

§1 GENERAL

The term "Equipment" comprises the machinery specified in the Rental Contract including accessories as well as any other item subsequently delivered within the scope of this lease transaction. The lease of Equipment takes place exclusively on the basis of the General Rental Conditions as below in the version respectively valid at conclusion of the Rental Contract. These General Rental Conditions also apply for a future lease of Equipment. Differing conditions of the lessee are herewith explicitly objected. Differing agreements are solely valid in case they have been confirmed in writing by VMT (hereinafter called "lessor") as an amendment to the General Rental Conditions at hand.

§2 GENERAL OBLIGATIONS OF THE LESSEE

1. The lessee is obliged
 - to use the Equipment only for the purpose for which it is intended,
 - to strictly observe all relevant regulations for the prevention of accidents and all industrial safety regulations (in particular those of the Professional Civil Engineering Association),
 - to treat the Equipment properly and
 - to return the Equipment cleaned.
2. The Equipment or parts thereof may only be brought to a place other than the one specified in the Rental Contract with prior written approval of the lessor.

§3 DELIVERY OF THE MACHINE, POSTPONEMENT (OF DATE)

1. The lessor makes the Equipment available in faultless, operational condition including all necessary documents.
2. In case a former lessee is still using the Equipment the lessor informs the lessee respectively before conclusion of the Rental Contract. In case it should become foreseeable that the Equipment will not be returned on time the lessor will respectively inform the lessee. In this case the date for the lessor's commitment to deliver the Equipment shall be postponed to the date the Equipment is located with the lessor, ready for the next use.

§4 DEFECTS UPON DELIVERY OF THE EQUIPMENT, DUTY OF PRESERVATION

1. The lessee will inspect the Equipment at initial operation. The lessor has to be informed in writing of apparent defects immediately after inspection. The lessor must be notified in writing of any other defects immediately after their discovery. In case the lessee does not report the defects in due time the lessee has to make up to the lessor any damages or losses resulting from failing to advise of damage. In addition, in case of the lessee's failure to report the defects in due time, he is not entitled to reduce the rental charge, to demand compensation for damages because of the defect according to § 536a paragraph 1 BGB (German Civil Code) or to terminate without prior remedy concerning the defect according to § 543 paragraph 3 phrase 1 BGB (German Civil Code).
2. The lessor may have the lessee remove the defect. The lessor shall defray the costs necessary for the removal. In case the Equipment cannot be used due to the repair of deficiencies

there is no obligation to pay the rental charge during that period.

3. After the expiration of six months following the delivery of the Equipment the lessee shall bear the costs for preservation. The lessor only assumes liability for damages insofar as the respective damage was already existing at conclusion of the Rental Contract or was caused by third parties insofar as the lessee is not responsible for this damage according to §12 of these General Rental Conditions or is not due to the use of the Equipment by the lessee and in no case is within the sphere of responsibility of the latter. The lessee will inform the lessor without delay of the necessity of any maintenance work. The execution of the above mentioned works is obligation upon the lessor.
4. For wear and tear parts, the lessee has the duty of maintenance beginning on the delivery of the Equipment.

§5 LIABILITY

1. The lessee's claims for damages against the lessor, particularly a compensation for damages which did not result at the Equipment itself, can only be brought forward in the event of
 - claims according to the Product Liability Act,
 - culpable injury of life, body and health
 - damage caused by gross negligence or deliberate act
 - culpable breach of substantive contractual obligations to the extent to which the attainment of the contractual purpose is put in danger.

In the latter case the amount of compensation is limited to the damage foreseeable and typical under the Rental Contract.
2. In other respects liability, also that of the legal agents and the simple vicarious agents of the lessor, is excluded.
3. The construction is carried out on the sole responsibility of the lessee.
4. The lessee is liable for any damage caused by wrong use or misuse of the Equipment.

§6 TERM OF LEASE, RENTAL CHARGE AND PAYMENT

1. The obligation to pay the rental charge starts on the day of delivery.
2. The term of the lease ends on the day on which the entire Equipment is returned to the agreed destination point in a condition in conformity with the Rental Contract, however not prior to the expiration of the agreed term of lease. In the event of an early return of the Equipment any amount of earnings that the lessor received by renting the Equipment again or maliciously defaulted to receive shall be deducted after subtracting the costs incurred through the early new renting.
3. If the parties have not fixed a calendrically specific or determinable date for the expiry of the lease, the lessee returns the Equipment at the latest after the completion of the project for which the Rental Contract was concluded.
4. The rental charge shall be invoiced monthly and is payable directly upon receipt of the invoice without any deduction.
5. The rent/rental charge does not include the legal sales tax which has to be added to the rent/rental charge.
6. The lessee's right of retention and right of setoff only apply to counterclaims by the lessee which are undisputed or which have been recognised by final court decision whereas the

stoppage of payments is excluded unless the right of retention is based on claims of the lessee out of the same contractual relationship with the lessor.

7. If the lessee defaults in payment of a due amount after two written demands for payment with setting of an adequate deadline or if a bill of exchange given by the lessee is protested, the lessor is entitled, after informing the lessee and without recourse to the court, to either shut down the Equipment or to pick up the Equipment at the expense of the lessee and to dispose of it differently. Any other claims remain unaffected. Any amount of earnings that the lessor received or maliciously defaulted to receive within the agreed duration of the Rental Contract by renting the Equipment again, shall be deducted after subtracting the costs incurred through the early new renting.

§7 RENTAL CHARGE FOR IDLE TIME

1. If the work at the job site for which the Equipment has been rented comes to a standstill by reason of circumstances for which neither the lessee nor the awarding authority or principal of the lessee is responsible (e. g. frost of 10° Celsius below zero or lower, flood, civil commotion, war, official directives; but not industrial action), this time shall be considered as idle time. Transport, change to a different drive, first installation, dismantling of equipment or recovery of the Equipment due to obstacles are excluded from idle time.
2. Start and end of the idle time must be reported to the lessor without delay in writing and be proven by drive records and other official evidence.
3. For the duration of the idle time the lessee must pay the rental charge agreed on for this situation.

§8 RESERVATION TIME

Reservation time shall be charged if the lessee does not pick up the Equipment at the date of delivery stipulated in the Rental Contract or if it cannot be delivered to the lessee due to his default at the time agreed upon. The lessee has to pay the agreed reservation rental charge for the reservation time.

§9 MOBILISATION AND TRANSPORTATION COSTS

1. The lessor shall bill the lessee for the mobilisation costs.
2. Transportation to the job site is carried out at the lessees' expense and responsibility.
3. The lessee provides for and pays all custom clearance/duties, taxes, levies etc.

§10 ASSEMBLY AND DISASSEMBLY

The lessee shall carry out the assembly and disassembly of the Equipment on his own responsibility and at his own expense.

§11 DUTY OF MAINTENANCE OF THE LESSEE; USE NOT IN CONFORMITY WITH THE RENTAL CONTRACT

1. The lessee is particularly obligated:
 - to protect the Equipment from overstrain of any kind;
 - to carry out proper and competent maintenance of and care for the Equipment at his expense and on his own responsibility;
 - to only employ sufficiently qualified operating staff.
2. The lessor may inspect the Equipment at any time and may, after prior co-ordination with the lessee, examine the Equip-

ment himself or have it examined by an authorised representative. The lessee shall facilitate the examination for the lessor in every way. The lessor shall bear the costs of the examination.

3. Without prior written consent of the lessor, the lessee is not authorised to perform changes at the Equipment, particularly to apply attachments and fixtures, or to remove markings affixed by the lessor. In any case, the costs for restoration of the original state at the date of delivery of the Equipment are to be borne by the lessee.
4. The lessee shall take appropriate measures to secure the Equipment against damages from burglary, theft, vandalism, fire, loss or the like, during the rental time.

§12 RETURN OF THE EQUIPMENT, FINAL REFURBISHMENT

1. The lessee is obligated to notify the lessor about the return of the Equipment in due time.
2. The costs for the final refurbishment (costs for restoration of the original state of the Equipment at the time of delivery) including the costs for the removal of damages are to be borne by the lessee. The refurbishment is carried out by the lessor. After visual inspection the lessor notifies the lessee about the expected scope of work and costs (no cost estimate).

§13 FURTHER OBLIGATIONS OF THE LESSEE

1. Without prior written consent of the lessor, the lessee may not permit any third party access to the Equipment nor assign any right contained in this Rental Contract to a third party nor grant any right in the Equipment to a third party (particularly by means of subleasing or loaning).
2. If a third party claims any right in the Equipment by means of seizure, distraint or other means, the lessee must notify the lessor immediately and inform the third party thereof by registered mail.
3. The lessee must inform the lessor about all damages and accidents immediately by phone followed by written notice, and wait for the lessor's instructions.

§14 TERMINATION

1. A Rental Contract concluded for a fixed term of lease cannot be terminated by giving notice.
2. The right to a termination without notice for breach of contract remains unaffected. Breach of contract is, but is not limited to,
 - if the lessee takes the Equipment or any part thereof to another place without the written consent of the lessor
 - in the event of infringements of section 11, subsection 1.
 If the lessor makes use of his right to terminate, he is entitled, after notifying the lessee thereof, to pick up the Equipment at the lessees expense who has to allow him access to and the removal of the Equipment.

§15 OTHER REGULATIONS

1. Place of performance shall be the lessor's principal place of business in Bruchsal, Germany.
2. The parties agree to the exclusive competence of the court of jurisdiction at the lessor's principal place of business in Bruchsal, Germany. The plaintiff is also entitled to sue at the principal place of business of the defendant.
3. German law shall apply.