

Conditions of Sale/ Rental/ Service/ Construction

I. ALL TRANSACTIONS

1. **Payment** – Terms are net 30 days unless otherwise specified in writing, an additional 1.5% per month (an annual rate of 18%) will be charged on past due account. **TERMS FOR CONSTRUCTION AND RENTAL ARE CASH ON COMPLETION WITH PROGRESS PAYMENTS.**
2. **Prices** – Are subject to change without notice and those in effect at the time of delivery.
3. **Quotations** – those based on buyer supplied information are subject to change to conform to actual conditions.
4. **Risk, Damaged and Loss** – Damage to or loss of equipment after delivery is the sole responsibility of purchaser or rental customer.
5. **Errors** – Seller reserves the right to correct stenographic and clerical errors or omissions.
6. **Limited Liability** – Sellers liability shall be limited to the stated price of any defective goods or services. Pacific Southwest Irrigation Corp. shall in no event be liable for buyer's crop loss or damage, lost profits, environmental consequences or other damages resulting from the use of equipment or services provided.
7. **Attorney and Collections Fees** – Buyer agrees that in the event any legal action must be taken to recover unpaid balances, there shall be added to said balance reasonable cost of collection including but not limited to attorney's fees and court costs.

II. ADDITIONAL TERMS OF SALE

1. **Sale** – All sales are final.
2. **Returns or Cancellations** – Must have prior approval and can be subject to a restocking charge or not accepted.
3. **Delivery** – Seller reserves the right to make delivery installments and to bill as delivered.

III. ADDITIONAL TERMS OF RENTAL

1. **Rental** – Rental is due on delivery. All rents are payable in advance of said rental period.
2. **Damage or loss** – the customer shall be responsible for all equipment from the time of delivery until its return. Rental equipment is to be returned clean, free of debris, dirt or other contaminants.
3. **Pumps** – Require oil change, lubrication and filter change every 150 hours of operation. The customer is responsible for all normal maintenance.
4. **Return** – It is the customer's responsibility to return the equipment. If you have negotiated a fee for removal, all pipe and fittings are to be stacked in a central and accessible location for pickup. The customer is to provide sufficient help or equipment to load and unload.
5. **Release** – Release of rental does not end customer responsibility for the equipment. Rentals will be rebilled upon expiration, when they are not released.
6. **Assignment** – Without the prior written consent of Lessor, Lessee shall not assign, transfer or pledge this Equipment Lease Agreement, the rented equipment or any portion thereof, or sublet or lend the rented equipment or any portion thereof, or permit the rented equipment or any portion thereof to be used by any one other than Lessee or Lessee's employees.
7. **Loss and Damage** - Lessee hereby assumes and shall bear the entire risk of loss and damage to the rented equipment from any and every cause whatsoever. No loss or damage to the equipment or any part thereof shall impair any obligation of Lessee under this Equipment Lease which shall continue in full force and effect.
 - Replace the same in good repair, condition and working order; or
 - Replace the same with like equipment in good repair, condition and working order; or
 - If the equipment is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall pay Lessor therefore in cash the stipulated retail price.
8. **Insurance** – Lessee shall keep the rented equipment insured against all risk or loss or damaged from any causes whatsoever for not less than the stipulated replacement value. All said insurance shall be in form and amount and with companies approved by Lessor, and shall be in the joint names of Lessor and Lessee.
9. **Ownership** – The rented equipment is, and at all times shall be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto, except as expressly set forth in this Equipment Lease Agreement.
10. **Personal Property** – The rented equipment is, and at all times shall be, and remain personal property, notwithstanding that the rented equipment or any portion thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in or permanently resting on, real property or any improvement thereon, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.
11. **THERE IS NO OPTION TO PURCHASE THIS EQUIPMENT UNLESS SPECIFIED IN WRITING.**
12. **Warranties** – Lessor makes no warranties, either express or implied, as to any matter whatsoever, including, without limitation, the condition of the equipment, its merchantability, or its fitness for any particular purpose.

IV. ADDITIONAL TERMS FOR CONSTRUCTION SERVICE WORK AND INSTALLATION

1. Payment terms are for progress payments and cash on completions
2. **Underground** – In the event rock or other material, including but not limited to hardpan are encountered, and not removable by ordinary hand tools, The owner shall pay contractor's added cost plus 20%.
3. **Underground Cables, Conduits, etc.** – Owner is required to locate all underground structures and to notify Cable Locating Service at (800) 642-2444 prior to work start.
4. **Extra Work** – Will be charged at cost plus a fixed percentage. **REVIEW YOUR PLANS AND/OR QUOTE CAREFULLY.**
5. **Withheld Payment** – Where the project is ready for use and major items or corrective or repair work remain to be done, the owner may withhold payment of only the amount which is sufficient to pay for completion of such work or a maximum of 10% of the total price.

V. UNAUTHORIZED USE

1. Unauthorized use of drawings, design information or material list is strictly prohibited. Designs and material lists are the property PACIFIC SOUTHWEST IRRIGATION CORP. Unauthorized users will be billed \$50/acre or \$100 /hour whichever is greater.

VI. MECHANICS' LIEN

1. A mechanics' lien is a hold on the title to a piece of real estate to secure the compensation of those who have performed labor or furnished materials. A lien binds the real property for the value of the labor performed or materials furnished similar to the way in which a mortgage or deed-of-trust secures the payment of a promissory note for a loan.