

Samuel Jackson Rental Program Agreement

Samuel Jackson, Inc. proposes to furnish _____, a cotton gin located in _____ county in the state of _____ with cotton moisture control machinery on a rental basis, with terms and conditions as stated below.

Security Deposit

No security deposit is required for this gin.

Rental Charges

Product Description	Rental Charge
Humidaire Unit, Model HU-60-1255A, gas-fired.	\$10.00/Hour
8-Million Btu/hr heater, Model HG-8-1208A, gas.	\$8.00/Hour
4-Million Btu/hr heater, Model HG-4-1204A, gas.	\$6.00/Hour
Moisture Sensing Sled, Model 80257A.	\$350/Week

Minimum Rental

Minimum rental is 350 hours used within a period of 100 days following shipment of the unit. A signed rental agreement is required prior to shipment.

Transportation

Transportation of the unit from and to the Samuel Jackson factory is the responsibility of the renter.

Disposition of Equipment Following Rental

When the user desires to end the rental, he may purchase the equipment for its fair market value mutually agreed upon at rental termination, if desired. An extended payment plan is available.

System Responsibility

As gin needs and preferences vary widely in regard to implementation of Samuel Jackson moisture control products, the rental rate does not include startup and training services. These services are available at standard service rates, billed separately from the rental. On request, an estimate of these charges will be provided to the renter prior to performance of the service. Normal adjustment and maintenance of the machinery is the responsibility of the renter. Samuel Jackson technical personnel will provide a comprehensive service manual and verbal instructions for operation and maintenance of the rental unit. Telephone and e-mail support will also be available to the renter without charge. When Samuel Jackson service personnel are in the area, they may (at their option) visit the rental location to verify proper operation of the unit and answer operator questions, without charge to the renter.

Mechanical and electrical integrity of the unit is the responsibility of Samuel Jackson. Any components found to be defective will be repaired or replaced by Samuel Jackson at no charge to the renter. Samuel Jackson personnel must be permitted access to the unit at all times during the rental period.

Termination of the Rental

Renter has the right to terminate the rental at any time. In the event of rental termination by the renter, the renter is responsible for careful removal of the rental product and its safe and insured transportation back to the Samuel Jackson factory. In the event that dissatisfaction with performance of the product is the cause for the termination of rental, payments received for any unused operating hours will be refunded to the renter, including those hours below the minimum rental period. Freight and installation expenses will not be refunded and are the responsibility of the renter.

Samuel Jackson reserves the right to terminate the rental at any time. In the event of rental termination by Samuel Jackson, an inspection will be made of the unit and related items supplied by Samuel Jackson. Following this inspection, a refund of any unused prepaid hours will be made along with the security deposit (if applicable), less any deductions for damage incurred to the unit through abuse or neglect, and taxes. If these charges exceed the security deposit, Samuel Jackson reserves the right to charge the renter for these costs in addition to the security deposit forfeiture.

Limitation of Liability

Samuel Jackson's liability for damages from any cause whatever shall be limited to 250 hours of system operation (or one week if billed by week) for the components that cause damage. In any event, Samuel Jackson shall not be liable for renter's lost profits, lost savings, or any other consequential damages.

Remedies for Default by Renter

In the case of machinery equipped with ValuHour Technology, renter requests billing for a block of operation hours, an authorization code is given to the renter by Samuel Jackson, and the equipment is enabled for a preset number of hours following entry of the authorization code. On products without ValuHour Technology, an invoice will be sent monthly based upon the gin's report of the metered operation hours, or based upon the number of weeks of operation, depending upon the basis of the rental charges. If renter defaults in the payment of any sum of money due beyond the thirtieth day after renter receives written notice of default from Samuel Jackson, Samuel Jackson will add the amount to the next purchase of prepaid hours and reserves the right to withhold the authorization code until such time as payment has been received. At its option, Samuel Jackson may terminate the rental based upon this default and collect the equipment.

Assignment

Samuel Jackson may assign this lease, the rents due under it, and Samuel Jackson's interest in the equipment. Renter acknowledges that the terms and conditions of this lease have been established in anticipation of the possible assignment of Samuel Jackson's rights under this lease in and to the equipment as collateral security to a third party, referred to as the "Assignee," which will rely on and be entitled to the benefit of the provisions of this lease. Renter agrees to pay all sums due Samuel Jackson directly to any assignee as directed by notice sent by Samuel Jackson. Any assignment of this lease shall release Samuel Jackson's obligations under the lease, and any assignee shall agree not to interfere with renter's right to use and possession of the equipment under this lease as long as renter is not in default under this lease.

Reports

In the event any accident or incident arises out of the apparent or alleged improper manufacture, functioning, or operation of any item of the equipment, the renter shall notify Samuel Jackson of each such accident or incident immediately after it occurs. That report shall identify the item of equipment and include the time, place, and nature of the accident or incident, the damage, the names and addresses of any parties involved, persons injured, witnesses, and owners of any property damaged, and any other material information.

Renter shall promptly advise Samuel Jackson of all correspondence, papers, notices, and other documents of any kind that renter receives in connection with any claim or demand involving or relating to any alleged improper manufacture, functioning, or operation of any item of equipment. Renter and its employees shall aid in the investigation and defense of all such claims and in the recovery of damages from any third persons liable for the claims.

When reasonably requested by Samuel Jackson, renter shall permit persons designated by Samuel Jackson to examine each item of equipment.

Loss or Damage

Renter agrees that during the period any item of equipment is installed on its premises, renter shall be responsible for any loss or damage to the equipment caused by fire, water damage, lightning, windstorm, tornado, explosion, smoke, earthquake, collapse of buildings or structures, strikes, riots, vandalism, burglary, and theft.

If any item of equipment is damaged, lost, or destroyed by any means for which renter is responsible, renter shall be liable for the expense of repairing that item, less the amount of any insurance or other recovery received by Samuel Jackson.

Renter agrees that on the occurrence of any irreparable loss or destruction to any item of equipment for any reason, Samuel Jackson may terminate renter's rights under this lease as to each and every item of equipment irreparably lost or destroyed.

Site Preparation and Utilities

Whenever possible, the equipment will be furnished in a "portable" configuration to minimize wiring, plumbing, and related installation expenses. Regardless, there will still remain some utilities and site requirements necessary for proper operation and maintenance of the equipment. Possible requirements follow (dependant upon product rented). Renter shall be responsible for supply of 10 amperes of three-phase, 460 volt, 60-cycle power, located within 100 feet of the equipment (for Humidaire Unit). Renter shall supply an appropriately sized gas line to supply the specified delivery and pressure specified in the technical literature for the product being applied. Renter shall provide an adequate water supply to provide a minimum of 5 gallons per minute (at 20 psi) of fresh water to the equipment (Humidaire Unit). Renter shall make provision to accept all used water purged and drained from the equipment to a maximum of 1,000 gallons/24 hours (Humidaire Unit). Renter shall supply all required sheet metal piping, transitions, installation, electrical wiring, and miscellaneous plumbing required for proper operation. If the rented product is a generator for moist air (Humidaire Unit) or hot air (heater), the renter will be responsible for appropriate application apparatus in the use of the conditioned air.

Cleaning

Renter shall accept instruction from Samuel Jackson personnel in the care, maintenance, and operation of the equipment. Samuel Jackson personnel will assist with cleaning and adjustments from time to time, but daily care will be the responsibility of the renter. Renter agrees to use cleaning methods and materials acceptable to Samuel Jackson for care of the unit.

System Controls

IMPORTANT! Tampering with, modifying, or altering the controls of the system is strictly prohibited. Any loss of time tracking information that results from this will be non-refundable and rental will be terminated immediately with the full loss of the security deposit. This also applies to any attempt to copy the control program or reverse engineer the software in any form.

Partial Invalidity, Entire Agreement, Amendments, and Governing Law

The invalidity of any portion of this Agreement shall not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall remain in full force and effect.

This Agreement contains the complete Agreement between the parties and shall supersede all other agreements, either oral or written, between the parties. The parties stipulate that neither of them has made any representations except as are specifically set forth in this Agreement and each of the parties acknowledges that they have relied on their own judgement in entering into this Agreement.

Any modification, amendment or change of this Agreement will be effective only if it is in writing signed by both parties.

This rental agreement will be governed by the laws of the State of Texas. This agreement is performable in and venue is proper in Lubbock County, Texas.

Signature of renter, title, date:

For Samuel Jackson, Incorporated: