

1. Purpose of the service

During the rental period, RAICO shall grant to the lessee the right to use the equipment, as it is intended to be used, solely for work relating to RAICO products.

2. Lessee's duties

- 2.1 The lessee shall be required to pay to RAICO the rent stipulated.
- 2.2 The equipment leased must be used by the lessee with due care, and safeguards must be put in place to prevent overutilization.
- 2.3 The lessee shall be required to put in place, at its own expense, sufficient safeguards to prevent unauthorized access by third parties – including, but not limited to, theft – and adverse effects as may be caused by the weather.
- 2.4 RAICO must be given immediate, written notice of looming or effectuated enforcement measures, garnishments, claims accruing from alleged lessor security interests, etc., and the garnishment record, complete with the creditor's name and address, must be appended to that notice. Further, the lessee must, without undue delay, advise RAICO of any foreclosure and receivership petition relating to any real property on which the equipment is located.

3. Delivery and return

- 3.1 The equipment shall be delivered and returned at the expense of the lessee. For delivery, the carrier shall be hired by RAICO, for returns by the lessee. For returns, the equipment must be properly packaged by the lessee.
- 3.2 Custody of the equipment shall pass to the lessee upon natural possession thereof being transferred; custody shall terminate once the equipment is returned in accordance with the contract.

4. Rent and payment

- 4.1 Rent shall be charged in accordance with the applicable equipment price list. RAICO has a claim to advance payment of the rent in an amount equal to the prospective end price. The terms of payment specified in each invoice shall apply.
- 4.2 Should the lessee default on the payment of any payable amount, RAICO shall have the right, from the default date forward and absent any back-up material evincing the default, to charge default interest in an amount equal to eight (8) percentage points above the respective base interest rate contemplated by § 247 of the Bürgerliches Gesetzbuch (Civil Code, the "BGB"). The foregoing shall not preclude the assertion of any damage in connection with such default.

5. Return, damages

- 5.1 After the Rental Agreement ends, the lessee must return the equipment to RAICO in an operational, undamaged, and cleaned condition, complete with all parts and accessories specified in the Rental Agreement. When returning the equipment, the "Equipment Return Form" or a copy of the Agreement must be submitted.
- 5.2 Should the equipment not be returned in a contractually compliant condition and manner, then RAICO shall have the right to seek damages in keeping with the provisions of the BGB. The lessee's duty to render damages shall also extend to any repair costs, plus any depreciation, or – in the case of total loss of the equipment – to the replacement value, less any remaining value. RAICO reserves the right to seek further claims to damages.
- 5.3 The lessee must, without undue delay, report any loss of or damage to the equipment to RAICO and, if a crime has been committed or is suspected, to the proper law enforcement authorities.

6. Term and termination

- 6.1 The rental period shall begin to run upon receipt of the equipment by the lessee and shall endure for a minimum period of three (3) months. The Rental Agreement shall be tacitly extended by successive one-month periods, if it is not terminated in advance by one of the two parties with a termination notice period equal to three (3) working days as of month's end. After termination, the lessee must ready the equipment for pick-up within three (3) working days.

- 6.2 RAICO shall have the right to terminate the Agreement for cause and without notice. Cause shall include, but not be limited to, cases in which
- a) the lessee defaults on its payments including, but not limited to, its payment of the rent, for a period exceeding thirty (30) days and it does not render payment of delinquent amounts within one (1) week of the dunning notice;
 - b) the lessee breaches this Agreement;
 - c) the lessee does not meet other contractual requirements despite a warning by the lessor, including, but not limited to, continuing or tolerating use of the equipment in breach of contract;
 - d) circumstances give RAICO reason for concern that, when compared to the date of contract formation, the lessee's financial situation has deteriorated or is likely to deteriorate, which situation makes it seem likely that the lessee is unable to discharge, fully, its contractual duties under this Agreement, especially the duty to render timely payment of the rent; the foregoing includes, but is not limited to, cases in which the lessee ceases payment or remedial enforcement efforts have been made regarding the lessee's assets.
- 6.3 This Agreement can be terminated only in writing. Once the Agreement ends, the lessee's right to use the equipment shall lapse.

7. Liability for defects

- 7.1 When the lessee takes natural possession of the equipment, the lessee must inspect that equipment and submit a written objection to RAICO in the event defects or damage are discovered. No objection can be submitted after the fact regarding discernable defects or damage, which were not documented as part of the transfer of natural possession of the equipment. Should the lessee not submit an objection within five (5) days of said transfer, then the lessee thereby represents that the lessee has not discovered any considerable adverse condition of the equipment within the meaning of § 536(1)(3) BGB. After the deadline lapses, the lessee shall not be entitled to claims for damages or any other claims against RAICO on account of such defects.
- 7.2 The lessee must, without undue delay, report to RAICO any defects, after the lessee has discovered them, complete with any information gained and pertinent to the discovery of the defects.
- 7.3 Should the equipment provided for use by the lessee breakdown, RAICO shall, at its option, either repair or exchange that equipment within a reasonable period of time. In the event of an exchange, the new equipment shall take the place of the original equipment rented.
- 7.4 Neither accessories appurtenant to the equipment nor expendable parts are covered under the warranty.
- 7.5 Should, within fourteen (14) working days of receipt of the objection notice by RAICO, the operability of the equipment not be restored due to reasons for which the lessee is not responsible, then the lessee shall have the right in relation to the defective equipment – or if as a consequence of such defects the lessee no longer has an interest in continuing the contract on the whole – to terminate the contract for the totality of the equipment leased without notice, but in writing. In lieu thereof, the lessee can request a reduction in rent. The scope of liability set forth in Section 8 shall apply to any claim for damages.

8. Liability

- 8.1 RAICO's liability for damages under § 536a(1) BGB is precluded as regards equipment defects extant as of contract formation.
- 8.2 RAICO shall be liable in accordance with applicable law insofar as the lessee seeks to prosecute claims for damages based on wrongful intent or gross negligence, including wrongful intent or gross negligence of RAICO's representatives or auxiliary agents. To the extent that RAICO does not stand accused of a wrongful breach of contract, the liability for damages shall be limited to foreseeable, typical damage that might occur. Typical and foreseeable damage shall be capped at 5,000.00 Euro.
- 8.3 The foregoing shall be without prejudice to any liability arising from any culpable injury to life, limb, or health; the same shall hold as regards the liability required under the Produkthaftungsgesetz (Product Liability Act) as well as the liability arising from fraudulent misrepresentation.

- 8.4 Liability for damages extending beyond that prescribed in Section 8 shall be precluded – absent any consideration for the legal nature of the claim asserted. In particular, the foregoing shall apply to claims seeking damages on the grounds of fault (Verschulden) at the time of contract formation, on the grounds of any other breach of duty, or on the grounds of any tort seeking compensation for material damage as contemplated by § 823 BGB.
- 8.5 RAICO disclaims all liability for damage based on improper or unqualified use; improper assembly of one's own or commissioning, natural wear and tear; improper or careless handling, including, but not limited to, excessive use; inappropriate operating resources; substitute materials; defective building work; unsuitable building ground; chemical, electrochemical, or electrical influences; modifications or repairs carried out in an unqualified manner or without RAICO approval.
- 8.6 The lessee shall be liable for any damage, for which the lessee is responsible, or for any loss of equipment including parts and accessories, for which the lessee is responsible. The lessee shall also be liable for the lessor's consequential costs, as may be incurred on account of such damage. The foregoing also applies in the event equipment is held longer than the rental period.

9. Applicable law, venue

- 9.1 The law of the Federal Republic of Germany shall be applicable to all contracts formed with RAICO. The provisions of UN purchasing law shall be expressly precluded.
- 9.2 The exclusive – and international – venue for all disputes directly or indirectly arising from the contractual relationship shall be the place in which RAICO has its registered office. However, RAICO shall have the right to file suit at the buyer's general venue.