

MASONS SUPPLY RENTAL TERMS AND CONDITIONS

This Equipment Lease ("Lease"), effective as stated below, is between MASONS SUPPLY COMPANY, an Oregon corporation, whose address is 7707 S Union Ridge Pkwy, Ridgefield, WA 98642 ("Lessor"), and the undersigned ("Lessee") of the face hereof. The "Effective Date" of this Lease is the last date that it is fully signed by the parties on the face hereof. In consideration of the following covenants and conditions, Lessor leases to Lessee and Lessee leases from Lessor the items in the quantities and at the rentals indicated, with an option to purchase said items at the prevailing unit purchase prices. This lease does not include wood of any kind (except that which is part of a prefabricated panel), or the unloading, cleaning, assembly or erection of the items after delivery, subject to the following terms and conditions:

1. Lease Rates and Charges.

- 1.1.** The Lease rates and purchase prices listed on the face hereof are based on current unit prices as of the Effective Date and are subject to adjustment during the term of this Lease, for the prevailing lease charge and unit price in effect at the time of invoicing. Lease charges on all Equipment commence immediately upon the date of shipment and cease on date of return to Lessor's warehouse as shown on shipping documents. All Leases shall be invoiced monthly and are due and payable within thirty (30) days from date of invoice. For the purpose of this Lease, each week is presumed to have seven (7) days and each month has twenty-eight (28) days, and prorations will be made on this basis. Invoices not paid in full by the due date are subject to a late charge of 1.5% per month or the maximum allowable by law, whichever is less, on the unpaid balance from said due date until payment is made in full. Lessee shall have the right to return Equipment at any time, it being strictly understood and agreed that there shall be a minimum lease period of one (1) month and all charges shall be prorated, on a per diem basis, after the expiration of the minimum period.
- 1.2.** In the event additional leased equipment other than that specifically covered by this agreement is requested to be shipped to the Lessee, the additional leased equipment shall be subject to the same terms and conditions as are a part of this lease agreement.
- 1.3.** The rental prices quoted above shall only be guaranteed so long as the offer is accepted by the date specified and the equipment and materials are delivered by the date specified. The rental prices may be adjusted, without notice, however, to include increases in freight rates, taxes, tariff rates or similar charges.
- 1.4.** LESSEE FURTHER AGREES TO PAY IN ADDITION TO THE RENTAL RESERVED HEREIN, ALL TRANSPORTATION CHARGES FROM LESSOR'S WAREHOUSE TO DESTINATION AND RETURN. TRANSPORTATION CHARGES WILL BE BILLED AT THE APPLICABLE TARIFF CLASSIFICATION RATE LAWFULLY ON FILE WITH THE INTERSTATE COMMERCE COMMISSION AND/OR GOVERNING BODIES, AT THE TIME OF SHIPMENT. ALL CARRIERS SHALL BE AGENTS OF LESSEE. ALL ARRANGEMENTS TO BE MADE FOR THE RETURN OF EQUIPMENT ARE THE RESPONSIBILITY OF THE LESSEE.
- 1.5.** The Lessor reserves the right without penalty or obligation to suspend shipments of equipment or materials covered by this agreement in the event of strikes, labor or transportation interruption, accident to plant or equipment, fire, floods, acts of God, or other contingencies beyond the control of the Lessor.

2. Equipment

- 2.1. Acceptance of Equipment.** Lessee shall immediately inspect each item of Equipment delivered pursuant to this Lease, and shall notify Lessor in writing of any discrepancies between such item of Equipment and the description, statement of condition, and valuation of such item of Equipment as agreed to in the attached schedule or schedules. If Lessor receives no such written notice within two (2) days after delivery of any item of Equipment, Lessee will be conclusively presumed to have accepted the Equipment as specified in the attached schedule or schedules.
 - 2.2. Location of Equipment; Inspection.** The Equipment shall be located at the address provided for shipment delivery by the Lessee (the "Premises"), during the entire period of the Lease. The Lessee hereby agrees the rental equipment will not be moved or transferred from one construction jobsite to another nor shall any other person or entity be permitted to use the rental equipment for any purpose, without prior written consent of Lessor. Lessor shall have the right at any time, during Lessee's normal business hours, to enter the Premises occupied by the Equipment and shall be given free access to and afforded necessary facilities for the purpose of inspecting the Equipment.
 - 2.3. Use of Equipment.** Lessee shall provide for the registration and licensing of any Equipment wherever required, shall permit the Equipment to be operated only by competent and qualified employees, and shall insure that the Equipment is not subjected to careless or needlessly rough usage, abuse or misuse and to comply with and conform to all laws, ordinances, rules and regulations relating to the possession, safe and proper use and maintenance of the Equipment, and save Lessor harmless against actual or asserted violations thereof. Lessee further agrees to pay promptly when due all taxes and other public charges against or upon the possession, use or rental of the equipment during the rental term.
 - 2.4. Care; Repair.** Lessee shall use the Equipment in a careful and proper manner and shall comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the Equipment. Lessee agrees to keep the Equipment in good repair and operating condition, allowing for reasonable wear and tear. Lessee agrees to pay all expenses of maintaining and repairing the Equipment to keep it in peak operating condition. Expenses of repair shall include labor, material, parts, and similar items.
 - 2.5. Return of Equipment.** All equipment leased by Lessee shall, at the termination of this lease, be returned to Lessor's warehouse. Lessee, at its own expense, shall deliver such item of Equipment in good condition, ordinary wear and tear resulting from proper use alone excepted, and free and clear of encumbrances, to Lessor's warehouse, in the same condition as such Equipment was in when it left Lessor's warehouse, reasonable depreciation through careful use excepted, and in the case of forming panels, cleaned, treated with a Masons Supply release agent and ready for use. Any Equipment not returned shall be billed at the prevailing unit price in effect at the time of such billing, and any Equipment damaged by, without limitation, drilling, puncturing, bending, sawing, including drilling of holes through plywood faces, shall be repaired and replacement made in such manner as the Lessor deems appropriate, in the sole discretion of the Lessor, and at the expense of the Lessee, and the Lessor shall have the right to collect, from Lessee, such amounts as it has expended or incurred in such repair and replacement, the same as though such amounts were additional rental.
 - 2.6. Status of Equipment.** The Equipment leased under this Lease is, and will at all times remain, personal property, even though it or any part of it may now be, or may become, in any manner attached to, or embedded in, or permanently resting on, real property or improvements thereon.
 - 2.7. Ownership.** Title to the Equipment shall at all times remain in Lessor unless transferred to Lessee by sale, and Lessee shall have only the right to retain the possession of such Equipment pursuant to the conditions of this Lease. In the event of a sale of the Equipment, title shall not pass from Lessor to Lessee until the purchase price is paid in full. Lessee shall give Lessor immediate notice of any claim, levy, lien, or legal process issued against the Equipment.
 - 2.8. Taxes and Fees.** Lessee shall pay all taxes, assessments, and license and registration fees on the Equipment during the term of this Lease, and furnish to Lessor satisfactory proof that such payment has been made before such taxes, assessments, or fees become delinquent.
- 3. Termination.** Unless otherwise terminated, this Lease will continue in force until all of the Equipment specified in the attached face of hereof has been returned to Lessor or purchase by Lessee, and until all of the obligations of the parties under this Lease have been discharged. Notwithstanding the preceding sentence, Lessor shall have the option at any time to terminate this Lease, for any reason or no reason, by giving to Lessee at least thirty (30) days prior written notice of termination.
 - 4. Lessee's Option to Purchase Equipment.** Lessee, if not in default in any obligation under this Lease, is granted the option to purchase any particular item of Equipment Leased for the price of such item of Equipment set forth in the face thereof together with a sum equal to any new or applicable unpaid invoices and use taxes, Lessor will transfer title of the item of Equipment to Lessee.
 - 5. Risk of Loss or Damage.** Lessee assumes all risks of loss of and damage to the Equipment from any cause, and agrees to return it to Lessor in as good condition as when received, normal wear and tear excepted. No loss of or damage to the Equipment shall impair any obligation of Lessee under this Lease, and all such obligations shall continue in full force and effect until otherwise discharged. In the event of loss of or damage to the Equipment, Lessee, at the option of Lessor, shall: (a) place the Equipment in good repair; (b) replace the Equipment with like Equipment that is acceptable to Lessor in Lessor's sole judgment and discretion, in good repair, which Equipment shall become the property of Lessor and subject to this Lease; or (c) pay Lessor therefor in cash the value of the Equipment as specified in the face thereof. On payment by Lessee of the value of lost or damaged Equipment, pursuant to **Paragraph (c) of this Section**, this Lease shall terminate with respect to such items of Equipment so paid for and Lessee shall become entitled thereto, as owner of such items of Equipment.
 - 6. Default.** The following "Events of Default" shall constitute default under this Lease: (a) The nonpayment by Lessee for a period of thirty (30) days of any sum required to be paid by Lessee; (b) The nonperformance by Lessee of any other covenant or condition of this Lease that is not cured within seven (7) days after notice from Lessor; (c) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors; (d) The filing of any involuntary petition under any bankruptcy statute against Lessee, or the appointment of any receiver or trustee to take possession of the property of Lessee; (e) The subjection of any of Lessee's property to any levy, seizure, assignment, application, or sale for or by any creditor or governmental agency; (f) The dissolution of Lessee; or (g) Lessee's failure to keep the Equipment free and clear from liens. An Event of Default with respect to any Equipment schedule hereunder shall, at Lessor's option, constitute an Event of Default for all Equipment schedules hereunder and any other lease agreements between Lessor and Lessee.
 - 7. Remedies.** On the occurrence of any Event of Default defined in **Section 6**, Lessor may without notice to or demand on Lessee take possession of the Equipment after deducting all costs and expenses incurred in connection with the recovery, repair and shipping of the Equipment, in payment of the amounts and other obligations due from Lessee to Lessor under this Lease, Lessee remaining responsible for any deficiency or exercise any other right or remedy available to Lessor under law or in equity. All such amounts owing to Lessor shall bear interest at the rate of nine and No/100 percent (9.0%) per annum until paid. Lessee hereby irrevocably authorizes any attorney of any court of record to appear for Lessor and confess judgment, where such action is permitted by law, against Lessee, for all unpaid rentals and other moneys due hereunder, plus all expenses incurred in enforcing the terms of this lease, without stay of execution, and Lessee hereby waives and releases relief from any and all appraisal, stay or exemption laws then in force, and Lessee agrees that Lessor's rights hereunder are cumulative and not alternative, and the waiver of any default on the part of Lessee shall not be held to operate as a waiver of any subsequent default or defaults. If it is necessary for Lessor to file suit to enforce any provision of this lease, Lessor shall be entitled to receive its costs of suit and attorney's fees from the Lessee.
 - 8. Lessor's Right to Prevent Default.** Should Lessee fail to make any payment or do any act as provided in this Lease, Lessor shall have the right, but not the obligation, without notice to or demand on Lessee, and without releasing Lessee from any obligation, to make or do the same, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the sole judgment of Lessor appears to affect the Equipment, and, in exercising any such rights, incur any liability and expend whatever amounts in Lessor's reasonable discretion it may deem necessary. All expenses so incurred by Lessor shall be, without demand, immediately due and payable by Lessee and shall bear interest at the rate of nine and No/100 percent (9.0%) per annum until paid.
 - 9. Lessor's Expense.** Lessee shall pay all costs and expenses of Lessor, including, without limitation, reasonable attorneys' and other professional fees, the fees of any collection agencies and appraisers, incurred by Lessor in enforcing any of the terms, conditions or provisions hereof.
 - 10. Indemnification and Assumption of Risk.**
 - 10.1.** Lessee assumes liability for and hereby agrees to indemnify, defend, and keep harmless Lessor, its agents, employees, officers, directors, successors and assigns, from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, attorney fees, and costs and expenses, of whatever kind and nature, including without limitation claims for personal injury, death, or property damage, arising out of or relating to (i) the transportation, delivery, condition, use, maintenance, repair, or return of the Equipment; (ii) the conduct of Lessee's business or from any activity, work or thing which may be permitted or suffered by Lessee in or about the Equipment; and (iii) any breach of Lessee's obligations, representations, or warranties under this Lease. Lessee hereby assumes all risk of damage to property or injury, including death, to persons in or about the Equipment from any cause, and Lessee hereby waives all claims in respect thereof against Lessor. Without limiting the generality of the foregoing, Lessor shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the real or personal property of Lessee, Lessee's agents, employees, contractors, subcontractors, or invitees, the site owner, or any other person in or about the Equipment; and Lessor shall not be liable for personal injury, including death, to Lessee or Lessee's agents, employees, contractors, subcontractors, or invitees, the site owner, or any other person in or about the Equipment, whether said damage or injury results from conditions arising in or about the Equipment.
 - 11. Disclaimer of Warranties.** LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS, AND LESSEE HEREBY DISCLAIMS THE SAME, IT BEING UNDERSTOOD THAT THE EQUIPMENT IS LEASED TO LESSEE "AS IS" AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessor will not be liable for any loss, injury or damages to persons or property resulting from failure or defective operation of any equipment furnished hereunder or delay in performance of this agreement, nor will Lessor be liable for direct, indirect, special or consequential damages of any kind sustained from any cause. This writing expresses the entire agreement between Lessor and Lessee and no other agreement, statement or representation shall be binding unless reduced to writing, signed by an officer of Lessor and attached hereto.
 - 12. Insurance.** Lessee shall carry insurance to the full replacement value of the Equipment leased, against loss by fire, theft and other insurable hazards, for the benefit of the Lessor, its successors and assigns and Lessee shall maintain a commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage in an amount not less than Two Million and No/100 Dollars (\$2,000,000.00). Upon demand of Lessor, Lessee will furnish Lessor with proof of insurance and its renewal. Lessee shall pay any and all damages for any injury or death sustained by any person or persons and for all damage to property growing out of any act or deed, or any omission to act, of the Lessee or any subcontractor or any servant, agent, customer or employee of the Lessee and to indemnify, save and keep the Lessor harmless against all liabilities, judgments, costs, damages and expenses which may in anywise come against Lessor for or on account of injury received or death sustained by any person or persons and for all damage to property caused by any act or deed, or any omission to act, of the Lessee or any subcontractor, or any servant, agent or employee of the Lessee, in the performance of work with the leased items specified herein or any of them, or in which such items are used, except where such liability results from the negligence of Lessor or its servants, agents or employees, or from the faulty design and/or manufacture of items manufactured by Lessor.
- 13. General.**
 - 13.1. Binding Effect.** This Lease is binding on and inures to the benefit of the parties and their respective heirs, personal representatives, successors, and permitted assigns.
 - 13.2. Notices.** All notices and other communications hereunder shall be in writing and shall be transmitted by hand, overnight courier or certified mail (return receipt requested), postage prepaid. Such notices and other communications shall be addressed to the respective party at the address set forth above or at such other address as any party may from time to time designate by notice duly given in accordance with this **Section**. Such notices and other communications shall be effective upon the earlier of receipt or three (3) days after mailing if mailed in accordance with the terms of this **Section**.
 - 13.3. No Third-Party Beneficiaries.** Nothing in this Lease, express or implied, is intended or may be construed to confer on any person, other than the parties to this Lease, any right, remedy, or claim under or with respect to this Lease.
 - 13.4. Amendments.** This agreement shall not be amended or altered in any manner unless such amendment or alteration is in writing and executed on behalf of Lessor by one of its officers.
 - 13.5. Construction.** The captions used in this Lease are provided for convenience only and will not affect the meaning or interpretation of any provision of this Lease. All references in this Lease "Section" or "Sections" without additional identification refer to the Section or Sections of this Lease. All words used in this Lease will be construed to be of such gender or number as the circumstances require. Whenever the words "include" or "including" are used in this Lease, they will be deemed to be followed by the words "without limitation."
 - 13.6. Counterparts.** This Lease may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same lease.
 - 13.7. Facsimile Signatures.** Facsimile transmission of any signed original document, and retransmission of any signed facsimile transmission, will be the same as delivery of an original. At the request of any party, the parties will confirm facsimile transmitted signatures by signing an original document.
 - 13.8. Further Assurances.** Each party agrees to execute and deliver such other documents and to do and perform such other acts and things as any other party may reasonably request to carry out the intent and accomplish the purposes of this Lease.
 - 13.9. Time of Essence.** Time is of the essence with respect to all dates and time periods set forth or referred to in this Lease.
 - 13.10. Waiver.** Any provision or condition of this Lease may be waived at any time, in writing, by the party entitled to the benefit of such provision or condition. Waiver of any breach of any provision will not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.
 - 13.11. Governing Law.** This Lease will be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflict-of-laws principles.
 - 13.12. Attorney Fees.** If any arbitration, suit, or action is instituted to interpret or enforce the provisions of this Lease, to rescind this Lease, or otherwise with respect to the subject matter of this Lease, the party prevailing on an issue will be entitled to recover with respect to such issue, in addition to costs, reasonable attorney fees incurred in the preparation, prosecution, or defense of such arbitration, suit, or action as determined by the arbitrator or trial court, and, if any appeal is taken from such decision, reasonable attorney fees as determined on appeal.
 - 13.13. Dispute Resolution/Mediation/Arbitration.** If a dispute arises in connection with the terms or enforcement of this Lease, the aggrieved party shall notify the other party in writing of the dispute and the parties shall meet within ten (10) days to discuss a possible resolution of the dispute. If the parties are unable to fully resolve the dispute, the parties agree to attempt to resolve the dispute through mediation with a mediator agreed upon by the parties, with each party to pay One-Half (1/2) of mediation fees and their respective attorney fees for such mediation. If mediation is unsuccessful in resolving the dispute, the parties agree to mandatory, final, binding arbitration. The arbitration shall be conducted in Portland, Oregon according to the current rules of Arbitration Services of Portland, Inc., before a single arbitrator chosen from a panel of attorneys admitted to practice law in the State of Oregon, who is knowledgeable in business law/construction law. The written determination and award of the arbitrator shall be final, binding and conclusive, and such determination may be entered in any court of competent jurisdiction. This arbitration clause shall survive any termination or amendment of this Lease, the prevailing party shall be entitled to recover from the other party, attorney's fees and costs in such amount as may be found to be reasonable and awarded by the court, arbitrators or other forum, at trial or hearing and upon any appeal thereof.
 - 13.14. Injunctive and Other Equitable Relief.** The parties agree that the remedy at law for any breach or threatened breach by a party may, by its nature, be inadequate, and that in addition to damages, the other parties will be entitled to a restraining order, temporary and permanent injunctive relief, specific performance, and other appropriate equitable relief, without showing or proving that any monetary damage has been sustained and without the requirement of the posting of a bond.
 - 13.15. Venue.** Any action or proceeding seeking to enforce any provision of this Lease or based on any right arising out of this Lease must be brought against any of the parties in Multnomah County Circuit Court of the State of Oregon or, subject to applicable jurisdictional requirements, in the United States District Court for the District of Oregon, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue.
 - 13.16. Schedules.** The schedules referenced in this Lease are part of this Lease as if fully set forth in this Lease.
 - 13.17. Severability.** If any provision of this Lease is deemed to be invalid or unenforceable in any respect for any reason, the validity and enforceability of such provision in any other respect and of the remaining provisions of this Lease will not be impaired in any way.
 - 13.18. Entire Agreement.** This Lease (including the documents and instruments referred to in this Lease) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Lease and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
 - 14.** In the event the Lessee has issued or does issue a purchase order or orders covering the equipment leased under this agreement, it is agreed to have been issued only for the administrative convenience of the Lessee, and all terms and conditions thereon shall be of no legal effect, nor binding upon the Lessor.
 - 14.1. Assignment/Subletting.** Lessee shall not assign this Lease or any equipment leased under the Lease, or any interest in this Lease or Equipment, without Lessor's prior written consent. Lessee shall not sublet the Equipment, or any item of it, without Lessor's prior written consent.
 - 14.2. Force Majeure.** The Lessor reserves the right without penalty or obligation to suspend shipments of Equipment or materials covered by this Lease in the event of strikes, labor or transportation interruption, accident to plant or Equipment, fire, floods, acts of God, or other contingencies beyond the control of the Lessor.

IN WITNESS WHEREOF, each party has caused this Lease to be executed on the Effective Date.