



Lessor, Atlas Performance Industries, Inc. (API) leases to Lessee \_\_\_\_\_ and Lessee leases from API the Equipment listed in this contract subject to the terms and conditions set forth herein. Lease term shall be a minimum of \_\_\_\_\_ month(s). In addition to payment of rentals as provided in the accompanying Order # \_\_\_\_\_ which is incorporated herein by reference, Lessor and Lessee agree as follows:

**1. Taxes, Fees, and Expenses**

Lessor shall pay licensing fees, registration fees, federal and state net income taxes relating to the leased Equipment. Lessee shall pay all other costs, expenses, fees and charges incurred in connection with the use, operation, rental, shipment, transportation, delivery and possession of the leased Equipment, including but not limited to servicing costs, sales taxes, use taxes, personal property taxes and other ad valorem taxes, assessments and other governmental charges whatsoever. 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.

**2. Delivery and Pick up by Lessor**

Lessor shall not be liable to Lessee for any failure or delay in obtaining the leased Equipment or making delivery thereof. By taking delivery thereof, Lessee acknowledges that the leased Equipment is in good operating order, repair, working condition, and is fit for the purpose for which it is leased. Lessor makes no warranties, express or implied, as to the merchantability of the leased Equipment or its fitness for any particular purpose or use.

Leased Equipment location:

\_\_\_\_\_  
\_\_\_\_\_

Lessee shall provide a level pad (within 6' from side to side and 8' from front to rear) for placement of the leased Equipment and provide adequate access for delivery, installation and removal of the leased Equipment. The pad should be adequately compacted to support the leased Equipment and Lessee assumes all responsibility to insure such proper compaction. Re-levels due to soil settling will be charged to Lessee. Lessee shall give Lessor a minimum of thirty (30) days advance notice when scheduling removal of the leased Equipment from Lessee's site.

Standard steps may not fit leased Equipment if Lessee's site pad does not conform to the above criteria. In such a case, it is the Lessee's responsibility to provide custom steps or take appropriate measures to ensure safe access to and from the leased Equipment.

If steps are required, the lessee is responsible to bring grade to the first riser of step into compliance. If a handicap ramp is required, lessee is responsible for transition from end of ramp to grade.

**3. Lawful Use, Assignment and Subletting**

Lessee shall use, or permit the use of, the leased Equipment only for lawful purposes and shall keep it at the location provided on this contract. Lessee shall not move the leased Equipment, nor permit others to do same, without the prior written consent of Lessor. The leased Equipment shall, at all times, be used and operated in compliance with all laws of any jurisdiction in which it is located. Lessee shall not assign, transfer, sublet, or in any way alter its rights or obligations hereunder, and shall not pledge,

mortgage, hypothecate, or otherwise encumber or permit a lien against its rights or interests hereunder.

Lessee is aware that many jurisdictions require permits for mobile offices, modular buildings, storage containers & buildings, commercial modulars, and classroom buildings. Lessee assumes all responsibility for obtaining the proper approvals and permits for equipment placement and location.

**4. Inspection by Lessor**

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

**5. Indemnity**

Lessee agrees to indemnify Lessor and hold Lessor, its agents, employees and assigns, 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 leased Equipment. Lessor shall indemnify Lessee and hold Lessee, 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 construction, delivery or setup of the leased Equipment. This indemnification and hold harmless shall continue in full force and effect during the entire term of this lease notwithstanding the surrender of possession prior to the expiration hereof.

Lessee further agrees to indemnify Lessor and hold Lessor, its agents, employees and assigns, harmless of and from any and all losses, injuries, damages, claims, demands or liability of any kind or nature whatsoever, including legal expenses and attorney's fees brought or asserted by any employee of Lessee against Lessor concerning, in any way, the leased Equipment. This provision is entitled to provide Lessor with contractual indemnity rights against Lessee in accordance with Labor Code §3864.

**6. Accidents and Claims**

Lessee shall, within 24 hours after learning of any casualty involving the leased Equipment, notify Lessor by telephone and within 48 hours notify Lessor in writing. Said written notice shall state the time, place, and nature of the event, the damage sustained, the names and addresses of persons involved, persons injured, and witnesses, and any other information relating to said event, and it shall promptly forward to Lessor all correspondence, notices, or documents received in connection with any claim or demand relating to the leased Equipment or its operation, and shall aid in the investigation and defense of such claims and demands. Nothing herein shall be deemed to modify, or in any way alter, the provisions of paragraph 5 above.

**7. Maintenance, Damage and Destruction**

Lessee shall, at its own expense, at all times keep the leased Equipment in good and efficient working order, condition, and repair and shall keep and maintain thereon such tags of identification and signs of ownership as Lessor may require and are in place on the leased Equipment when delivered to Lessee.

Lessee shall bear the risk of damage, theft or destruction of the leased Equipment from every cause. Lessee shall notify Lessor of all damage to the Equipment, repairs needed or replacements



needed to the Equipment as soon as noticed by Lessee. Failure of the Lessee to notify Lessor of damage or malfunctions in a timely manner may result in additional damage, for which Lessee shall assume all responsibility for repair or replacement costs. Lessor shall make all replacements, repairs or substitutions of parts or equipment thereon at Lessee's sole expense if, and only if, Lessee timely reports damage or malfunctions, all of which shall constitute an accession to the leased Equipment with title thereto vesting and remaining in Lessor.

At Lessor's option, Lessee may repair any damage or destruction to the leased Equipment at Lessee's expense. However, any such repairs made by Lessee shall be made strictly to the specifications and requirements of Lessor. Repairs will be made at full repair or replacement cost as of the day the loss or damage is incurred.

Provided the following items are not damaged by Lessee, or while in the Lessee's possession, or damaged through Lessee's failure to properly maintain the leased Equipment, the following repairs will be made only by Lessor or its agents; HVAC system, electrical system, plumbing system, roof or window leaks.

Lessee shall change air conditioner filters at least every three (3) months, and more often as required in dusty areas.

Pads shall be used under all roller chairs on both tile and carpet floors. Lessee shall be liable to Lessor for any and all damage to the leased Equipment resulting from the failure to use such a chair pad.

For all equipment with plumbing, the operating water pressure range shall be 45-60 lbs. Lessee shall be liable to Lessor for any failure of, or damage to, plumbing systems due to inadequate water pressure or water pressure over 60 lbs. Water pressure regulators shall be used on all water supply lines to ensure proper water pressure. Any water source must be clean and flushed prior to connecting to the leased Equipment. Failure to do so could result in malfunction of the toilet and other plumbing equipment which can lead to flooding. Lessee shall be liable to Lessor for any damages resulting from unclean or contaminated water supply which causes damage to any portion of the leased Equipment.

Electrical connections "Hookups" must be completed by a licensed and certified electrical contractor hired by Lessee. Failure to provide a proper supply of electricity or electrical connections could result in damage to the HVAC unit, light ballasts, wiring and electrical system, and other property and could cause fire, injury or death of persons. Lessee assumes all responsibility for insuring proper electrical hookups regarding the leased Equipment.

#### **8. Insurance**

During the term of this Lease Agreement, Lessee shall, at its sole cost and expense, procure and maintain sufficient property and public liability insurance from insurance companies satisfactory to Lessor which affords the following coverages, at a minimum:

(a) Worker's Compensation Insurance, including employer's liability coverage, as required by law;

(b) Comprehensive (or commercial) general liability insurance with not less than One Million Dollars (\$1,000,000.00) combined single limit for personal injury, bodily injury or death, or property damage or destruction (including loss of use thereof) for any one occurrence which insurance shall include personal injury, blanket contractual, broad form property damage, product's liability and completed operations insuring against all liability of

Lessee and arising out of and in connection with the use, occupancy, operation and condition of the leased Equipment; and

(c) Fire and extended coverage for property damage insurance covering the leased Equipment and all improvements thereon in an amount not less than the full replacement cost thereof.

All insurance policies shall: (i) name Lessor and any other party designated by Lessor as an additional insured; (ii) be issued by insurance companies authorized to do business in California and satisfactory to Lessor; and (iii) be deemed and used as a primary policy.

As proof of insurance coverage obtained by Lessee, Lessee shall deliver to Lessor either a certificate of insurance or a copy of the policies required hereunder along with an additional insured endorsement within ten (10) days after execution of this Lease Agreement and within ten (10) days following the renewal date of each coverage throughout the term of this Lease Agreement.

Any contract entered into by Lessee for insurance coverage required hereunder shall include a provision requiring Lessee's insurer to deliver at least thirty (30) days prior written notice to Lessor of any modification, change or cancellation of Lessee's coverage.

#### **9. Signs and/or Modifications**

Lessee shall not paint, affix or otherwise attach any signs to the exterior or interior of the leased Equipment, nor make any modifications of existing signs on the leased Equipment without the prior written consent of Lessor.

#### **10. Default**

The occurrence of any of the following events, if not cured within the applicable time permitted for cure below, shall constitute a default under the Lease Agreement:

(a) Failure of Lessee to make any of the required payments to Lessor required hereunder when due; or

(b) Failure of Lessee to comply with any other terms, covenants, or conditions required of Lessee herein; or

(c) Making by Lessee of any general assignment for the benefit of creditors; filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; appointment of a trustee or receiver to take possession of substantially all of Lessee's assets or of Lessee's interest in this Lease Agreement; Lessee's convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts; or Lessee's insolvency or admission of an inability to pay its debts as they mature; or

(d) Vacation or abandonment by Lessee of the leased Equipment; or

(e) The levy of any lien, writ of attachment, garnishment, execution or restraint on all or any portion of Lessee's rights or interest under this Lease Agreement.

If a receiver is appointed to take possession of any of the assets of the Lessee, Lessor may, at its option, terminate Lessee's right to possession of the leased Equipment by giving written notice to Lessee. The leased Equipment, and any rights of Lessee therein, shall thereupon be surrendered to Lessor and Lessor may



take possession thereof immediately. Lessee authorizes Lessor to enter upon any premises of Lessee upon ten (10) days written notice served by first class mail on Lessee for the purpose of taking possession of the leased Equipment.

If Lessee defaults on any of the terms of this Lease Agreement other than by the appointment of a receiver as set forth above, Lessor shall notify Lessee in writing of the default and Lessee shall have 15 days to cure such default. If Lessee fails to cure the default within 15 days following written notice served via first class mail by Lessor, Lessor shall have a right to immediately repossess the leased Equipment without any further notice to Lessee. Repossession of the leased Equipment by Lessor or the voluntary surrender of the leased Equipment by Lessee shall not affect the right of Lessor to recover from Lessee any and all damages which Lessor incurs by reason of the breach of any of the covenants, terms, or conditions of this Lease Agreement.

In the event Lessee defaults on the terms of this Lease Agreement, Lessee shall continue to be responsible to Lessor for all payments required hereunder for the entire duration of the lease term. Lessor shall use its best efforts to recondition the leased Equipment to render it suitable for subsequent rent, lease or sale and to rent, lease or sell the leased Equipment in a timely manner. Lessor may rent, lease or sell the leased Equipment after repossession from Lessee at such rate or amounts as Lessor deems appropriate in its sole discretion. If the leased Equipment is rented, leased or sold following repossession from Lessee, the proceeds therefrom shall be applied to the remaining balance owned by Lessee under the terms of this Lease Agreement after adding all additional costs and expenses incurred by Lessor to repossess, repair and recondition the leased Equipment to render it suitable for subsequent rent, lease or sale.

If Lessor repossesses the leased Equipment following default by Lessee, Lessor shall have the right to take and retain possession of all personal property of Lessee contained in or on the leased Equipment. Lessor shall have the further right to sell Lessee's personal property obtained during repossession of the leased Equipment, without further notice to Lessee, to satisfy any unpaid debt or damages owed to Lessor as a result of Lessee's breach of this Lease Agreement. All proceeds from a sale of Lessee's personal property shall be applied to the amount owed by Lessee to Lessor hereunder less any and all costs incurred by Lessor to advertise, auction and/or sell Lessee's personal property.

This paragraph is not intended or designed to limit or alter, in any way, the legal rights or remedies of Lessor in the event of a breach by Lessee. All rights of Lessor set forth in this paragraph are cumulative of existing law and Lessor shall retain the right to pursue any and all legal remedies against Lessee to which Lessor is entitled under California or federal law.

**11. Attorney's Fees**

In the event of any litigation between the parties arising from, or pursuant to, the terms and provisions of this Lease Agreement, or any alleged breach thereof, the prevailing party shall be entitled to obtain, as part of the judgment, all reasonable attorneys' fees, costs, including expert fees and costs, and expenses incurred in connection with such litigation.

**12. Miscellaneous**

This Lease Agreement shall be construed and interpreted under the laws of the State of California, and 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 or filing of this Lease Agreement or a copy thereof in any public office of the United States or any state or political subdivision. 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 the lease.

The relationship between the parties hereto is that of Lessor and Lessee only. Lessee's only interest herein is as a Lessee. The leased Equipment shall remain personal property regardless of its use or manner of attachment to realty. The holding over of the leased Equipment by Lessee after the expiration of the term provided for, shall not constitute a renewal of the terms of this Lease Agreement, or any portion thereof, or as a waiver of any of Lessor's rights hereunder and Lessor may take possession of the leased Equipment at any time after the end of the term without notice to Lessee. Any holding over after the expiration of this Lease Agreement with the consent of the Lessor shall be deemed to be a lease from month to month and shall be at the same rent and on the same terms and conditions as provided for herein, unless a new lease agreement is executed by all parties in writing.

**Delivery Charges on Trailers Leased**  
 "Right of possession is granted to lessee prior to delivery"  
 (separately state the delivery charges. The contract must be signed prior to delivery.)

**Return Transportation Charges**  
 "Lessee has the option of returning unit using their own facilities"  
 (separately state the delivery charges. The contract must be signed prior to delivery.)

API is entitled to rely on the owners representations regarding the public/private nature of the work in the acceptability of prevailing wage rates. If the nature of the work is other than as represented by the owner the owner will defend indemnify and hold API harmless from any claim or allegation including penalties assessed resulting from a Failure by contractor or subcontractor to pay prevailing wages.

This Lease Agreement constitutes the entire agreement between the parties and any change or modification shall be in writing and signed by all parties hereto.

**13. Notices**

All notices required under the terms and provisions of this Lease Agreement shall be in writing and 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 of in writing.

Lessor address: Atlas Performance Industries, Inc. (API)  
 P.O. Box 5754  
 Santa Maria, CA 93456-5754

Lessee address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**14. Damage Waiver Insurance Reimbursement**

As stated in section 8 above, Lessee must provide Lessor with a certificate of Liability Insurance with limits of \$1,000,000.00 minimum naming Lessor as an "Additional Insured." Lessee must also provide Lessor with Property



Insurance covering the full replacement costs of all of the leased Equipment in Lessee's possession naming Lessor as "Loss Payee."

If Lessee fails to provide Lessor with proof of the required insurance and related endorsements prior to the commencement of this Lease Agreement, Lessor may, at its sole option, charge and Lessee agrees to pay an "Insurance Reimbursement Fee" equal to 10% of the total rental charges per month. This "Insurance Reimbursement Fee" does not provide insurance coverage for the Lessee, but reimburses the Lessor for its insurance costs while the equipment is in the possession of the Lessee.

Regardless of insurance coverage, Lessee assumes the following risks of damage to the leased Equipment during the terms of this Lease Agreement and shall be fully responsible to Lessor for all resulting damages:

- (a) Loss by damage, vandalism, malicious mischief, and theft;
- (b) Loss, damage, or theft of accessory equipment, such as steps, piers, pads, tires, hitches, axles, or any other part, portion or attachment to the leased Equipment;
- (c) Loss or damage resulting from overloading, exceeding rated capacity, misuse, abuse, or improper servicing of the leased Equipment or any portion, component or system thereof;

Equipment # \_\_\_\_\_

LESSOR: Atlas Performance Industries, Inc.

By: \_\_\_\_\_  
(Please Print)

By: \_\_\_\_\_  
(Signature)

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

(d) Flooding due to full waste containment equipment, toilet malfunctions due to impurities in the water supply, fire or equipment malfunction due to improper electrical connections, electrical overloading, or any other cause associated with the use of the leased Equipment;

(e) Loss due to mysterious disappearance or wrongful conversion by a person entrusted with the leased Equipment by Lessee or its agents or employees;

(f) If damage is caused to the leased Equipment by a third party not associated with, or related to, Lessee, Lessor reserves the right to pursue the third party and/or Lessee, at Lessor's sole discretion, for all damages caused to, or otherwise associated with, the leased Equipment.

THE LESSEE UNDERSTANDS THAT THE "INSURANCE REIMBURSEMENT" IS NOT INSURANCE COVERAGE FOR THE LESSEE.

THE LESSEE IS OBLIGATED TO PREPARE AND SUBMIT A POLICE REPORT CONCERNING ALL LOSSES AND/OR DAMAGES TO THE LEASED EQUIPMENT CAUSED BY THIRD PARTIES AND SHALL SUBMIT A COPY OF THE POLICE REPORT TO LESSOR.

Contract # \_\_\_\_\_

LESSEE \_\_\_\_\_

By: \_\_\_\_\_  
(Please Print)

By: \_\_\_\_\_  
(Signature)

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