

# GENERAL CONDITIONS OF WATER WEIGHTS EUROPE B.V. FOR LEASING/HIRE

## Article 1: General Provisions

1. These general conditions shall apply to all offers made by us and/or to us, to all agreements concluded with us, including the execution thereof, and to all other contracts with us, without any exclusions. With these conditions the application of any general conditions applied by the lessee, under whatever name, shall be expressly rejected.
2. Any departures from the conditions below can only be accepted when concluded in writing and shall only apply after our express acknowledgement in writing to the lessee.

## Article 2: Definitions

1. a. Lessor: Water Weights Europe B.V;  
b. Lessee: The legal and/or natural person hiring the 'installation', including representatives;  
c. Installation: The installation, machine, requisites, and parts, which Water Weights Europe B.V. hires to the lessor;  
d. A week shall consist of seven consecutive days.

## Article 3: Good condition

1. By signing the delivery receipt the lessee shall declare to have received the hired installation in good condition, and that the installation displays no signs of damages.

## Article 4: Application of the installation

1. The lessee shall use the installation expertly and for the intended purpose for which the installation is equipped, and in accordance with any applicable laws, regulations, provisions, etc.
2. The lessee shall not be allowed to alienate the object, nor pawn or encumber it, nor to hire, let or otherwise put it at someone else's disposal for money or for free, or to pass the rights and duties ensuing from this agreement to third parties.
3. The lessee shall not move the installation or have it moved outside the location known to the lessor without the lessor's written consent.
4. The lessee shall not modify the installation or add to it, nor have it modified or expanded.
5. The lessor shall have the right to transfer the installation and this agreement to a third party designated by the lessor.

## Article 5: Repairs and Maintenance

1. The lessee shall be obliged to clean the installation regularly and to keep it in good condition.
2. Cleaning and maintenance costs shall be borne by the lessee, subject to the provisions of article 9 paragraph 4.

## Article 6: Liability and Indemnity

1. The lessee shall be liable for any damages, incidental and accidental to the installation, irrespective of whether these are caused by fault of the lessee or third parties, or by force majeure.
2. In the course of the term of hire the lessee shall bear all risks of the installation. The lessor shall not be liable for any faults or unfitness of the installation, any defects within or of the installation or any direct or consequential damages caused by the installation or by any shortcomings of the installation.
3. The lessor shall indemnify the lessor against any claims from third parties with respect to damages resulting from any faults or unfitness of the installation, any defects or shortcomings within or of the installation.

## Article 7: Insurance Payments or Payments of Damages

1. The lessee shall at their own costs insure and keep insured the risks pertaining to the installation and he shall do so on an all-risks policy on extensive terms.
2. Any claim which the lessee may receive on account of damages to and/or caused by the installation to third parties shall be pledged by the lessee, when necessary in advance, by signing the agreement with the lessor, just as the lessor shall accept this pledge by signing the contract. On his own account the lessee shall provide the lessor with all data concerning any claim(s) and he will co-operate to formalise this pledge without any reservations by signing a so-called pledge bond. The lessee shall also authorize the lessor to perform everything necessary in order to achieve this pledge. The insurance payment that the lessor will receive shall be used in the first place to pay for any repairs and other expenses to be paid by the lessor and ensuing from or caused by the incident, while the remainder of the payments shall be deducted from the amount the lessor still may claim from the lessee with respect to this agreement. If the insurance company has deducted a sum from the reimbursement on account of the owner's risk or the lessee's liability, the lessor shall charge the sum of this deduction to the lessee's account.
3. The lessee shall be liable towards the lessor for the full replacement value of any part lost or stolen and for the full repair costs. Full lease instalments shall remain due for as long as the installation has not yet been fully repaired.

## Article 8: Terms of hire

1. The installation shall be deemed to have been hired from the time the installation leaves the lessor's premises until the time it is returned and unloaded.
2. Hire 'cancellation' by telephone shall be confirmed by the attribution of an 'off-hire' number (end of hire). Following this, the lessee shall confirm in writing when the object may be picked up.
3. The sole fact that the installation for whatever reason and by whatever cause cannot be used, shall not affect the lessee's obligation to pay, subject to the provisions of article 9 paragraph 4.
4. The lessor shall not be liable for any delay in the delivery. The dates provided by him in this must be considered 'approximate' dates.

## Article 9: Defects

1. The lessee shall inform the lessor at once in case of loss or damages to the installation.
2. When the installation has been hired without an operator appointed by the lessor, the lessee shall immediately inform the lessor by fax or by telegram of any defect or malfunctioning of any part of the installation.
3. Any rights – in the form of lower rent – for the period of time that the installation is defect, as provided for in the next paragraph, can only be considered as from the date and time the fax or telegram was sent.
4. The time necessary for repairs to and/or replacement of the installation shall be deducted from the rent, provided the defect is caused by normal wear, this to be decided by the lessor, and through no fault of the lessee. In that case the lessor shall bear the costs of the replacement, but he shall not be liable for any consequential damages suffered or to be suffered by the lessee as a result of the defect (stagnation damages etc.).
5. If necessary, a test certificate shall be provided with every shipment.

## Article 10: Payments

1. Payments should be made weekly.
2. The lessee shall never have the right to make cuts on or crediting to the payments.
3. When any payment is overdue the lessee shall owe the lessor an interest of 1.5 per cent per month for the payments still due starting from the date due up to and including the date of the payment. In case of delays of payments the lessor will first deduct payments made by the lessee from costs and interest due, and then assigned to the oldest term due, and so forth. The lessor also has the right – in case the lessee is in default – to raise the amount due with collection charges, legal costs and other recovery costs, including the expenses of the lessor's solicitor and other extrajudicial costs.
4. The lessor's accounts shall serve as full evidence with respect to the amount due to the lessor by the lessee, subject to counter-evidence from the lessee.

## Article 11: Technical Inspection

1. At the request of the lessor the lessee shall have the installation available for inspection or give the lessor the opportunity to inspect the installation and/or take it back. The lessee shall authorize the lessor or the persons appointed by the latter to enter the installation site.
2. If the lessee does not meet the obligation as referred to in article 5, the lessor shall have the right – without prejudice to any right ensuing from this agreement – to reclaim the installation and to enter (or authorize someone to enter) the installation site. The lessee shall be accountable for all expenses the lessor will have in connection with the reclamation of the installation, including its transport and the costs of any overdue maintenance.

## Article 12: Attachment and Third Party Measures

1. In case third parties claim any rights or exert any measures with respect to the installation, the lessee shall immediately inform them of the property rights of the lessor.
2. The lessor shall be allowed take all measures considered necessary by him in order to protect his rights – also in the name of the lessee. The costs of these measures shall be borne by the lessee, unless the lessor is accountable for the occasion of the measures.

## Article 13: Test

1. If the installation is used to perform a test, this shall be under the sole responsibility and liability of the lessee. The lessee shall be liable for all persons assigned by the lessor to start up and/or operate the installation or hired as such by the lessee. The lessor shall never be liable in such a case for damages ensuing from actions or negligence of these persons.

## Article 14: Final Provisions

1. The provisions of this contract shall be governed by the laws of the Netherlands exclusively. Any disputes shall be settled by the competent court of the city in which the lessor is situated, on the understanding that the lessor has the right without the above condition to put the dispute to a judge who is competent to learn from the dispute.