



Section 5 : SERVICE AND SUPPLY CONTRACT CLAUSES

392. Equipment Lease Provisions (12/21/01).

(a) Title. Title to equipment leased under this contract will at all times be retained by Lessor. Buyer will reimburse Lessor for the loss, damage, or destruction of equipment while in Buyer's possession if due to Buyer's negligence. Recovery by Lessor will be limited to the lesser of market or stated value of the equipment lost, damaged, or destroyed, less any payments made to Lessor by its insurers for the loss, damage, or destruction of equipment leased hereunder.

(b) Equipment.

(1) Upon delivery, the equipment will be in good operating condition and, on expiration hereof, will be returned to Lessor in the same condition as when received, ordinary wear and tear and conditions for which Buyer is not liable excepted.

(2) Lessor represents that equipment is free and clear of liens and encumbrances and that all registration and license fees have been paid.

(3) Lessor warrants that equipment is in conformity with all applicable provisions of federal, state, and local laws and regulations.

(c) Termination. This contract may be terminated by either party by giving notice in writing 15 days prior to the end of any month during the term of this contract. In the event of such termination, pro rata adjustments will be made in any rentals paid in advance or which may be due Lessor under this contract. No such termination will be construed as a waiver of Buyer's right to recover damages for any breach of the terms of this lease by Lessor unless the notice of termination expressly waives such right.

(d) Quiet Enjoyment. Lessor does hereby covenant with Buyer that Buyer will quietly possess the equipment subject to and in accordance with the provisions hereof so long as Buyer is not in default hereunder.

(e) Definition. Elsewhere in this contract, wherever the term "Seller" is used, it shall be understood to mean Lessor.

(f) Insurance. If, in the performance of this contract, Seller's employees, with or without equipment, are required to enter premises owned or controlled by Buyer or the Government, Seller will maintain Workers' Compensation and Comprehensive General Liability Insurance coverage, in the form, amounts, and with carriers satisfactory to Buyer. Such insurance will list Buyer as an additional insured. Seller will submit certifications covering such insurance prior to commencing performance; the certifications will indicate that Buyer is an additional insured. Seller will provide renewal certifications throughout the term of this contract, such that Buyer is in continuous possession of proof of Seller's insurance coverage. If, during the term of this contract, any insurance policy required by this provision expires and is not superseded by another policy of equal or greater coverage, Seller will so advise Buyer.