

In the event that the leased trailers shall not, in the opinion of Lessor, be maintained in good and efficient working order, condition and repair, as hereinabove provided, the Lessor, without prejudice to any other of its rights or remedies, may give written notice to Lessee to put such trailers in good working order and condition, and replace any broken parts, (including worn or damaged tires) and in the event Lessee does not, within thirty days from the date of such notice, comply with the requirements therein set forth, the Lessor may cause such trailers to be put in good working order and condition, the expense thereof to be paid by the Lessee upon demand.

Substantial Loss or Damage.

5. Where a trailer is stolen or disappears, or where due to failure of Lessee to keep a trailer in good condition and repair, or where a trailer is damaged and in any such instance the trailer cannot reasonably be put back into sound good working order and condition, Lessee shall immediately pay to Lessor on demand an amount equal to all accrued and unpaid rent plus all remaining rental installments provided for during the balance of the term. This lease as to any such trailer shall thereupon be terminated. Any insurance proceeds covering such damage or loss shall be payable to Lessor and shall serve pro rata to reduce the amount payable under this paragraph by the Lessee.

Warranty by Lessor

6. The Lessor warrants the trailers leased hereunder to be free from defects in material and workmanship under normal use and service and with loads not exceeding the applicable legal maximum, its obligation under this warranty being limited to making good at its factory any part or parts thereof (excluding all equipment, trade accessories, and tires subject to warranties of their respective manufacturers) supplied by the Lessor hereunder, which shall, within ninety days after making delivery of any such leased trailer to the Lessee be returned to the Lessor by the Lessee with transportation charges prepaid and which Lessor's examination shall disclose to its satisfaction to have been thus defective; this warranty being expressly in lieu of all other warranties expressed or implied and all other obligations or liabilities or Lessor's part, and Lessor neither assumes nor authorizes any other person, firm, or corporation to assume for it any liability in connection with the lease of said trailers. This warranty shall not apply to any vehicle which shall have been repaired or altered outside of an authorized service station in any way so as, in the judgment of the Lessor, to effect its stability or reliability, nor which has been subject to misuse, negligence, or accident.

The Lessor's liability under this warranty shall be limited to the repair or replacement, at its option, f.o.b. factory, of any part of said equipment which proves to be defective, and which, upon examination by the Lessor, shall be deemed by it to be defective, within 90 days from the date of this lease. This warranty does not apply to equipment which has been subject to any accident, alteration, misuse or improper installation, and does not include any labor charges for replacement or repair, of defective parts, and it is agreed that this warranty is the only warranty on the part of the Lessor, either express or implied, with relation to the leased trailers.

Insurance, etc.

7. (a) The Lessee agrees to cover the leased trailers with policies of insurance in an insurance company satisfactory to Lessor, insuring Lessee and Lessor as their respective interests may appear, as follows:

- (1) Public Liability, \$75,000/300,000 per trailer.
- (2) Property damage, \$50,000 per trailer.