



RENTAL TERMS AND CONDITIONS

The Modal Shop shall hereafter be referred to as TMS.

Order for or statement of intent to rent or any direction to deliver rental Equipment constitutes agreement by Customer to be bound by TMS's terms and conditions included herein.

No provisions of any purchase orders submitted by or additional or different terms proposed by Customer and no waiver, alteration or modification of any of the provisions below shall be effective or binding upon TMS, unless specifically assented to in writing and signed by an officer of TMS.

1. Rental Period and Rates

The Rental Period shall commence on the date TMS ships Equipment to the Customer and shall in all cases extend until the date Equipment is returned to and received at TMS. Equipment is rented in increments based on product type, with a minimum Rental Period detailed on the quotation and/or Rental Agreement. Customer shall sign and return Rental Agreement, which indicates the contracted Rental Period, and submit paper copy of the purchase order before order can be filled.

Rentals not received at TMS by the end of contracted rental period shall be automatically reinvoiced for identical rental period and price. Rentals extended past the first (minimum) period but returned early in the extension period are allowed a credit applied to the final invoice, per this table:

Days items returned after most recent rental	Amount of Credit	
	15 Day Rental	30 Day Rental
1-7	20%	50%
8-14	0%	20%
15-30		0%

Certain rentals shall have fixed rental return dates that cannot be extended and shall be indicated on invoice or quotation.

Long-term rental discounts (for rental periods of 3 months or more) are available, and are applicable only if negotiated in advance.

Unless otherwise provided on the quotation, rates include normal packaging for shipment and receiving and receipt inspection upon return to TMS. Rental units, use of instruction books and initial operating supplies are included in the rental rate. All equipment is subject to TMS's terms, conditions and price provisions in effect at the time the order is accepted. If order is canceled after receipt of the purchase order, a restocking fee equal to 15% of the total monthly rental fee shall be applied.

Rental rates are subject to change without notice.

2. Payment

Customer shall pay TMS each rental interval during the contracted Rental Period the Rental Fee indicated on the Rental Agreement of each item of Equipment together with all sales and use taxed imposed thereon. The first rental period will be billed at the time of shipping and billing will occur thereafter as applicable. All amounts due hereunder shall be due according to the terms on the Rental Agreement, subject to charge on late payment accounts.

3. Shipping and Handling

All Equipment is provided FOB shipping point. Shipment will be made as specified by Customer and at Customer's expense. Equipment shall not be shipped via mail service. TMS will not be held liable for transportation delays. Unless Customer notifies TMS to the contrary within seventy-two (72) hours after receipt of Equipment, it shall be conclusively presumed that the Equipment was delivered to Customer and is in good operating condition. The Equipment may be used only at the location to which it is shipped unless written approval granted from TMS Sales or Application Engineering team member. Customer may not move the Equipment or any part thereof to any other location without prior written notice to and consent of TMS granted in each instance.

4. Taxes

Customer shall pay all taxes and other governmental charges assessed in connection with the rental, use or possession of the Equipment including, without limitation, any and all sales and/or use taxes and personal property taxes (other than taxes on TMS's net income).

5. Warranty

TMS hereby warrants to Customer only that each item of Equipment, when shipped, will be in good operating conditions. Should the rented Equipment fail to operate properly during the Rental Period through no fault of the Customer and the Customer notifies TMS within two (2) days of the failure, TMS will, at its option, either repair or replace the Equipment. This warranty does not apply if the product has been damaged by accident, abuse, misuse, or misapplication or as a result of service or modification by anyone other than TMS. Customer's damages for any breach by TMS of such warranty with respect to an item of Equipment shall be limited to the direct damages caused by a defective operating condition which could not reasonably have been discovered by Customer after the delivery to it of such item, but in no event shall exceed the total rental fees paid by Customer for such item. **THE FOREGOING WARRANTY IS THE EXCLUDE WARRANTY AND IS IN LIEU OF ANY ORAL REPRESENTATION AND ALL OTHER WARRANTIES AND DAMAGES, WHETHER EXPRESSED, IMPLIED, OR STATUTORY EXCEPT AS SPECIFICALLY SET FORTH IN THIS PARAGRAPH. TMS HAS NOT MADE NOR DOES MAKE ANY WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE.** TMS makes no warranty that the property will not infringe any patent or property right of any third party.

6. Ownership and Use

The Equipment shall remain the property of TMS and is provided to Customer solely on a rental basis without any option to purchase unless such an option is granted prior to the commencement of the Rental Period and explicitly set forth in writing on the Rental Agreement or some other document signed by the parties. Customer shall have sole use of the Equipment and shall not sublease, rent, transfer, assign, sell, alter, modify or encumber any item of Equipment without the prior written consent of TMS.

7. Safekeeping, Damage, and Loss

Customer shall bear the entire risk of loss, theft, damage or destruction from any cause whatsoever of the property, and Customer shall not be relieved of the obligation to pay rent or from any other obligation under the agreement. Customer shall be responsible for any pay to TMS on demand the new replacement cost of any lost or materially damaged Equipment (including accessories), as well as the cost of restoring any Equipment that is returned with extraordinary wear and tear or damage. With respect to lost or materially damaged Equipment, Customer shall be responsible for Rental Fees for the Equipment, or pro-rated portion thereof, to the date of receipt by TMS of the full new replacement cost. As used herein,

the term “materially damaged” means damage to the Equipment to such an extent that the cost to repair such Equipment equals or exceeds fifty percent (50%) of the fair market value of the Equipment at that time. Until a damaged item has been repaired, Customer shall be responsible for all Rental Fees. Customer shall not remove or deface ownership labels, calibration seals, and anti-tamper notices affixed to the property. Customer shall insure Equipment against risk of loss, damage, theft, or destruction for not less than the replacement cost of each item and if requested by TMS shall provide evidence of such insurance. Customer shall not undertake repair, modification, or disassembly of the rental Equipment without TMS’s prior written authorization.

8. Limitation of Liability

In no event, whether as a result of breach of contract, warranty, tort (including negligence), or otherwise shall TMS or its suppliers be liable for any consequential, incidental, or exemplary damages including, but not limited to, loss of profit or revenues, loss of use of the products or any associated equipment, damages to associated equipment, cost of substituted products, facilities, services or replacement power, downtime costs, lost data, or claims of the Customer’s customer for such damages.

9. Delinquent Payments and Default

Customer shall pay to TMS a late charge on any late payment from the due date thereof until the date paid at 1.5% per month (equal to 18% per annum) or the maximum rate permitted by law, whichever is less. In the event any invoice remains unpaid for a period of thirty (30) days or more after becoming due, or the Customer is otherwise in default or breach of the Terms and Conditions herein, TMS shall have the right to terminate this Agreement and take immediate possession of the rented equipment and recover for the Customer in any action to enforce TMS’s right hereunder, all amounts hereunder, together with TMS’s costs and reasonable attorney’s fees. Notwithstanding any requirements of notice of default provided above, in the event a petition under the federal bankruptcy laws is filed by or against the Customer, or the Customer makes an assignment for the benefit of creditors, or a receiver for the Customer is appointed or applied for, or the Customer to be in default and immediately thereon TMS may take possession of the rented equipment and exercise any other remedies or right that TMS may have at law or in equity.

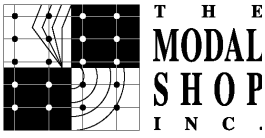
10. Return

Property shall be returned to TMS by prepaid insured shipment, in original shipping container. Customer shall return Equipment and Accessories to TMS in good operating condition, normal wear and tear excepted. Customer shall properly pack for shipment all Equipment being returned and shall be responsible for any damage caused during the return shipment. Customer shall pay repair charges for any equipment returned in damaged conditions. If accessories integral to the equipment are not returned, the rental period will not cease until said accessories are returned or replaced. All rental items not returned will be billed to the customer at replacement cost plus any rental due or \$50, whichever is greater.

11. Miscellaneous

The invalidity of any of the within terms and conditions shall not affect the validity of any other terms and conditions. Customer shall furnish such financial and business information about Customer and shall execute such financing statements and other documents as TMS may from time to time request. The right to TMS and the Customer hereunder shall be governed by the laws of the State of Ohio. The above terms and conditions are the only terms and conditions upon which TMS is willing to rent the equipment. No waiver of any breach of default by customer shall waive any other breach of default. These rental terms may not amended or modified except in writing signed by both parties.

(END OF RENTAL TERMS AND CONDITIONS)



In lieu of our Rental Terms and Conditions, please add the following statements to your purchase order and return to The Modal Shop at your earliest convenience. This will expedite acceptance of your purchase order.

1. The Rental Period commences on the date The Modal Shop ships Equipment to the Customer and extends until the date Equipment is returned to and received at The Modal Shop.
2. Equipment is rented in monthly increments with a minimum Rental Period of one month.
3. The first month's rental will be billed at the time of shipping, and billing will occur monthly thereafter as applicable.
4. Customer shall be responsible for and pay to The Modal Shop the new replacement cost of any lost or materially damaged Equipment (including accessories) as well as the cost of restoring any Equipment that is returned with extraordinary wear and tear or damage. Customer bears the risk of loss, theft, damage or destruction of the property from any cause.
5. Property shall be returned to The Modal Shop by prepaid insured shipment, in original shipping container. Customer shall return Equipment and Accessories to The Modal Shop in good operating condition, normal wear and tear accepted.

Under certain circumstances a 15 day rental period may be offered, in which case use the following substitutions:

2. Equipment is rented in 15 day increments with a minimum Rental Period of 15 days.
3. The first 15 day rental will be billed at the time of shipping, and billing will occur semi-monthly thereafter as applicable.