



### ADDITIONAL INSURED STATUS LETTER OF UNDERSTANDING

If LESSEE is not providing for listing of API Supply, Inc. as ADDITIONAL INSURED on the General Liability Insurance Certificate, read section 7 concerning insurance requirements, sign and date where provided below. We require this to be returned to API Supply, Inc. **prior to delivery of equipment.**

**Paragraph 7 of contract:**

Insurance: Lessee shall insure and keep said equipment insured to full replacement value with "All Risks of Physical Loss" coverage with an insurance company or companies as Lessor shall approve or execute the "Damage Waiver" included herewith. A provision for payment to Lessor, as its interest may appear, shall be included or Lessor shall appear as "Loss Payee" on said policy. In the event the equipment is destroyed or lost, whether with or without fault on the part of Lessee during the term of this Agreement, Lessee shall pay to the Lessor a sum equal to Lessor's current list price for the same or similar equipment. Lessee shall also carry, throughout the term of the lease, Commercial General Liability Insurance with the following minimum limits: \$2,000,000 each occurrence, \$2,000,000 products/completed operations aggregate, \$2,000,000 general aggregate. All policies, as required by the Agreement, shall contain a provision which prohibits cancellation of the policy without first delivering to both Lessee and Lessor thirty (30) days written notice of intention to cancel said policy. It is understood and agreed that any insurance required herein is to be obtained by Lessee at Lessee's sole expense and the stated insurance limits shall not operate as a limit on Lessee's liabilities herein. All applicable policies of insurance purchased by Lessee shall name Lessor as an Additional Insured, and such insurance shall afford Lessor with primary insurance, not excess over or contributing with, any other insurance available to Lessor. Waivers of subrogation must be included on the Commercial General Liability policy and applicable Workers' Compensation policy (if any). Lessor retains the right to request a Certificate of Insurance from Lessee referencing the applicable policies and the right to request copies of the policies upon request.

Company Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_