

APPENDIX H

ADDITIONAL TERMS AND CONDITIONS PERTAINING TO THE LEASE OF EQUIPMENT

Definitions

As used throughout this order, the following definitions apply unless otherwise specifically stated:

- a. “Buyer” means United Technologies Corporation, or a subsidiary, division affiliate, successor, or assign of United Technologies Corporation, or other entity issuing this Order, or issuing any order under any agreement to which these terms and conditions are attached or referenced therein, or to any entity to which this Order is assigned pursuant to this Order as Lessee.
 - b. “Lessor” means the person, company, corporation, or organization to whom this purchase order is directed.
 - c. “Leased Equipment” means the equipment identified in this purchase order.
1. Rent for each unit of leased equipment shall be at the rate and for the term stated on the Purchase Order and shall commence on the first day of the calendar month following Buyer’s acceptance of the applicable unit of leased equipment, unless the contrary is shown on the face of the Purchase Order. Buyer shall have no duty to pay rent for any period during which any unit of leased equipment is not in good working order.
 2. Buyer shall be credited with an amount equal to three times the monthly rent applicable to any unit of leased equipment for each month or portion thereof that said unit of leased equipment is delivered late (i.e., beyond the month of scheduled delivery as stated in the purchase order or modified by acknowledged purchase order supplement), unless the contrary is shown on the face of the Purchase Order.
 3. Buyer may substitute for the aforesaid leased equipment any improved model available at the time of delivery at Lessor’s rental rate in effect at such time.
 4. Lessor shall install and make the leased equipment operational in accord with Buyer’s requirements.
 5. Buyer shall have the unlimited and exclusive use of the leased equipment and the right to relocate any unit of leased equipment to any locale or other Division of United Technologies Corporation.
 6. Lessor agrees, at its sole expense, to keep the leased equipment in good working order and to make all engineering changes, adjustments and repairs without charge to Buyer. Any unit of equipment requiring removal from operation for repair on three (3) occasions in any thirty (30) day period shall be permanently replaced upon request of Buyer.

7. Buyer shall have the right to cancel the lease herein as to any unit or all of the leased equipment upon giving Lessor thirty (30) days' prior written notice thereof.
8. Lessor warrants and represents to Buyer that the monthly rent for each piece of leased equipment paid or to be paid by Buyer is not greater than Lessor's current commercial charges for use of similar equipment owned by Lessor. Lessor further warrants that the leased equipment will be fit for the purposes reasonably intended.
9. Lessor shall assume the risk of all loss or damage to the subject equipment. Lessor at its own expense will secure fire and extended coverage insurance on the subject equipment and will furnish to Buyer evidence of the same upon request. Except for loss or damage to the leased equipment resulting from fire or extended coverage perils, Buyer shall indemnify Lessor for any loss or damage to the subject equipment caused by the negligence of Buyer.
10. Subject to the provisions of Paragraph 9 above, Lessor agrees to secure and protect itself and shall secure and indemnify Buyer and Buyer's directors, officers and employees from any liability, claim of liability, expense, causes of action, loss or damage whatsoever for any injury, including death, to any person or property arising from the lease or loan of the subject equipment or its use by Buyer, unless due to the negligence of Buyer, its officers or employees.
11. Lessor shall indemnify and save Buyer harmless and defend Buyer against any suits for patent infringement or damages due to or arising out of or resulting from any claim that the use of the subject equipment furnished hereunder contributes to the infringement of any letters patent; and further agrees after notice, to appear and defend at its own cost and expense any suits at law or in equity arising out of or resulting from any such claim.
12. The cost of shipping the subject equipment to Buyer, and from Buyer's location to Lessor at the expiration or any termination of this lease agreement will be at the expense of the Lessor. Lessor shall bear all risk of loss during any such transits.
13. Lessor shall pay all taxes which may be levied or imposed upon, or measured by the shipment, delivery, rental or use of the subject equipment, including but not limited to any personal property or use taxes assessed upon this equipment during the period of its use and possession by Buyer.
14. Lessor recognizes that this order and the performance thereof are expressly subject to all requirements of the United States Government heretofore or hereafter established relating to the exclusion of unauthorized persons from the proximity of operations carried on pursuant to contracts between Buyer and the Government and the maintenance of secrecy and the confidential character of such operations, and Lessor agrees to abide by all requirements of the Government and Buyer applicable to such contracts and operations.