

TERMINAL RENTAL ADJUSTMENT RIDER

This **TERMINAL RENTAL ADJUSTMENT RIDER** (the "**TRAC Rider**") is being entered into concurrently with, and as an integral part of, Lease Schedule No. 1 dated as of _____, 2018 between **LSC FINANCIAL** (together with its successors and permitted assigns, "**Lessor**") and _____ (together with its successors and permitted assigns, "**Lessee**") (the "**Lease Schedule**", and together with the Master Lease Purchase Agreement (the "**Agreement**") dated as of _____, 201____, between Lessor and Lessee, the "**Lease**"). (Unless otherwise defined herein, capitalized terms shall have the same meaning ascribed to them in the Agreement.)

1. OPTION TO RETURN/TERMINAL RENTAL ADJUSTMENT. Provided that no default or Event of Default has then occurred and is continuing, Lessee shall have the option to return, upon the expiration of the maximum Lease Term under the Lease Schedule ("Expiration Date"), all but not less than all of the Equipment subject thereto upon the following terms and conditions:

(a) If Lessee desires to exercise this option it shall, at least one hundred eighty (180) days before the maximum Lease Term thereof, give Lessor written notice (a "**Return Notice**") of its intention to exercise this option to return. Prior to the Expiration Date, Lessee shall, as Lessor's agent, obtain bids from unrelated prospective purchasers for a cash sale (in United States dollars) of all, and not less than all, of the items of Equipment leased under the Lease Schedule. Lessor may, but shall not be required to, also solicit bids for sale.

(b) On the Expiration Date Lessee shall (i) cause all of such Equipment to be in the return condition required by the Lease documents relating thereto, and comply with the other provisions thereof, except as otherwise provided below, and (ii) pay to Lessor all of the Rental Payments and other payments then payable to Lessor with respect thereto. Subject to Lessee's compliance with the foregoing, and Lessor's receipt of such amounts and all other amounts as and when payable under this TRAC Rider in good and indefeasible funds then payable with respect to the Lease Schedule, Lessor shall sell all of its rights, title and interests in and with respect to such Equipment to the highest bidder on the Expiration Date.

(c) It is presently anticipated that the fair market value of the Equipment as of the Expiration Date of the related Lease Schedule will be an amount equal to _____ (____) percent of the Lessor's cost of such Equipment (the "**Estimated Fair Market Value**"). Subject to the other provisions of this TRAC Rider, on the Expiration Date, (i) the Equipment will be sold pursuant to this Section 1 at the actual fair market value; (ii) the Net Proceeds of such sale shall be remitted to Lessor; and (iii) a Terminal Rental Adjustment shall be payable by either Lessee or Lessor, as the case may be, for the purposes set forth in Section 1(f) and subject to the following: (A) if the Net Proceeds are less than the Estimated Fair Market Value, Lessee shall pay Lessor an amount equal to the excess of the Estimated Fair Market Value over the Net Proceeds (the "**Deficiency Payment**"); or (B) if the Net Proceeds exceed the Estimated Fair Market Value, Lessor shall remit to Lessee the excess of the Net Proceeds over the Estimated Fair Market Value.

(d) If Equipment has not been sold using commercially reasonable efforts by Lessor or Lessee on behalf of Lessor by the Expiration Date, then the Net Proceeds of such Equipment shall be deemed to be zero (0), and on such Expiration Date, (i) such Equipment shall, as directed by Lessor, either be delivered to Lessor or be stored by Lessee, in either such case, pursuant to the return provisions in the applicable Lease documents, and (ii) in addition to any other amounts to be paid under the Lease documents, Lessee shall pay Lessor an amount equal to the Estimated Fair Market Value with respect thereto. If at any time after the Expiration Date Lessee shall obtain a bid as set forth above for all, and not less than all, of such Equipment, and Lessor shall sell such Equipment, Lessor shall remit to Lessee the Net Proceeds of such sale.

(e) For the purposes hereof, with respect to the sale of the Equipment leased under a Lease Schedule:

“Net Proceeds” means, that certain amount equal to (i) the gross selling price thereof, as and to the extent actually received by Lessor in good collected and indefeasible funds, less (ii) the Related Charges.

“Related Charges” means, the aggregate of (A) any selling expenses, (B) amounts which (if not paid) would constitute a Lien on the Equipment for which Lessee is responsible under the Lease documents, and (C) applicable sales use, property, withholding or other transfer taxes or other fees, taxes, withholdings, assessments and other governmental charges, however designated together with any penalties, fines or interest, if any, thereon, (collectively, the **“Impositions”**).

(f) Any such deficiency or excess payment by either Lessee or Lessor pursuant to this Section 1 shall be deemed to be a **“Terminal Rental Adjustment”** with respect to the Equipment leased under the related Lease Schedule. As required by Section 7701(h) of the Internal Revenue Code of 1986, as now or hereafter amended, Lessee shall execute and deliver to Lessor the Certification by Lessee in substantially the form attached hereto as Exhibit No. 1. Lessee acknowledges that the Truth in Mileage Act of 1986 (and the regulations promulgated thereunder) requires the lessee of motor vehicles (at the time such motor vehicles are terminated from the lease) to provide a written disclosure to the lessor regarding the mileage of such motor vehicles. Under this law, the “failure to complete or providing false information may result in fines and/or imprisonment”. Therefore, Lessee agrees to provide to Lessor (on a form provided by Lessor) upon termination of a motor vehicle from each Lease the mileage disclosure information required by the Federal regulations.

2. OPTION TO PURCHASE. Notwithstanding anything contained to the contrary herein, Lessee shall have the option to purchase all, but not less than all, of the items of Equipment leased under the Lease Schedule. If Lessee desires to exercise this option it shall, at least two hundred forty (240) days before the Expiration Date of such Lease Schedule, give Lessor written notice of its intention to exercise this option to purchase and shall engage in negotiations with Lessor to determine the purchase price for the Equipment. Not less than one hundred eighty (180) days before the Expiration Date, Lessee shall give Lessor written notice of its irrevocable election to purchase (a **“Purchase Notice”**) on the terms mutually agreed upon during negotiations. However, in the event Lessee fails to timely provide Lessor with either a Purchase Notice or a Return Notice, Lessee shall be deemed to have exercised this option to purchase, upon the Expiration Date of the Lease Schedule, all but not less than all of the Equipment subject thereto upon the following terms and conditions:

(a) On the Expiration Date, Lessee shall pay to Lessor in immediately available funds the purchase price for the Equipment, determined as hereinafter provided, together with all Impositions and charges relating to the sale, and all Rent and any other amounts accrued and unpaid under such Lease Schedule and any related Lease documents.

(b) Lessee’s exercise of its purchase option pursuant to this Section 2 with respect to any Lease Schedule shall constitute a sale of the Equipment leased thereunder with the same effect as if returned and sold to a third party pursuant to Section 1 above, and Lessee shall be responsible for the performance of its obligations pursuant to Section 1 above, including its obligation to pay to Lessor on the Expiration Date any Terminal Rental Adjustment payment if the purchase price by Lessee to Lessor is less than the Estimated Fair Market Value.

(c) The purchase price of the Equipment shall be an amount equal to its then Fair Market Value. For purposes of this Section 2, **“Fair Market Value”** shall be deemed to be an amount equal to the sale price obtainable in an arms’ length transaction between a willing and informed buyer (who is neither a lessee in possession nor a used automotive dealer) and a willing and informed seller under no compulsion to sell (and assuming that, as of the date of determination, the Equipment is in at least the return condition required by the Lease Schedule and the other Lease documents). The costs of removing and transporting the Equipment from its current location to a willing buyer shall not be deducted from the value of the Equipment. If the parties are unable to agree on the Fair Market Value of the Equipment from the time Lessee has given Lessor its Purchase Notice until at least sixty (60) days prior to the Expiration Date, then Lessor and Lessee shall at Lessee’s expense obtain appraisal values from three (3) independent appraisers

(one to be selected by Lessor, one by Lessee, and the other by the two selected by Lessor and Lessee; each of whom must be associated with a professional organization of equipment or personal property appraisers, such as the American Society of Appraisers) and the average Fair Market Value as determined by such appraisers shall be final, binding and conclusive.

3. MISCELLANEOUS. Notwithstanding any election of Lessee to return or purchase the Equipment under the Lease Schedule, as the case may be pursuant to this TRAC Rider, the provisions of the Lease Schedule and all related Lease documents shall continue in full force and effect until all amounts required with respect thereto are fully and indefeasibly paid, and all such other actions are taken, and the contemplated purchase is effectively consummated. On such purchase date, Lessor shall deliver to the purchaser of the Equipment (as applicable, either the third party purchaser thereof pursuant to Section 1, or Lessee pursuant to Section 2), a bill of sale conveying to such purchaser, **AS IS, WHERE IS**, without recourse or warranty, all of Lessor's right, title and interest in and to such items of Equipment. Lessee shall be solely responsible for, and shall pay or reimburse to Lessor all Related Charges incurred or paid by Lessor in connection with any remarketing or sale of any items of Equipment pursuant to this TRAC Rider. Lessee's obligations under this TRAC Rider shall survive the expiration, cancellation or termination of the Agreement or the Lease Schedule. The terms and provisions of this TRAC Rider shall be deemed incorporated into and a part of, and pertinent to the Lease Schedule, and solely to the extent any of the provisions of this TRAC Rider shall conflict with the Lease Schedule, or (to the extent incorporated therein) the Agreement, the provisions of this TRAC Rider shall control.

[Signatures On Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this TRAC Rider to be duly executed as of the date first set forth above.

LESSEE:

LESSOR:

LSC FINANCIAL

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT NO. 1

CERTIFICATION BY LESSEE

This Certification is provided by the undersigned ("**Lessee**") in connection with that certain Lease Schedule No. __ dated as of _____, 201__ between **LSC FINANCIAL** ("**Lessor**") and Lessee (the "**Lease Schedule**", and together with the Master Lease Purchase Agreement (the "**Agreement**") dated as of _____, _____, 201__, between Lessor and Lessee, the "**Lease**").

The parties intend and agree that the Lease constitute a "qualified motor vehicle operating agreement" within the meaning of Section 7701(h) of the Internal Revenue Code of 1986, as now or hereafter amended, and this Certification is required to be provided pursuant to that Section.

Lessee hereby certifies, under penalty of perjury, that it intends that more than fifty (50) percent of the use of the Equipment (as defined in the Lease Schedule) is to be in a trade or business of the Lessee.

Lessee acknowledges that it has been advised that it will not be treated as the owner of the Equipment for Federal income tax purposes.

Lessee agrees to indemnify Lessor pursuant to the Lease for any claim, losses, costs, damages and expenses (including, without limitation, attorneys' fees and expenses) of whatsoever kind and nature resulting from Lessee's breach of the above representations and certifications.

IN WITNESS WHEREOF, Lessee has caused this Certification to be duly executed as of the _____ day of _____, 201__.

Lessee

By: _____

Name: _____

Title: _____