

**AZI EQUIPMENT**  
**Monthly Rental Agreement**

Date: 9/9/2014

Customer: County of Brown Pct 1 TX Comm. Gary Worley

Renter: Asphalt Zipper, Inc. "AZI"

Rental Location: Brownwood, TX

Zipper# 300 Serial # 30000294

Zipper Type: Asphalt Zipper 300

Project Description: Shoulder and small repairs on roads

Rental Date:   1   months beginning:

Rental Fee: 1<sup>st</sup> month rental charge of \$   7000  . Billable in advance. . (Please note, Sales Tax may Apply. Sales tax, if applicable will be added to these amounts.)

Rental Length: Initial term of   1   months. (Minimum rental period is two months unless specifically waived by Asphalt Zipper, Inc.)

Excess Usage Fee: \$285.00 per hour for every hour of operation over 140 hours during each rental month.

Mobilization & Delivery Fee: Included, no extra charge.

Bits, Fuel and Maintenance: Customer is responsible for all cutting bits, fuel, fluids and other maintenance items, and any damage to the equipment.

Initial Bit Charge \$   0   for a full set of standard bits. Due at the inception of the rental. The Zipper will arrive with new cutting bits. (The charge is increased to \$   0   if tri-spec bits are provided at the inception of the rental)

Refundable Damage Deposit: \$  2400 . Due at the inception of the rental. If there is no damage to the Zipper (other than normal wear), this amount will be returned at the conclusion of the rental. If there is damage to the Zipper, payment for the repairs will be deducted from this deposit, and then the balance of the deposit will be refunded to the customer.

September 15, 2014  
(Exhibit # 5)

**Total amount due at the inception of the rental including bit charge and refundable damage deposit:**

First-Month Rental \$ 9400 \_\_\_\_\_ (140 hours of operation per month.)  
(Includes \$ 0 \_\_\_\_\_ bit charge the \$ 2400 \_\_\_\_\_ refundable damage deposit) Plus  
Sales Tax of \_\_\_\_\_ if applicable)

Each month there after \$ \_\_\_\_\_ (140 hours of operation per month) Plus  
Sales Tax of \_\_\_\_\_ if applicable)

**Customer agrees that only trained personnel or AZI representatives will operate the Zipper.**

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**Customer agrees to rental terms and conditions noted below.**

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**Terms and Conditions of AZI Equipment Rental Agreement**

1. Operators: Customer agrees that all operators of this Equipment shall be properly trained by a qualified AZI representative.
2. Use: Both Customer and AZI acknowledge that the use of the Zipper is for pulverizing Asphalt or Gravel Roads, Asphalt parking lots, Asphalt Drive ways, or other similar surfaces. Pulverizing of Concrete, Cobblestone or other surfaces is not approved. Customer understands that use in non approved applications may result in damage to the Zipper, which may result in loss of damage deposit and additional monies being owed to Asphalt Zipper.
3. Examination of Zipper: Customer understands that after the conclusion of the Rental AZI will perform an examination of the Zipper. Customer will be responsible for the repair of non-wear items, normal wear and tear excepted. The Customer damage deposit will be used for reimbursement of the cost of repairs, if any. If additional monies are required, the customer agrees to provide such monies to AZI upon billing.
4. Use of Rental Fee towards purchase. AZI hereby provides to the customer the opportunity to apply the Rental fee, and refundable damage deposit if applicable, toward the purchase of the Rental Zipper with the following conditions:
  - A. Purchase of the rental Asphalt Zipper. 100% of the Rental fee will be applied towards the purchase if the customer takes delivery and purchases the Rental Asphalt Zipper at the conclusion of the Rental agreement.
  - B. Purchase of a different Asphalt Zipper within 30 days of the conclusion of the rental agreement. If the customer returns the Rental Asphalt Zipper back to Asphalt Zipper, Inc., and within 30 days of the return elects to purchase another Asphalt Zipper, then 35% of the rental fees billed will be applied towards the purchase of a different Asphalt Zipper. If the Asphalt Zipper that was rented has sustained damage by the customer that is beyond the amount of the damage deposit, the amount of the additional damage will be deducted from

the amount of rented funds allowed to be pledged towards the purchase of another Asphalt Zipper.

- C. Purchase of a different Zipper after 30 days of the conclusion of the rental agreement and within 120 days of the conclusion of the rental agreement. If the customer returns the Zipper back to Asphalt Zipper, Inc., and after 30 days of the return but prior to 120 days from the conclusion of the rental agreement, elects to purchase another Asphalt Zipper, then 25 % of the rental fees billed will be applied towards the purchase of a different Asphalt Zipper. If the Asphalt Zipper that was rented has sustained damage by the customer that is beyond the amount of the damage deposit, the amount of the additional damage will be deducted from the amount of rented funds allowed to be pledged towards the purchase of another Asphalt Zipper.
5. Indemnification: Customer shall indemnify and hold AZI and AZI representative(s) harmless from any and all claims, actions, proceedings, expenses, damages, costs and liabilities arising in connection with the Equipment including, without limitation, its selection, purchase, manufacture, delivery, possession, use operation or return and from any injury to property or to life caused in any way by the Equipment during the agreement term or any extensions thereof.
6. Location of Operation of Equipment: It is agreed that the Customer assumes total and complete responsibility to locate and expose all buried utilities and that the Customer will bear the full financial burden of any and all expense associated with or arising from the repair of any damaged utilities at the selected site of operations, no matter what the nature or irrespective of how the damage occurred. It is further agreed that the Customer assumes total and complete responsibility to bear the full financial burden of all expenses associated with any environmental or structural damage, no matter what the nature, or irrespective of how the damage occurred, at the site of operations. The Customer agrees that the Equipment shall not be used in violation of any federal, state or municipal statute, order or regulation.
7. Insurance: Customer warrants that during the term of this agreement, Customer's Insurance includes the following coverage on a primary and non contributory basis:
  - A. Business auto liability insurance: \$1,000,000 per occurrence
  - B. Statutory Worker Compensation Insurance
  - C. Commercial general liability insurance: \$1,000,000 per occurrence, \$1,000,000 aggregate.
  - D. Further, Customer agrees that upon written request from AZI, customer will provide a certificate of insurance naming AZI as an additional insured.
8. Miscellaneous. This agreement contains all of the covenants between the parties hereto and any representation or understanding not contained here in shall be of no force or affect whatsoever.

Gary Worley  
Customer Signature

Brown County Commissioner Pct. 1  
Customer Title

Gary Worley  
Printed Name

9-15-14  
Date