Equipment, or any other factor.

EXCEPT AS SPECIFICALLY PROVIDED HEREIN, LESSOR DISCLAIMS ANY AND ALL WARRANTIES, EXPRESSED OR INCLUDING ANY IMPLIED, RELATING TO THE LEASED EQUIPMENT AND ANY MAINTENANCE OR REPAIR WORK PERFORMED BY LESSOR, WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES CONTAINED IN THIS LEASE AGREEMENT

18. Assignment

Lessee agrees that nothing contained in this Lease Agreement shall prohibit the Lessor, its assigns and/or successors from selling, assigning and/or transferring all of its right, title and interest in and to this Lease Agreement, the property described therein and all monies to become due thereunder.

19. Attorney's Fees and Costs

In the event Lessee shall default hereunder, Lessor shall be entitled to recover from Lessee, in addition to all other items of damages, all costs and expenses, including court costs and reasonable attorney's fees incurred by Lessor to enforce its rights and remedies hereunder.

20. Financing Statement

Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor's interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

21. Miscellaneous

Time is of the essence regarding this Lease Agreement. This Lease Agreement may be signed in any number of counterparts and each shall constitute a duplicate original. The parties agree to execute, or if required, acknowledge such further counterparts hereof or any other documents as may be necessary to comply with the provisions of any applicable law at any time in force which requires the recording of filing of this Lease Agreement or a copy thereof in any public office of the United States or any state or political subdivision, and Lessee agrees to pay the fees or charges imposed by law for any such mandatory filing or recording as well as the amount of any stamps or documentary taxes, federal or state, levied or assessed on this Lease Agreement. The relationship between parties hereto is that of Lessor and Lessee and Lessee's only interest herein is as a Lessee. Lessee does not have and shall not acquire any right, title, interest or equity whatsoever in the Equipment. The Equipment shall remain the sole property of Lessor. The Equipment shall remain personal property regardless of its use or manner of attachment to realty.



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This Lease Agreement was jointly drafted by the parties, and the parties hereby agree that neither should be favored in the construction, interpretation or application of any provision or any ambiguity. There are no unwritten or oral agreements between the parties. This Lease Agreement, and any schedules or amendments, constitute the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment superseding all prior agreements, understandings, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. The provisions of the Lease Agreement are primary, and no provision of this Lease Agreement shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment or modification is in writing and signed by an officer of each of the parties hereto.

This Lease Agreement, lease schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto will have been made, executed and delivered in, and shall be governed by the internal laws (as opposed to conflicts of law provisions) and decisions of, the State of Minnesota. Lessee and Lessor consent to the exclusive jurisdiction of any local, state or federal court located within Minnesota. Venue must be in Minnesota and Lessee hereby waives local venue and any objection relating to Minnesota being an improper venue to conduct any proceeding relating to this Lease Agreement. Provisions of this Agreement are severable, and the invalidity of any provision shall not affect the validity of any other provision.

22. Notices

All notices required under the term and provisions of the Lease Agreement shall be in writing and such notices shall become effective when deposited in the United States mail, with proper postage prepaid, addressed to the parties at such respective addresses appearing herein, or at such other addresses either party may from time to time notify the other in writing.

23. Net Lease

This Lease Agreement is a net lease and Lessee's obligations to pay all lease charges and other amounts payable hereunder shall be absolute and unconditional and, except as expressly provided herein, shall not be subject to any:

(i) delay, abatement, reduction, defense, counterclaim, set-off, or recoupment; (ii) Equipment failure, defect or deficiency; (iii) damage to or destruction of the Equipment; or (iv) dissatisfaction with the Equipment or otherwise, including any present or future claim against Lessor or the manufacturer, supplier, reseller or vendor of the Equipment. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor's title thereto or any destruction or loss of use of any item of Equipment.

24. Credit

Lessor reserves the right to require two (2) years audited financial statements, and other documentation from Lessee for credit approval. Lessor reserves the right to periodically review credit and payment terms.

25. Billing

If payment is not received by Lessor on the due date, Lessee agrees to and shall pay, to the extent permitted by law, on demand, as a late charge, an amount equal to one and one-half percent (1.5%), or the maximum percentage allowed by law if less, of the amount past due ("Late Charges"). Late Charges will accrue until billed by Lessor.

Late Charges shall be charged and added to any past due amount(s) on the date such payment is due and every thirty (30) days thereafter until all past due amounts are paid in full to Lessor.

LESSEE WILL BE BILLED ON A 28-DAY CYCLE IN ADVANCE.

LESSOR WILL NOT PRORATE ANY FRACTION OF A BILLING CYCLE.

SATELLITE SHELTERS, INC.