

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-43062

EquipmentShare.com Inc

(Exact Name of Registrant as Specified in Its Charter)

Texas
(State of Incorporation)

47-2405753
(I.R.S. Employer Identification No.)

5710 Bull Run Dr
Columbia, Missouri, 65201
(573) 299-5222

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.00000125 par value	EQPT	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non - Accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of May 10, 2026, the registrant had 214,806,153 shares of Class A common stock outstanding and 37,568,944 shares of Class B common stock outstanding.

TABLE OF CONTENTS

	<u>Page No.</u>
<u>PART I</u>	
FINANCIAL INFORMATION	
Item 1 Financial Statements and Supplementary Data	5
Unaudited Condensed Consolidated Financial Statements	6
Condensed Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025	6
Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2026 and 2025	7
Condensed Consolidated Statements of Comprehensive Loss for the Three Months Ended March 31, 2026 and 2025	8
Condensed Consolidated Statements of Perpetual Preferred Stock and Equity for the Three Months Ended March 31, 2026 and 2025	9
Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2026 and 2025	10
Notes to Condensed Consolidated Financial Statements	11
Item 2 Management's Discussion and Analysis of Financial Conditions and Results of Operations	32
Item 3 Quantitative and Qualitative Disclosures About Market Risk	53
Item 4 Controls and Procedures	54
<u>PART II</u>	
OTHER INFORMATION	
Item 1 Legal Proceedings	55
Item 1A Risk Factors	55
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	55
Item 5 Other Information	55
Item 6 Exhibits and Financial Statement Schedules	56

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Form 10-Q”) of EquipmentShare.com Inc (“EquipmentShare” or the “Company”) and the documents incorporated by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or our expected future financial or operating performance. Such statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “seek,” “on-track,” “plan,” “project,” “forecast,” “intend” or “anticipate,” or the negative thereof or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations.

Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, but are not limited to, the following:

- The construction equipment rental industry is highly competitive, and competitive pressures could lead to a decrease in our market share or in the prices that we can charge;
- Our dependence on relationships with certain suppliers to obtain equipment for our business;
- Our innovative capital-light fleet growth model (the “OWN Program”) subjects us to a number of risks, many of which are beyond our control;
- Our suppliers of new equipment may appoint additional distributors, sell directly to our customers or unilaterally terminate our distribution agreements with them, any of which could have a material adverse effect on our equipment sales due to a loss of such sales;
- Our ability to effectively manage our workforce and operations, which have grown substantially since our inception, and we expect will continue to do so in the future;
- We may not be able to facilitate our growth strategy by identifying and opening attractive new branch locations, which could limit our revenues and profitability;
- We may encounter substantial competition or other difficulties in our efforts to expand our operations;
- A decline in construction and industrial activities, a downturn in the economy in general or other macroeconomic or environmental factors could lead to decreased demand for our equipment, depressed equipment rental rates and lower equipment sales prices;
- Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance;
- Our ability to collect on contracts with customers;
- Conditions that adversely affect related parties with which we have entered into equipment sale and rental arrangements;
- Our reliance upon communications networks and centralized information technology systems and the concentration of our systems which creates or increases risks for us, such as the risk of the misuse or theft of information, including personal information;
- Our cloud-based platform (“T3”) is highly technical, and any prolonged undetected errors could adversely affect our business;
- Our reliance on third parties maintaining open marketplaces to distribute our T3 platform and to provide the software we use in certain of our products and offerings;

[Table of Contents](#)

- The dependence of our business upon the interoperability of our T3 platform across devices, operating systems, and third-party applications that we do not control;
- Trends in oil and natural gas prices, which could adversely affect the level of exploration, development and production activity of certain of our customers and the demand for our services, and products;
- Risks related to heightened inflation, recessionary conditions, and financial and capital market disruptions that may adversely impact business conditions, the availability of credit and access to capital;
- Fluctuations in fuel costs or reduced supplies of fuel, which could harm our business; and
- Our exposure to a variety of claims and losses arising from our operations, which our insurance may not cover all or any portion of such claims.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Form 10-Q. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Form 10-Q. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements.

The forward-looking statements made in this Form 10-Q relate only to events as of the date on which the statements are made. We are under no duty to update any of these forward-looking statements after the date of this Form 10-Q to conform our prior statements to actual results or revised expectations or the occurrence of unanticipated events, except as required by law.

You should note that we may announce material information to our investors using our investor relations website (<https://ir.equipmentshare.com/>), filings with the Securities and Exchange Commission (the “SEC”), press releases, public conference calls and webcasts. We use these channels, as well as social media, to communicate with our investors. It is possible that the information that we post on these channels could be deemed to be material information. We therefore encourage investors to visit these websites from time to time. The information contained on such websites and social media posts is not incorporated by reference into this filing. We have included our investor relations website address only as an inactive textual reference for convenience and do not intend it to be an active link to our website.

See the section titled “Risk Factors” in this Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Form 10-K”) for a discussion of certain factors that could cause actual results to differ materially from those expressed in our forward-looking statements. Additional factors that could cause results or performance to differ materially from those expressed in our forward-looking statements are detailed in other filings we may make with SEC, copies of which are available at no charge. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Form 10-Q. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except par value)
Unaudited

	March 31, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	\$ 329	\$ 306
Accounts receivable, net (\$19 and \$20, respectively, due from related parties)	818	748
Inventories	427	401
Prepaid costs	203	169
Other current assets	93	106
Total current assets	1,870	1,730
Rental equipment, net	2,988	2,834
Property and other fixed assets, net	524	504
Capitalized software, net	113	110
Right of use assets, operating	707	676
Investments in non-consolidated affiliates	60	59
Intangible assets, net	30	31
Other assets	65	43
Total assets	\$ 6,357	\$ 5,987
LIABILITIES, PERPETUAL PREFERRED STOCK, AND EQUITY		
Accounts payable (\$1 and \$1, respectively, due to related parties)	\$ 73	\$ 95
Accrued liabilities	495	609
Manufacturer flooring plans payable	83	74
Current portion of long-term debt	5	4
Current portion of operating lease liabilities	75	69
Current portion of finance lease liabilities	18	19
Current portion of financing obligations	9	10
Total current liabilities	758	880
Long-term debt, net of current portion, original issue discounts, and debt issuance costs	3,077	3,268
Operating lease liabilities, net of current portion (\$6 and \$5, respectively, due to related parties)	681	655
Finance lease liabilities, net of current portion (\$31 and \$28, respectively, due to related parties)	183	169
Financing obligations, net of current portion	75	83
Deferred tax liabilities, net	10	43
Other liabilities	1	1
Total liabilities	4,785	5,099
Perpetual preferred stock, net - \$0.00000125 par value, 15 shares authorized, 14 and 14 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	371	360
Common stock - \$0.00000125 par value, no shares authorized, issued and outstanding as of March 31, 2026, 273 shares authorized, 80 shares issued and outstanding at December 31, 2025	—	—
Class A common stock - \$0.00000125 par value, 3,500 shares authorized, 215 shares issued and outstanding at March 31, 2026, no shares authorized, issued and outstanding as of December 31, 2025	—	—
Class B common stock - \$0.00000125 par value, 200 shares authorized, 38 shares issued and outstanding at March 31, 2026, no shares authorized, issued and outstanding as of December 31, 2025	—	—
Convertible preferred stock, net - \$0.00000125 par value, no shares authorized, issued and outstanding as of March 31, 2026, 149 shares authorized, 142 and shares issued and outstanding at December 31, 2025	—	430
Treasury stock, at cost, 5 and 5 shares at March 31, 2026 and 2025, respectively	(7)	(7)
Additional paid-in-capital	1,238	105
Retained earnings (accumulated deficit)	(29)	—
Accumulated other comprehensive income (loss)	(1)	—
Total equity	1,201	528
Total liabilities, perpetual preferred stock, and equity	\$ 6,357	\$ 5,987

The accompanying notes are an integral part of these condensed consolidated financial statements.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
Unaudited

	Three Months Ended March 31,	
	2026	2025
REVENUES		
Equipment rental and related services	\$ 683	\$ 495
Equipment sales (\$60 from related parties in 2025)	179	145
Equipment parts and supplies and services	77	58
Platform:		
Telematics	31	10
Other	19	8
Total revenues	<u>989</u>	<u>716</u>
COST OF REVENUES		
Direct operating costs	222	171
OWN Program payouts (\$12 to related parties in 2025)	217	154
Equipment sales	146	113
Platform expense	28	8
Depreciation and amortization	89	70
Total cost of revenues	<u>702</u>	<u>516</u>
Gross profit	287	200
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Operating income (loss)	286	210
	<u>1</u>	<u>(10)</u>
OTHER INCOME (EXPENSE)		
Interest expense	(70)	(63)
Other income, net (\$3 and \$2 from related parties, respectively)	8	6
Total other expense, net	<u>(62)</u>	<u>(57)</u>
LOSS BEFORE BENEFIT FROM INCOME TAXES	(61)	(67)
Benefit from income taxes	(32)	(19)
NET LOSS	<u>\$ (29)</u>	<u>\$ (48)</u>
Deemed dividends on perpetual preferred stock	(12)	(12)
Net loss attributable to common shareholders	<u>\$ (41)</u>	<u>\$ (60)</u>
Weighted average common shares outstanding (Class A and Class B):		
Basic	209	78
Diluted	209	78
Loss per common share (Class A and Class B):		
Basic	\$ (0.20)	\$ (0.77)
Diluted	\$ (0.20)	\$ (0.77)

The accompanying notes are an integral part of these condensed consolidated financial statements.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In millions)
Unaudited

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (29)	\$ (48)
Other comprehensive income (loss), net of tax:		
Change in fair value of derivative instruments	-	(2)
COMPREHENSIVE LOSS	<u>(29)</u>	<u>(50)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PERPETUAL PREFERRED STOCK AND EQUITY
(In millions)
Unaudited

	Perpetual Preferred Stock, net		Common Stock		Class A Common Stock		Class B Common Stock		Convertible Preferred Stock, net		Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at January 1, 2026	14	360	80	–	–	\$ –	–	\$ –	142	\$ 430	\$ (7)	\$ 105	\$ –	\$ –	\$ 528
Net loss	–	–	–	–	–	–	–	–	–	–	–	–	(29)	–	(29)
Reclassification of net (gain) loss from derivative instruments, net of tax	–	–	–	–	–	–	–	–	–	–	–	–	–	(1)	(1)
Foreign currency translation adjustments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Unrealized gain on available-for-sale debt securities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Conversion of common stock to Class A common stock in connection with IPO	–	–	(80)	–	80	–	–	–	–	–	–	–	–	–	–
Conversion of convertible preferred stock to class A common stock in connection with IPO	–	–	–	–	142	–	–	–	(142)	(430)	–	430	–	–	–
Conversion of class A common stock to class B common stock in connection with IPO	–	–	–	–	(38)	–	38	–	–	–	–	–	–	–	–
Issuance of class A common stock in connection with IPO, net of underwriting discounts and offering costs	–	–	–	–	31	–	–	–	–	–	–	692	–	–	692
Accretion of perpetual preferred stock to redemption value	–	11	–	–	–	–	–	–	–	–	–	(11)	–	–	–
Exercises of stock options	–	–	–	–	–	–	–	–	–	–	–	2	–	–	2
Stock-based compensation	–	–	–	–	–	–	–	–	–	–	–	20	–	–	20
Balance at March 31, 2026	14	\$ 371	–	–	215	\$ –	38	\$ –	–	\$ –	\$ (7)	\$ 1,238	\$ (29)	\$ (1)	\$ 1,201

	Perpetual Preferred Stock, net		Common Stock		Class A Common Stock		Class B Common Stock		Convertible Preferred Stock, net		Treasury Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at January 1, 2025	14	324	78	\$ –	\$ –	\$ –	–	\$ –	142	\$ 430	\$ (7)	\$ 114	\$ 8	\$ 4	\$ 549
Impact of adoption of ASU 2020-06	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Net loss	–	–	–	–	–	–	–	–	–	–	–	–	(48)	–	(48)
Change in fair value of derivative instruments, net of tax	–	–	–	–	–	–	–	–	–	–	–	–	–	(2)	(2)
Accretion of perpetual preferred stock to redemption value	–	11	–	–	–	–	–	–	–	–	–	(11)	–	–	(11)
Exercises of stock options	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1
Stock-based compensation	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1
Balance at March 31, 2025	14	\$ 335	78	\$ –	–	\$ –	–	\$ –	142	\$ 430	\$ (7)	\$ 105	\$ (40)	\$ 2	\$ 490

The accompanying notes are an integral part of these condensed consolidated financial statements.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
Unaudited

	Three Months Ended March 31,	
	2026	2025
OPERATING ACTIVITIES		
Net loss	\$ (29)	\$ (48)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	104	79
Amortization of debt issuance costs and original issue discounts	5	5
Allowance for credit losses and doubtful accounts	9	5
Change in operating lease cost	31	27
Stock-based compensation expense	19	1
Deferred taxes	(33)	(20)
Other	2	-
Change in operating assets and liabilities:		
Accounts receivable	(57)	(75)
Inventories	(27)	(26)
Prepaid costs and other assets	(52)	(32)
Accounts payable and manufacturer flooring plans payable	(26)	(9)
Accrued liabilities	(115)	69
Operating lease liabilities	(31)	(27)
Net cash used in operating activities	(200)	(51)
INVESTING ACTIVITIES		
Purchases of rental equipment (\$1 from related parties in 2025)	(328)	(293)
Proceeds from sale of rental equipment (\$21 from related parties in 2025)	115	75
Purchases of and deposits on property and other fixed assets	(48)	(50)
Investments in internally developed software	(9)	(10)
Purchases of investments in equity and debt securities	(6)	(6)
Proceeds from sale of investments in equity and debt securities	3	2
Acquisition of businesses, net of cash acquired	(7)	(1)
Net cash used in investing activities	(280)	(283)
FINANCING ACTIVITIES		
Payments on long-term debt and finance leases	(582)	(15)
Proceeds from long-term debt	381	300
Payments on financing obligations	(2)	(14)
Proceeds on financing obligations	-	1
Proceeds from issuance of class A common stock upon initial public offering, net of underwriting discount and commissions	706	-
Exercise of stock options	2	1
Payments of equity issuance costs	(2)	-
Net cash provided by financing activities	503	273
Net increase (decrease) in cash and cash equivalents	23	(61)
Cash and cash equivalents, beginning of period	306	406
Cash and cash equivalents, end of period	\$ 329	\$ 345
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid for interest	\$ 39	\$ 32
Cash paid for taxes	-	-
NON-CASH ACTIVITIES:		
Purchase of rental equipment remaining in accounts payable	\$ 23	\$ 4
Purchase of property and other fixed assets remaining in accounts payable	5	9
Accretion of perpetual preferred stock to redemption value	11	11
Stock-based compensation for capitalized software development	1	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

1. BUSINESS

EquipmentShare.com Inc and subsidiaries (“EquipmentShare” or the “Company”) was organized in 2014 and commenced operations on January 1, 2015. Effective June 30, 2025, EquipmentShare.com Inc changed its jurisdiction of incorporation from the state of Delaware to the state of Texas.

The Company is a vertically integrated platform that combines proprietary technology, a connected equipment fleet, and a nationwide footprint to serve the construction industry. More than a rental company, EquipmentShare delivers jobsite visibility and control through its cloud-based platform (“T3”), which integrates embedded telematics hardware, software applications, and real-time data to support both customers and internal operations. The T3 platform is original equipment manufacturer (“OEM”)-agnostic and gives the Company and its rental customers the ability to track mixed fleets, maximize utilization, reduce unplanned downtime, streamline maintenance, and improve jobsite security and operator accountability.

The Company utilizes its proprietary T3 platform in its equipment rental and service operations to manage construction equipment that is owned by the Company, as well as construction equipment that is leased from third party participants in the Company’s “OWN Program.” Under the OWN Program, participants may purchase from the Company new or used (typically less than four years old) equipment which is fully enabled with T3. Concurrently, the participant and the Company enter into a lease agreement whereby this qualified equipment is placed on the Company’s T3 platform, to be rented to third party users. Rental revenue generated from equipment enrolled under the OWN Program is divided and shared between the Company and the owner of the equipment, and for the duration of the arrangement the Company manages the owner’s equipment utilizing the T3 platform. At the end of the sharing period under the OWN Program, the Company may assist the owner with remarketing services if the equipment is to be sold in the market as used construction equipment. The Company also offers several add-on services to the owner of the equipment.

In addition to equipment rentals, the Company also offers complementary products and services, such as equipment parts, supplies, services, and select jobsite support offerings. These products and services are integrated with the T3 platform to support broader jobsite needs as part of the Company’s equipment rental and services operations. The Company offers new and used equipment for sale to customers. Separately, the Company offers telematics software as a service (“SaaS”) subscriptions, supported by embedded telematics hardware to customers who use the digital tools to monitor fleet performance, manage maintenance, and oversee jobsite activity through a single platform. The Company develops and enhances these tools and services with input from customers. The Company also retails building materials and hardware supplies to customers.

As of March 31, 2026, the Company had 371 full-service branches, 9 dealership sites, and 27 building materials and hardware retail stores located across 45 states in the U.S. The Company’s full-service, technology-enabled model supports multiple customer touchpoints and allows it to operate a high-quality, diversified rental fleet. The Company’s branch network also serves as an effective distribution channel for fleet disposition and supports related activities including new and used equipment sales, parts, supplies and services. The Company is an authorized dealer for JLG, Takeuchi, Skyjack, Genie, and other major brands of construction and aerial equipment, and offers equipment rentals, parts, and services.

Initial Public Offering

On January 26, 2026, the Company completed its initial public offering (“IPO”) of 30.5 million shares of the Company’s Class A common stock at a price of \$24.50, resulting in gross proceeds of \$747 million and net proceeds of \$706 million after deducting underwriting discounts and commissions. In connection with the IPO, the Company capitalized \$14 million of equity issuance costs. The Company intends to use the net proceeds of the offering for general corporate purposes.

Immediately prior to the completion of the IPO, the Company’s certificate of formation, bylaws, and investors’ rights agreement were amended and restated, resulting in, among other things, all shares of the Company’s common stock, including shares of common stock issued upon the automatic conversion of the Company’s preferred stock (other than shares of perpetual preferred stock which remain outstanding) being reclassified into shares of Class A common stock, and immediately thereafter all shares of Class A common stock then held by the Company’s Chief

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

Executive Officer or President (the “Founders”) were exchanged into an equivalent number of shares of Class B common stock. Additionally, shares of Class A common stock will be issuable upon exercise or vesting of all outstanding options and restricted stock units, as applicable, except that Class B shares will be issuable upon exercise or vesting of options and restricted stock units held by the Founders and upon vesting of performance stock units (“PSUs”) granted to the Founders (see [IPO Founders Awards](#) below).

Concurrent with the IPO, all outstanding shares of the Company’s convertible preferred stock were automatically converted into 142 million shares of Class A common stock. Following the completion of the IPO, the Company had 3,500 million of authorized shares of Class A common stock and approximately 215 million shares of Class A common stock issued and outstanding, along with 200 million of authorized shares of Class B common stock and approximately 38 million shares of Class B common stock issued and outstanding.

Following the completion of the IPO, the Class B common stock (which is held by the Founders who have agreed to vote together as a group) represented more than 80% of the total voting power of the outstanding common stock and, as a result, the Company is considered to be a “controlled company” within the meaning of Nasdaq corporate governance standards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles (“U.S. GAAP”) for interim financial information. Accordingly, certain information and footnote disclosures required by U.S. GAAP for complete financial statements have been condensed or omitted in accordance with Securities and Exchange Commission (“SEC”) rules and regulations. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of March 31, 2026, and its results of operations, changes in perpetual preferred stock and equity, and cash flows, for the three months ended March 31, 2026 and 2025. Interim results of operations are not necessarily indicative of the results of the full year.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Form 10-K”). The Company’s significant accounting policies are described in Note 2 of the Company’s Audited Consolidated Financial Statements as of and for the year ended December 31, 2025. There have been no significant changes to those accounting policies in the Company’s preparation of the accompanying condensed consolidated financial statements as of and for the three months ended March 31, 2026.

Use of estimates: Management used estimates and assumptions in preparing these financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. As future events and their effects cannot be determined with precision, actual results could differ from the estimates that were used.

Recently Adopted Accounting Pronouncements

Measurement of Credit Losses for Accounts Receivable and Contract Assets: In July 2025, the FASB issued ASU 2025-05, which provides optional guidance relating to the estimation of expected credit losses on current accounts receivable and current contract assets. This guidance permits entities to apply a practical expedient when estimating credit losses that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. Effective January 1, 2026, the Company began applying the practical expedient when estimating credit losses on a prospective basis. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements and related disclosures.

Accounting Pronouncements Issued, Not Yet Adopted

Disaggregation of Income Statement Expenses: In November 2024, the FASB issued ASU 2024-03, which is intended to improve the disclosures about a public entity’s expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The guidance is effective

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2024-03 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

Improvements to the Accounting for Internal-Use Software: In September 2025, the FASB issued ASU 2025-06, which amends the guidance in ASC 350-40, Intangibles - Goodwill and Other - Internal-Use Software. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous “development stage” model and introducing a more judgment-based approach. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of ASU 2025-06 on its consolidated financial statements and related disclosures.

Interim Reporting - Narrow Scope Improvements: In December 2025, the FASB issued ASU 2025-11, which clarifies interim disclosure requirements and the applicability of ASC 270, Interim Reporting. The objective of the amendment is to provide further clarity about the current interim disclosure requirements. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of ASU 2025-11 on its interim reporting requirements in the future.

Codification Improvements: In December 2025, the FASB issued ASU 2025-12, which updates U.S. GAAP for a broad range of topics arising from technical corrections, unintended application of the codification, clarifications, and other minor improvements. The guidance is effective for fiscal years beginning after December 15, 2026, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the potential impact of ASU 2025-11 on its consolidated financial statements and related disclosures.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consist of the following (In millions):

	March 31, 2026	December 31, 2025
Equipment rental and related services	\$ 523	\$ 494
Equipment sales	39	21
Equipment parts, supplies and services	141	128
Billed or uninvoiced OEM reimbursement receivables	98	97
Other	91	76
Total accounts receivable	892	816
Allowance for credit losses and doubtful accounts	(74)	(68)
Accounts receivable, net	<u>\$ 818</u>	<u>\$ 748</u>

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

4. INVENTORY

Inventories consist of the following (In millions):

	March 31, 2026	December 31, 2025
Equipment inventory	\$ 130	\$ 131
Equipment parts	212	189
Telematics hardware	47	48
Building materials, supplies, small tools, and other	38	33
Total inventories	<u>\$ 427</u>	<u>\$ 401</u>

5. RENTAL EQUIPMENT, NET

Rental equipment, net, consist of the following (In millions):

	March 31, 2026	December 31, 2025
Rental equipment	\$ 3,816	\$ 3,596
Installed telematics tracker devices	83	81
Total rental equipment	3,899	3,677
Less: accumulated depreciation	(911)	(843)
Rental equipment, net	<u>\$ 2,988</u>	<u>\$ 2,834</u>

The Company recognized depreciation expense of \$82 million and \$67 million for the three months ended March 31, 2026 and 2025, respectively, included within depreciation and amortization as a component of cost of revenues on the condensed consolidated statements of operations.

6. PROPERTY AND OTHER FIXED ASSETS, NET

Property and other fixed assets, net, consist of the following (In millions):

	March 31, 2026	December 31, 2025
Furniture, fixtures, office equipment and other	\$ 175	\$ 167
Leasehold improvements	176	161
Buildings and improvements	206	186
Construction in progress	55	61
Land	40	44
Total property and other fixed assets	652	619
Less: accumulated depreciation	(128)	(115)
Total property and other fixed assets, net	<u>\$ 524</u>	<u>\$ 504</u>

The Company recognized depreciation expense of \$14 million and \$9 million, for the three months ended March 31, 2026 and 2025, respectively, included in selling, general and administrative expenses on the condensed consolidated statements of operations.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

7. CAPITALIZED SOFTWARE, NET

Capitalized software, net, consists of the following (In millions):

	March 31, 2026	December 31, 2025
Capitalized software	\$ 163	\$ 153
Less: accumulated amortization	(50)	(43)
Total capitalized software, net	\$ 113	\$ 110

The Company recognized amortization expense of \$7 million and \$4 million for the three months ended March 31, 2026 and 2025, respectively, included within depreciation and amortization as a component of cost of revenues on the condensed consolidated statements of operations.

8. ACCRUED LIABILITIES

Accrued liabilities consist of the following (In millions):

	March 31, 2026	December 31, 2025
Accrued expenses	\$ 100	\$ 65
Accrued salaries and benefits	74	57
Accrued equipment purchases	70	281
Payable to OWN Program participants	63	53
Accrued interest	60	33
Insurance claims, including incurred but not reported	46	43
Deferred revenue	30	30
Manufacturer liability	15	12
Real and personal property tax payable	13	13
Sales and income tax payable	14	12
Other	10	10
Total accrued liabilities	\$ 495	\$ 609

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

9. LONG-TERM DEBT AND LINES OF CREDIT

The Company had the following outstanding amounts of long-term debt (In millions):

	March 31, 2026	December 31, 2025
Long-term debt and lines of credit:		
Asset based revolving credit facility, bearing interest at a rate of 4.80%, secured by equipment and other current assets	\$ 999	\$ 1,196
Senior Secured Second Lien Notes bearing interest at a rate of 9.00%	1,034	1,034
Senior Secured Second Lien Notes bearing interest at a rate of 8.625%	600	600
Senior Secured Second Lien Notes bearing interest at a rate of 8.00%	500	500
Notes payable to various institutions, bearing interest at rates ranging from 3.75% to 5.10%, maturing through 2029, secured by specific equipment	2	2
Equipment financing lines of credit with various institutions, bearing interest at rates ranging from 5.30% to 12.63%, maturing through 2025	4	3
Total long-term debt and lines of credit	3,139	3,335
Less: original issue discounts	(19)	(22)
Less: debt issuance costs	(38)	(41)
	3,082	3,272
Less: current maturities	(5)	(4)
Long-term debt and lines of credit, net of current portion, original issue discounts, and debt issuance costs	<u>\$ 3,077</u>	<u>\$ 3,268</u>

ABL Credit Facility

During 2021, the Company entered into an asset-based lending facility (the “ABL Facility”). On November 26, 2025, the Company refinanced existing borrowings under the ABL Facility by entering into a new senior secured asset-based revolving credit facility (the “ABL Credit Facility”). The ABL Credit Facility has a maturity date of November 26, 2030. The ABL Credit Facility provides available “borrowing capacity” (the maximum borrowing permitted, assuming there is sufficient collateral as identified under the ABL Credit Facility) up to \$2.75 billion. Borrowings under the ABL Credit Facility bear interest at a rate (at the Company’s election) equal to either (i) the Secured Overnight Financing Rate (“SOFR”) plus a spread between 112.5 to 137.5 basis points or (ii) the greatest of (a) 0%, (b) the Federal Funds Rate in effect on such day plus 50 basis points, (c) the SOFR for a one month tenor in effect on such day (to the extent ascertainable), plus 100 basis points, and (d) the Prime Rate plus (y) a spread between 12.5 basis points and 37.5 basis points. In connection with the refinancing, the Company expensed \$8 million of previously capitalized debt issuance costs relating to certain lenders under the ABL Facility who exited the syndicate, and included in loss on debt extinguishment on the consolidated statements of net income. Additionally, in connection with the refinancing, the Company capitalized \$9 million of debt issuance costs.

The ABL Credit Facility contains negative covenants that permit, subject to certain defined conditions, the Company to, among other things, (i) incur additional indebtedness or engage in certain other types of financing transactions, (ii) allow certain liens to attach to assets, (iii) repurchase, or pay dividends, or make certain other restricted payments on, capital stock and certain other securities, subject to applicable caps, (iv) prepay certain indebtedness and (v) make certain acquisitions and investments. Under the ABL Credit Facility, there is one financial covenant that will only apply in the future if excess availability under the ABL Credit Facility falls below the greater of 10 percent of the maximum borrowing amount under the ABL Credit Facility or \$175 million. As of March 31, 2026, availability under the ABL Credit Facility exceeded this threshold and, as a result, the financial covenant was not applicable.

As of March 31, 2026, the Company had \$999 million outstanding under the ABL Credit Facility bearing interest at the SOFR of 4.80%, included in long-term debt on the condensed consolidated balance sheets.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

The ABL Credit Facility provides available “borrowing capacity” (the maximum borrowing permitted, assuming there is sufficient collateral as identified under the ABL Facility) and “net excess availability” (the amount of additional debt the Company could borrow based on the existing borrowing base). As of March 31, 2026, the Company had a borrowing base, as defined in the ABL Credit Facility, of \$2,280 million. After outstanding borrowings and letters of credit, the net excess availability at March 31, 2026, as defined in the ABL Credit Facility, was \$1,276 million, of which the Company could borrow up to \$1,048 million without any additional repayment conditions.

Other

Certain note agreements between the Company and various institutions contain restrictions and financial covenants, including maintaining an adjusted fixed charge coverage ratio of 1.15 to 1.00 and a net funded debt to adjusted EBITDA ratio of 6.00 to 1.00. As of March 31, 2026, the Company was in compliance with those restrictions and financial covenants.

As of March 31, 2026 the Company had \$6 million of letters of credit outstanding with financial institutions secured by line of credit availability. The letters of credit automatically renew annually unless the Company gives notice to the financial institution to terminate the letter of credit.

10. LEASES

Leasing Activities – Lessee:

Lease arrangements with OWN Program participants: Under the OWN Program, the Company leases equipment owned by participants. The Company accounts for these arrangements as a lease under FASB Accounting Standards Codification (“ASC”) Topic 842, *Leases* (“Topic 842”) whereby the Company is the lessee.

Lease arrangements with other parties: The Company, as a lessee, also leases properties, vehicles, certain equipment used in its operations from parties not participating in the OWN Program, and aircraft under various operating and finance leases.

The leases are noncancellable and expire on various terms through 2040. There are no material payments for leases that have not yet commenced.

The following table presents the components of the Company’s lease costs and the classification of such costs in the condensed consolidated statements of operations (In millions):

Component of Lease Cost	Statements of Operations Line Item	Three Months Ended March 31,	
		2026	2025
OWN Program lease payments	OWN Program payouts	\$ 217	\$ 154
Equipment and vehicle operating lease expense	Direct operating costs	6	6
Real estate operating lease expense	Selling, general and administrative expenses	26	21
Finance lease expense:			
Amortization of equipment leased assets	Depreciation of rental equipment	3	2
Amortization of property leased assets	Selling, general and administrative expenses	3	1
Interest on lease liabilities	Interest expense, net	3	2
Short-term lease cost	Selling, general and administrative expenses	1	–
Total lease expense		\$ 259	\$ 186

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

11. COMMON STOCK AND EQUITY PLANS

Initial Public Offering

Concurrent with the IPO, all outstanding shares of the Company's convertible preferred stock were automatically converted into 142 million shares of Class A common stock. As of March 31, 2026, the Company had 3,500 million authorized shares of Class A common stock and approximately 215 million shares of Class A common stock issued and outstanding, along with 200 million authorized shares of Class B common stock and approximately 38 million shares of Class B common stock issued and outstanding.

Employee Stock Purchase Plan

In connection with the IPO, the Company adopted the EquipmentShare.com 2025 Employee Stock Purchase Plan (the "ESPP"). The maximum number of shares initially available for issuance under the ESPP is 2,316,263 shares of common stock and will be increased on the first day of each fiscal year for a period of up to 10 years following the effective date of the ESPP in an amount equal to the least of (i) 12,000,000 shares; (ii) 1% of the total number of shares of the Company's Class A and Class B common stock outstanding as of the last completed fiscal year; and (iii) such number of shares as determined by the Company's Board of Directors (the "Board") in its discretion. The number of shares available at any time under the ESPP is subject to adjustment in the event of a dividend or other distribution (other than an ordinary dividend or distribution), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the Company, or other change in the Company's structure affecting the shares occurs. The number of shares which a participant may purchase in an offering under the ESPP may be reduced if the offering is over-subscribed. The Company did not grant any shares of common stock pursuant to the ESPP during the three months ended March 31, 2026.

2025 Omnibus Incentive Plan

In connection with the IPO, the Company also adopted the EquipmentShare.com Inc 2025 Omnibus Incentive Plan (the "2025 Plan"). Awards under the 2025 Plan include stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, other cash-based awards and other stock-based awards (collectively, the "Awards"). The total number of shares of the Company's common stock initially authorized for issuance under the 2025 Plan is 40,370,162 shares of common stock and this amount will be increased on January 1 of each year following the effective date of the 2025 Plan for a period of 10 years in an amount equal to the lesser of (i) 1% of outstanding shares on the last day of the immediately preceding fiscal year and (ii) such number of shares as determined by the Compensation Committee of the Board in its sole discretion. The Awards granted pursuant to the 2025 Plan will be issued with respect to shares of Class A common stock of the Company, other than the IPO Founders Awards. As of March 31, 2026, there were no options issued and outstanding under the 2025 Plan.

IPO Founders Awards

In connection with the IPO, the Board approved grants of PSUs to each of the Founders under the 2025 Plan that could result in the issuance, to each of the Founders, of as few as zero shares of the Company's Class B common stock and up to 18,321,644 shares of Class B common stock. Each of the IPO Founders Awards was granted on January 26, 2026 (the "Grant Date") and is comprised of five tranches of PSUs as set forth in the table below, the vesting of which are subject to service conditions and market conditions, including the Company achieving specified stock price hurdles, as set forth in the table below and subject to anti-dilution adjustments, during the performance period beginning on the first day following the expiration of the lock-up period set forth in the Company's agreement with its underwriters in connection with the IPO (or, with respect to tranche 1, beginning on January 27, 2026) and ending on the earliest to occur of (i) the tenth anniversary of the Grant Date, (ii) a change in control (as defined in the 2025 Plan) or (iii) the date on which the shares of the Company's Class A common stock are no longer traded on a securities exchange or market. Achievement of the applicable stock price hurdle for any PSU tranche will occur on the date that the average closing price per share of the Company's Class A common stock during any 60 consecutive trading days during the performance period equaled or exceeded the applicable stock price hurdle for such tranche, except that achievement of the stock price hurdle for tranche 1 occurred on January 27, 2026, the date that the closing price per share of the Company's Class A common stock during the

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

performance period equaled or exceeded the stock price hurdle for such tranche. Any PSUs for which the applicable stock price hurdle is not achieved prior to the end of the performance period will be forfeited in their entirety.

Tranche	Price Hurdle (per Share)	% of Award eligible to be Earned
1	\$29.85	17.70%
2	\$59.69	21.11%
3	\$119.39	21.11%
4	\$238.77	21.11%
5	\$358.16	18.97%

The fair value of the IPO Founders Awards was estimated as of the Grant Date using Monte Carlo simulations with the following assumptions:

Expected dividend yield	0.0 %
Expected volatility	40.0 %
Risk-free interest rate	4.2 %
Requisite Service Period (years) - Tranche 1	4.00
Requisite Service Period (years) - Tranche 2	7.24
Requisite Service Period (years) - Tranche 3	9.75
Requisite Service Period (years) - Tranche 4	11.28
Requisite Service Period (years) - Tranche 5	11.81

The Company historically has not paid dividends on common stock and has no plans to issue dividends in the foreseeable future. The expected volatility assumption used to estimate the Grant Date fair value of each tranche of the award was based on the average historical volatility of comparable entities with publicly traded shares. The risk-free rate for the requisite service period for each tranche was based on the U.S. Treasury yield curve as of the Grant Date.

The Grant Date fair value of the IPO Founders Awards was \$624 million. Stock-based compensation expense of \$17 million was recorded for the IPO Founders Awards during the three months ended March 31, 2026, and is included in selling, general and administrative expenses in the condensed consolidated statements of operations. As of March 31, 2026, the unrecognized stock-based compensation expense yet to be recognized over the vesting period was \$73 million in 2026, \$98 million in 2027, \$98 million in 2028, \$98 million in 2029, \$52 million in 2030, and \$189 million thereafter. The weighted average remaining life was 7.5 years as of March 31, 2026.

2016 Equity Incentive Plan

During 2016, the Company created the 2016 Equity Incentive Plan ("2016 Plan"), which allows for the issuance of options to purchase shares of EquipmentShare common stock. The employees eligible to participate in the plan are determined by the plan's committee. Options are issued with an exercise price equal to the fair value of the Company's common stock and with vesting conditions as determined by the plan's committee. Option awards with time-based vesting conditions generally range from 12 to 48 months. Option awards with service, performance, and/or market conditions, as defined, vest when those milestones are achieved (the "milestone-based awards"). Options are generally forfeited upon termination or when performance or market conditions are not met, and forfeitures are accounted for as they occur.

Stock Options

As of March 31, 2026, the Company has a total of 22,525,256 options authorized. There were 9,723,781 options issued and outstanding 5,474,473 options were exercised or cancelled and not returned to the pool as of March 31, 2026, and 7,327,002 options available for issuance transferred to the 2025 Plan.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

Stock-based compensation expense of \$1 million and \$1 million was recorded for vested time-based options during the three months ended March 31, 2026 and 2025, respectively, and is included in selling, general and administrative expenses in the condensed consolidated statements of operations. As of March 31, 2026, the unrecognized stock-based compensation expense yet to be recognized over the vesting period was \$6 million. The weighted average remaining life of the outstanding stock options was 1.6 years as of March 31, 2026.

No milestone-based awards were granted during the three months ended March 31, 2026 or 2025. No stock compensation expense for milestone-based option awards was recognized during 2025 or 2026. The Company had 320,000 unvested milestone-based option awards granted in 2022 outstanding as of March 31, 2026. If the 2022 award milestones, as defined, are not achieved by January 31, 2032, then these unvested options will be forfeited. The Company has not recognized stock compensation expense for these unvested stock options granted during 2022 as of March 31, 2026 because, for accounting measurement purposes, it is not highly probable that the performance conditions will be achieved. The estimated unrecognized stock-based compensation expense to be recognized if and when the performance conditions are considered highly probable of being achieved could be up to \$0.4 million for the 2022 awards as of March 31, 2026. The average remaining life of the outstanding milestone-based stock option awards was 5.8 years for the 2022 awards as of March 31, 2026.

RSUs

The Company issued performance-based restricted stock units (“RSUs”) under the 2016 Plan with two-tiered vesting conditions which include a service requirement and a liquidity event requirement. The service condition of the RSUs will be met provided the participant is in continuous service over the defined period of time generally 12 to 48 months. The liquidity event requirement was satisfied on the effective date of the IPO. RSUs shall be settled no later than March 15 of the calendar year following the calendar year in which each vesting event occurs. Upon the consummation of the IPO, the performance-based vesting conditions for outstanding RSUs was satisfied. As a result, the RSUs that had satisfied the service-based condition date had vested. For the three months ended March 31, 2026, the Company recognized \$2 million of stock-based compensation expense attributable to RSUs. No stock-based compensation expense attributable to RSUs was recognized for the three months ended March 31, 2025, as the performance-based vesting condition had not been satisfied at that time. As of March 31, 2026, the unrecognized stock-based compensation expense yet to be recognized over the vesting period was \$3 million. The weighted average remaining life of the outstanding RSUs was 1.2 years as of March 31, 2026.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

12. REVENUE RECOGNITION

The Company recognizes revenue in accordance with two accounting standards: (1) Topic 842, which addresses lease accounting, and (2) Topic 606, which addresses revenue from contracts with customers.

The following table disaggregates the Company's revenue based on type and the applicable accounting standard (In millions):

	Three Months Ended March 31,					
	2026			2025		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
Equipment rental revenue	\$ 607	\$ –	\$ 607	\$ 439	\$ –	\$ 439
Ancillary and other rental revenue:						
Delivery and pick-up	23	21	44	16	16	32
Other equipment rental	27	5	32	20	4	24
Total equipment rental and related services	657	26	683	475	20	495
Equipment sales (new and used ⁽¹⁾)	–	179	179	–	145	145
Equipment parts, supplies, and services:						
Equipment parts and supplies sales	–	31	31	–	20	20
Services	–	46	46	–	38	38
Total equipment parts, supplies, and services	–	77	77	–	58	58
Platform revenue:						
Telematics	–	31	31	–	10	10
Other	–	19	19	–	8	8
Total revenues	\$ 657	\$ 332	\$ 989	\$ 475	\$ 241	\$ 716

(1) For the three months ended March 31, 2026 and 2025, equipment sales to OWN Program participants were \$102 million and \$95 million, respectively. For the three months ended March 31, 2026 and 2025, equipment sales to contractors and other end users were \$77 million and \$50 million, respectively.

The Company's Equipment Rental and Services Operations segment revenue (see Note 18) is comprised of equipment rental and related services and equipment parts, supplies, and services revenue presented in the table above.

The disaggregation of the Company's revenue from contracts to customers as reflected above, coupled with the reportable segment disclosures (see Note 18), depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors.

Equipment rental sublease income was \$351 million and \$245 million for the three months ended March 31, 2026 and 2025, respectively.

Revenue for lease arrangements with customers (Topic 842)

Equipment rental revenue: The Company is in the business of renting equipment that is owned by the Company or rented from vendors, contractors, and others and then re-rented to the Company's third-party customers. Such arrangements are accounted for as operating leases with the Company as a lessor and governed by the standard rental contract.

As a lessor of rental equipment to customers, revenue is recognized in the period earned on a straight-line basis over the contract term, regardless of timing of billing to customers. A rental contract term can be daily, weekly, or monthly (28 days), and is billed when the monthly rental charge is achieved, or at the completion of the rental contract, whichever is sooner. From time to time, the Company provides an option for the lessee to purchase the rented equipment at the end of the lease, however, the Company does not generate material revenue from sales of equipment under such rental purchase option arrangements.

Equipment rental revenue includes revenue generated by the Company, as a sublessor, from equipment that is owned by others who are participants in the Company's OWN Program. Under the OWN Program, the owner's

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

equipment is fully enabled with the Company's T3 telematics and placed on the Company's platform to be rented. Rental revenue generated while the equipment is rented to the Company's customers is shared between the Company and the owner of the equipment. The Company may also provide other services under the OWN Program, such as maintenance, insurance, and remarketing services. Rental revenue generated from the OWN Program is divided between the Company and the owner of the equipment, and for the duration of the arrangement the Company manages the owner's equipment utilizing the T3 operating system.

Ancillary and other equipment rental revenues: Delivery fees charged are variable, based on the type of equipment being delivered, the requested delivery time, the distance of the delivery and other relevant considerations. Delivery occurs before the rental period begins and, therefore, delivery fees charged are recognized over the monthly rental period.

Other equipment rental revenue is primarily comprised of (i) revenue generated from customers who purchase rental insurance coverage to protect against potential damages or loss to the equipment rented and (ii) environmental fees assessed on the rental asset. Rental insurance coverage revenue is recognized as revenue in the period earned on a straight-line basis over the contract term, regardless of timing of billing to customers. Environmental fee revenue is recognized in the period earned on a straight-line basis over the contract term.

Revenues from contracts with customers (Topic 606)

Pick-up services: Pick-up services are at the customer's option after the lease has terminated, and control of the asset no longer resides with the lessee. Accordingly, the Company recognizes revenue from pick-ups services at the point in time when the pick-up service has been provided, regardless of timing of billing to customers.

Fuel recovery fees: Similar to pick-up services, fuel recovery charges are at the customer's option after the lease has terminated, and control of the asset no longer resides with the lessee. Accordingly, fuel recovery fees, which are included in other equipment rental, are recognized at the point in time when the customer elects the service and the service has been provided by the Company.

Equipment sales (new and used) and equipment parts and supplies sales: The Company recognizes revenue on sales of new equipment and used equipment, as well as revenue on sales of parts and supplies, at the point in time when it has a contract in place and satisfies the performance obligation by transferring control of the product or service to a customer. The amount of revenue recognized reflects the consideration the Company expects to be entitled to in exchange for such products or services. The Company recognizes revenue on sales of new equipment, used equipment, and parts and supplies when control has transferred to the customer, which is typically when the asset is picked up, delivered to the customer, or when significant risks and rewards of ownership have passed to the customer. In certain cases, the Company acts as the agent for the sale of new equipment, resulting in the new equipment sales revenue being presented net of new equipment cost of revenues in the equipment sales revenue on the accompanying condensed consolidated statements of operations. Otherwise, the Company presents new and used equipment sales on a gross basis within equipment sales revenue and the related equipment sales cost of revenues on the accompanying condensed consolidated statements of operations. As described above, the Company sells equipment assets to other parties and may allow the purchaser of the equipment to place the equipment asset in the OWN Program to be rented to the Company's customers. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and excluded from revenue.

Service revenue: Service revenue is primarily comprised of (i) warranty services and (ii) maintenance services and other miscellaneous services. Warranty services revenue represents compensation for the service work the Company has performed on behalf of the OEM in order to fulfill the warranty extended by the OEM to the customer. Warranty revenue and the related receivable are short-term in nature and revenue is recognized at the point in time when the repair service has been provided by the Company. The Company acts as the principal in these transactions and, therefore, warranty revenue earned and warranty expense incurred are presented on a gross basis within revenues and cost of revenues in the accompanying condensed consolidated statements of operations. Maintenance services and other miscellaneous services revenue represents compensation for maintenance work the Company has performed for customers and is recognized at the point in time when the services are performed, or

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

under certain OWN Program arrangements, the Company has a stand-ready performance obligation to provide maintenance services and revenue is recognized over the contract service period.

Telematics revenue: Telematics revenue includes (i) the sale of subscriptions to the Company's telematics services, which are recognized on a straight-line basis over the period corresponding to the telematics subscriptions that are sold separately to customers; (ii) as an allocation of the transaction consideration from equipment rentals for the non-lease component of the rental arrangements, which is recognized on a straight-line basis over time based on the monthly period for equipment rentals; or (iii) the sale of custom electronic components, including telematics tracker devices and cloud-based access control keypads.

Other: Other platform revenue includes sales of building materials and hardware supplies, which are recognized at a point in time when the products are purchased and picked up by the customer from one of the Company's store locations.

Contract assets and liabilities

The Company does not have material contract assets or material contract liabilities associated with contracts with customers. The Company's contracts with customers do not result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenues during the three months ended March 31, 2026 or 2025 that were contract liabilities at the beginning of such periods.

13. INCOME TAXES

The benefit for income taxes was \$32 million and \$19 million for the three months ended March 31, 2026 and 2025, respectively. Although the Company incurred a loss in the current interim period, it anticipates generating taxable income for the full fiscal year. Accordingly, the estimated annual effective tax rate reflects the expected full-year income and related expense. Differences between applicable federal and state statutory tax rates and the effective income tax rates for the income tax benefit recorded by the Company are primarily due to nondeductible expenses and the Texas franchise tax, offset by research and development tax credits.

14. RELATED PARTY TRANSACTIONS

Transactions with Investee

The Company has a 50.1% ownership interest in 10G, a joint venture arrangement accounted for under the equity method. For the three months ended March 31, 2026, the Company recognized revenue from sales to 10G of \$8 million, which is included in telematics platform revenue on the condensed consolidated statements of operations. At March 31, 2026 and December 31, 2025, the Company had amounts due from 10G of \$4 million and \$2 million, respectively, which are included in accounts receivable on the condensed consolidated balance sheets, and amounts owed to 10G of \$0.3 million and \$0.2 million, respectively, which are included in accounts payable on the consolidated balance sheets.

The Company holds a 26.95% noncontrolling interest in Powers Group, Inc. ("Powers"), a third-party insurance agency that provides customers with a range of personal and business insurance policies and related services. The Company purchases insurance coverage through a wholly owned subsidiary of Powers, acting as an agent. For the three months ended March 31, 2026 and 2025, the Company purchased insurance policies through this equity method investee and recognized \$3 million and \$2 million of insurance expense in selling, general and administrative expenses on the condensed consolidated statements of operations, respectively. At March 31, 2026 and December 31, 2025, the Company had \$3 million and \$2 million of prepaid insurance related to these policies, respectively, which are included in prepaid costs on the condensed consolidated balance sheets.

The Company purchased telematics tracker devices from an equity method investee totaling approximately \$4 million for the three months ended and March 31, 2025. Design and development services paid to the same equity method investee were \$0.3 million for the three months ended March 31, 2025, and included in selling, general and administrative expenses on the condensed consolidated statements of operations.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

Transactions with Entities Owned or Controlled by the Founders

The Company has entered into various transactions with related party entities either owned or controlled by the Company's Chief Executive Officer or President.

Revenues

During the three months ended March 31, 2026 and 2025, the Company recognized the following revenues from transactions with entities owned or controlled by the Founders:

- Approximately \$1 million of equipment rental and related services revenues, including equipment rental revenues whereby the Company acts as an agent in the rental arrangement during the three months ended March 31, 2025. There were no such amounts during the three months ended March 31, 2026.
- Equipment sales revenue of \$102 million during the three months ended March 31, 2025. There were no such amounts during the three months ended March 31, 2026. A portion of the equipment sales for the three months ended March 31, 2025, were agent OEM transactions and the related cost of the equipment sold of \$42 million is presented net of the associated equipment sales revenues for these periods on the consolidated statements of operations. The equipment sold was subsequently listed on the Company's marketplace under the OWN Program.
- \$0.1 million and \$2 million, respectively, of equipment parts, supplies and services revenues; and zero and \$0.1 million, respectively, of T3 telematics services revenues relating to equipment enrolled under the OWN Program.

In addition, the Company recognized \$0.1 million and zero for the three months ended March 31, 2026 and 2025, respectively, in sales of building materials and hardware supplies to the Founders, which are included in other platform revenues on the condensed consolidated statements of operations.

OWN Program payouts

OWN Program payouts to entities owned or controlled by the Founders were \$0.3 million and \$12 million for the three months ended March 31, 2026 and 2025, respectively, included in cost of revenues on the condensed consolidated statements of operations. At March 31, 2026 and December 31, 2025, there were no accrued expenses under the OWN Program due to entities owned or controlled by the Founders.

Assignment of property site purchase rights and construction developer fees

For the three months ended March 31, 2026 and 2025, the Company recognized \$1 million and \$2 million, respectively, of other miscellaneous income for the assignment of new property site purchase rights and related transaction services and \$2 million and \$1 million, respectively, for construction developer fees provided to entities owned or controlled by the Founders. These amounts are included in other income, net on the condensed consolidated statements of operations.

Accounts receivable and other current assets

At March 31, 2026 and December 31, 2025, the Company had receivables due from entities owned or controlled by the Founders related to the transactions described above in the amounts of \$16 million and \$19 million, respectively, which are included in accounts receivable or other current assets on the condensed consolidated balance sheets.

Leases

The Company leases or has leased certain properties, facilities, vehicles, and aircraft for its operations under various lease arrangements with entities owned or controlled by the Founders. Lease expenses associated with various operating lease arrangements with entities owned or controlled by the Founders were \$0.3 million and \$2 million for the three months ended March 31, 2026 and 2025, respectively, which are included in direct operating

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

costs or selling, general and administrative expenses on the condensed consolidated statements of operations. At March 31, 2026, the Company had operating lease right of use assets and operating lease liabilities under lease arrangements with entities owned or controlled by the Founders of \$7 million and \$7 million, respectively. At December 31, 2025, the Company had operating lease right of use assets and operating lease liabilities under lease arrangements with entities owned or controlled by the Founders of \$6 million and \$6 million, respectively.

The Company recognized variable lease expense, short-term rental expense, and other miscellaneous expenses, which are included in direct operating costs or selling, general and administrative expenses on the condensed consolidated statements of operations, of \$1 million and \$0.3 million for the years ended March 31, 2026 and 2025, respectively, primarily relating to certain leases and short-term rentals from entities owned or controlled by the Founders.

During the three months ended March 31, 2026 and 2025, the Company made payments of \$1 million and \$1 million under property finance lease arrangements with entities owned or controlled by the Co-Founders, respectively. At March 31, 2026 and December 31, 2025, the Company had finance lease liabilities under finance lease arrangements with entities owned or controlled by the Founders of \$32 million and \$29 million, respectively.

Purchases of rental equipment, parts, supplies and other

During the three months ended March 31, 2025, the Company purchased \$1 million of equipment previously enrolled in the OWN Program from entities owned or controlled by the Founders. The equipment purchased was added to the Company's rental fleet, and is included in rental equipment, net, on the condensed consolidated balance sheets.

Purchases of property and other fixed assets

During the three months ended March 31, 2026 and 2025, entities owned or controlled by the Founders provided construction services to the Company in the amounts of \$0.4 million and \$1 million, respectively, which were capitalized to property and other fixed assets.

Accounts payable

At March 31, 2026 and December 31 2025, amounts due to entities owned or controlled by the Founders were \$0.4 million and \$0.4 million, respectively, which are included in accounts payable on the condensed consolidated balance sheets.

Cash equivalents

During the three months ended March 31, 2025, the Company deposited \$5 million into a money market account at a financial institution in which the Founders have an ownership interest. As of March 31, 2026 and December 31, 2025, the Company had an aggregate of \$21 million and \$21 million, respectively, on deposit in a money market account with this financial institution, which is included in cash and cash equivalents on the condensed consolidated balance sheets. For the three months ended March 31, 2026 and 2025, the funds on deposit earned \$0.2 million and \$0.1 million of interest income, respectively, which is included in other income, net on the condensed consolidated statements of operations.

The Company does not provide any financial support or guarantee any debt of the related party entities involved in the transactions described above.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

15. FAIR VALUE MEASUREMENTS AND OTHER

The fair value measurements relating to cash equivalents and short-term investments (included in other current assets) are categorized in the fair value hierarchy as follows (In millions):

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 64	\$ –	\$ –	\$ 64
Short-term investments:				
Mutual funds	6	–	–	6
Equity securities	31	2	–	33
Common stocks	4	–	–	4
Corporate bonds	–	10	–	10
U.S. government bonds	26	1	–	27
Real estate investment trust	–	1	–	1
Total	\$ 131	\$ 14	\$ –	\$ 145

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 62	\$ –	\$ –	\$ 62
Short-term investments:				
Mutual funds	5	–	–	5
Equity securities	30	2	–	32
Common stocks	5	–	–	5
Corporate bonds	–	9	–	9
U.S. government bonds	25	1	–	26
Real estate investment trust	–	1	–	1
Total	\$ 127	\$ 13	\$ –	\$ 140

The carrying amounts presented on the condensed consolidated balance sheets for accounts receivable, accounts payable, and other liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The fair values of long-term debt, excluding the Company's Notes, approximate their book values as of March 31, 2026 and December 31, 2025. The aggregate fair value of the Company's Notes which are categorized in Level 2 of the fair value hierarchy, is estimated based on observable inputs other than quoted prices in active markets and approximated \$2,212 million and \$2,237 million as of March 31, 2026 and December 31, 2025, respectively.

Investments in equity securities in which the Company does not have significant influence of \$29 million and \$29 million as of March 31, 2026 and December 31, 2025, respectively, are carried at cost under the measurement alternative for equity investments that do not have readily determinable fair values. Investments in equity securities in which the Company has significant influence, but not control, of \$31 million and \$30 million as of March 31, 2026 and December 31, 2025, respectively, are carried under the equity method. These amounts are reported as Investments in non-consolidated affiliates on the accompanying condensed consolidated balance sheets.

The Company recognized \$1 million and \$0.4 million of realized and unrealized gains on short-term investments and investments in non-consolidated affiliates during the years ended March 31, 2026 and 2025, respectively, which are included in other income, net on the condensed consolidated statements of operations.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

The Company recognized \$2 million and \$2 million of interest income from interest bearing cash and money market accounts during the years ended March 31, 2026 and 2025, respectively, which are included in other income, net on the condensed consolidated statements of operations.

16. ACQUISITIONS

The Company accounts for business combinations using the acquisition method as defined in FASB ASC Topic 805, *Business Combinations*. Management uses its best estimates and assumptions to value the assets acquired and liabilities assumed at the acquisition date. Such estimates are inherently uncertain and may be subject to refinement. As a result, during the measurement period of up to one year from the acquisition date, the Company may record adjustments to the acquisition accounting, to the extent new information becomes available.

Building Materials and Hardware Retail Stores

During the three months ended March 31, 2026, the Company, through its wholly owned subsidiaries, entered into two separate purchase agreements to acquire substantially all of the business operations of three building supplies, lumber, and hardware retail stores for an aggregate purchase price of \$1 million. No goodwill resulted from these transactions. The purchase price was preliminarily allocated to the estimated fair value of net assets acquired as of their respective acquisition dates of \$1 million. Assuming the acquisition of these businesses were consummated as of January 1, 2025, the pro forma effect on revenue and earnings are not material to the condensed consolidated financial statements.

Carbide Tooling and Industrial Supply, Inc.

On January 21, 2026, the Company entered into purchase agreements to acquire substantially all of the assets and business operations of an industrial supplier business known as Carbide Tooling and Industrial Supply, located in Waller, Texas, for an aggregate purchase price of \$6 million. The purchase price was preliminarily allocated to the estimated fair value of net assets acquired of \$5 million and \$1 million to goodwill, respectively. The goodwill relating to these acquisitions is expected to be deductible for income tax purposes over a fifteen year period. Assuming the acquisition of these businesses had occurred as of January 1, 2025, the pro forma effect on revenue and earnings would not have been material to the condensed consolidated financial statements.

17. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in various claims and legal actions. These matters include, but are not limited to, claims arising from the operation of rented equipment, workers' compensation claims, and alleged breaches of obligations of certain employees to former employers. Management believes that such claims and legal actions taken against the Company are without merit and the Company intends to vigorously defend itself in these cases. Management is of the opinion that the ultimate resolution of any ongoing litigation and related matters, individually or in the aggregate, will not have a material adverse effect on the Company's condensed consolidated financial position, results of operations, or cash flows.

18. SEGMENT INFORMATION

The Company has two reportable segments: (1) Equipment Rental and Services Operations, and (2) Equipment Sales. Equipment Rental and Services Operations are comprised of recurring activity performed at the Company's full-service branch locations, such as equipment rentals and related services (including allocated telematics revenue related to rental customer access to the T3 platform), and sales of parts, supplies and maintenance services to construction contractors and others. Equipment Sales are comprised of sales by the Company of new or used equipment made at any of the Company's branch locations and dealership sites, including equipment sales to participants in the OWN Program. All other business activities, which include telematics SaaS subscriptions, software applications, and related telematics devices purchased by customers for their owned fleet, as well as building materials and hardware supplies, are included in "All Other." The Company generates all of its revenue in the U.S. and all long-lived assets are located in the U.S.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unaudited

These segments are based upon revenue streams and how the chief operating decision maker (“CODM”) of the Company allocates resources and assesses performance. The Company’s Chief Executive Officer is the CODM. The CODM uses Segment Adjusted EBITDA to make resource allocation decisions and to assess the performance of these segments. The CODM uses Segment Adjusted EBITDA to evaluate segment performance without regard to potential distortions and to assess period-over-period growth. Excluding OWN Program payouts and equipment operating lease expense from Equipment Rental and Services Operations Segment Adjusted EBITDA provides the CODM with a more meaningful metric to compare operating performance to industry peers who do not source their equipment fleet through lease arrangements. The most significant decisions made by the CODM relate to site expansion, capital deployment, and employee hiring, among other things.

Significant expenses regularly provided to the CODM and reported in Segment Adjusted EBITDA include segment cost of revenues and segment selling, general, and administrative expenses. Segment cost of revenues for the Equipment Rental and Services Operations segment includes direct operating costs, excluding equipment and vehicle operating lease expense. Segment cost of revenues for the Equipment Sales segment includes the cost of equipment sales. Segment cost of revenues for All Other business activities includes platform expenses. Segment Adjusted EBITDA also excludes operating expenses related to OWN Program payouts, depreciation expense on rental equipment, and amortization expense on capitalized software. Segment selling, general and administrative expenses exclude depreciation expense related to the Company’s property and other fixed assets, and during the first quarter of 2026, on a prospective basis, segment selling, general and administrative expenses exclude stock-based compensation expense, following a change in the information regularly reviewed by the CODM. There are no other significant segment expenses.

The accounting policies of the reportable segments are consistent with those described in Note 2: *Summary of Significant Accounting Policies* in the Company’s Audited Consolidated Financial Statements as of and for the year ended December 31, 2025. Certain corporate selling, general and administrative expenses, including corporate employee compensation, technology costs, professional service fees, and insurance expenses are deemed to be of an operating nature and are allocated to each segment based primarily on segment employee headcount. There were no sales or transactions between segments for any of the periods presented. The Company retains various unattributed assets at the general corporate level, which the Company refers to as “Shared Resources” in the table below. Assets identified as Shared Resources primarily consist of cash, investments, property and other fixed assets and property right of use assets. All other costs and assets are directly attributable to the segments. The Company does not compile discrete financial information for segments other than the information presented below.

The following table presents information about reportable segments (In millions):

	Three Months Ended March 31, 2026			
	Equipment Rental and Services Operations	Equipment Sales	All Other	Total
		\$	\$	\$
Equipment rental, parts, supplies and services	760	–	–	760
Equipment sales	–	179	–	179
Telematics	4	–	27	31
Sales of building materials, small tools, and hardware supplies	–	–	19	19
Total revenues	\$ 764	\$ 179	\$ 46	\$ 989
Significant expenses:				
Segment cost of revenues	216	146	28	
Segment selling, general and administrative expenses	225	7	20	
Segment Adjusted EBITDA	\$ 323	\$ 26	\$ (2)	\$ 347

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

	Three Months Ended March 31, 2025			
	Equipment Rental and Services Operations	Equipment Sales	All Other	Total
	Equipment rental, parts, supplies and services	\$ 553	\$ —	\$ —
Equipment sales	—	145	—	145
Telematics	3	—	7	10
Sales of building materials, small tools, and hardware supplies	—	—	8	8
Total revenues	\$ 556	\$ 145	\$ 15	\$ 716
Significant expenses:				
Segment cost of revenues	165	113	8	
Segment selling, general and administrative expenses	182	7	11	
Segment Adjusted EBITDA	\$ 209	\$ 25	\$ (4)	\$ 230

The following table reconciles total Segment Adjusted EBITDA to income before income taxes (In millions):

	Three Months Ended March 31,	
	2026	2025
Segment Adjusted EBITDA	\$ 347	\$ 230
Equipment operating lease expense	(6)	(6)
OWN Program payouts	(217)	(154)
Depreciation expense on rental equipment	(82)	(67)
Depreciation expense on property and other fixed assets	(14)	(9)
Amortization expense on capitalized software and intangible assets	(8)	(4)
Stock-based compensation expense	(19)	—
Interest expense	(70)	(63)
Other income, net	8	6
Loss before benefit from income taxes	<u>\$ (61)</u>	<u>\$ (67)</u>

The following table presents information about identified assets by reportable segment (In millions):

	March 31, 2026	December 31, 2025
Segment identified assets:		
Equipment Rental and Service Operations	\$ 4,224	\$ 3,948
Equipment Sales	171	160
All Other	287	274
Shared Resources	1,675	1,605
Total assets	\$ 6,357	\$ 5,987

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

The following table presents information about cash flows from investing activities by reportable segment (In millions):

	March 31, 2026		March 31, 2025	
	Equipment Rental and Services Operations	Equipment Sales	Equipment Rental and Services Operations	Equipment Sales
Cash flows from investing activities:				
Purchases of rental equipment	\$ (328)	\$ —	\$ (293)	\$ —
Proceeds from sale of rental equipment	—	115	—	75

19. EARNINGS PER SHARE

Basic earnings per share is calculated using the two-class method as the Company's convertible preferred stock is considered a participating security because these shares participate in dividends on an as-converted basis with common stock, and for the three months ended March 31, 2026, the Company has two classes of common stock, which are referred to as Class A common stock and Class B common stock. On January 26, 2026, concurrent with the IPO, all outstanding shares of the Company's convertible preferred stock were converted into Class A common stock and all shares of Class A common stock then held by the Founders were exchanged into an equivalent number of shares of Class B common stock. Income and losses are shared pro-rata between the two classes of common stock. The two-class method requires an allocation of earnings to all classes of common stock and participating securities. Basic earnings per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding for the period. The participating securities are not required to participate in the losses of the Company, and therefore during periods of loss there is no allocation required under the two-class method between common and participating securities. The Company calculated diluted earnings per share using the more dilutive of either the two-class, if-converted method or the treasury stock method. For the three months ended March 31, 2026 and 2025 the two-class, if-converted method and the treasury stock method yielded the same result. Diluted earnings per common share is computed by dividing net (loss) income attributable to common shareholders by the weighted average number of common shares plus the effect of dilutive potential common shares outstanding during the period.

EQUIPMENTSHARE.COM INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Unaudited

The following table sets forth the computation of basic and diluted earnings per common share (In millions):

	Three months ended March 31,		
	2026		2025
	Class A	Class B	Common Stock
Basic earnings per common share:			
Allocation of net loss	\$ (25)	\$ (4)	\$ (48)
Less: Deemed dividends on perpetual preferred stock	(10)	(2)	(12)
Less: Earnings allocated to participating securities	—	—	—
Net loss attributable to common shareholders	(35)	(6)	(60)
Weighted average common shares outstanding - Basic	181	28	78
Basic loss per common share	<u>\$ (0.20)</u>	<u>\$ (0.20)</u>	<u>\$ (0.77)</u>

	Three months ended March 31,		
	2026		2025
	Class A	Class B	Common Stock
Diluted earnings per common share:			
Allocation of net loss	\$ (25)	\$ (4)	\$ (48)
Less: Deemed dividends on perpetual preferred stock	(10)	(2)	(12)
Net loss attributable to common shareholders	(35)	(6)	(60)
Weighted average common shares outstanding - Diluted	181	28	78
Diluted loss per common share	<u>\$ (0.20)</u>	<u>\$ (0.20)</u>	<u>\$ (0.77)</u>

Employee stock options of 6,422,297 and 5,335,661 were excluded from the calculation of diluted earnings per share for the three months ended March 31, 2026 and 2025, respectively, as a result of their anti-dilutive effect. In addition, convertible preferred shares of 36,099,070 and 141,989,676, which are considered participating securities, were excluded from the calculation of diluted earnings per share for the three months ended March 31, 2026 and 2025, respectively, as a result of their anti-dilutive effect. IPO Founders Awards of 4,836,914 were excluded from the calculation of diluted earnings per share for the three months ended March 31, 2026, as a result of their anti-dilutive effect.

20. SUBSEQUENT EVENTS

On April 15, 2026, the ABL Credit Facility was amended to, among other things, add certain defined terms and clarifications with respect to the required timing of repayment of outstanding borrowings, when certain conditions are met, following the receipt by the Company of net cash proceeds from equipment sales to OWN Program participants.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements, including the notes thereto, included elsewhere in this Form 10-Q. In addition to historical information, the following discussion and analysis contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and under Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K particularly in the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections.

Overview

We are a leading tech-enabled construction solutions provider dedicated to enabling job sites to run more productively and safely. Through our rental service and retail centers, we offer our customers a comprehensive portfolio of equipment asset management solutions enabled through our T3 platform, which we believe is the leading sensor-to-cloud fleet management tool in the commercial construction industry and which provides value-added services to our customers by managing people, assets, and materials in real time.

We are one of the largest and fastest-growing equipment rental providers in the U.S. based on revenue. As of March 31, 2026, we operated 371 full-service branch locations, 9 standalone dealership sites, and 27 building materials and hardware retail stores across 45 states, with a diversified managed fleet portfolio of more than 262,000 pieces of equipment and approximately 357,000 trackers operating on our T3 platform. As of March 31, 2026, we had 8,502 employees who support us in solving industry inefficiencies by providing smart jobsite technology, as well as operating our equipment rental and retail and service centers.

Our rental fleet, including support vehicles and trailers, consists of equipment that we (i) own, (ii) lease as lessee under operating lease arrangements with third-party lessors such as an Original Equipment Manufacturer ("OEM") and financial institutions, or (iii) lease as lessee under our OWN Program. As of March 31, 2026, 179,322 pieces of equipment were owned by us; 848 pieces of equipment were leased by us as a lessee under operating lease arrangements with third parties such as OEMs and financial institutions; and 82,480 pieces of equipment were leased by us as lessee, and rented by us to our customers, under our OWN Program. Leased equipment refers to equipment subject to operating lease contracts with third parties such as OEMs and financial institutions in which we have contracted use of the equipment for a defined period. OWN Program equipment refers to equipment sold to OWN Program participants and subsequently leased back and operated by us under the OWN Program lease and revenue-sharing structure. Both leased and OWN Program equipment are part of our equipment under management.

Our Business Activities and Operating Environment

We are engaged principally in the business of renting equipment that is managed by and fully enabled with our T3 platform. This includes equipment that we own, lease, or is rented from third parties through our OWN Program. Ancillary to our principal business of equipment rental and related services, we also sell used rental equipment, sell new equipment and consumables, and offer certain services and support to our customers.

We operate our business through the following reportable segments: (i) Equipment Rental and Services Operations, comprised of recurring activity performed at our full-service branch locations, such as equipment rentals and related services (including allocated telematics revenue related to rental customer access to the T3 platform), and sales of parts, supplies and maintenance services to construction contractors and others, and (ii) Equipment Sales, comprised of sales by us of new or used equipment made at any of our branch locations and dealership sites, including equipment sales to participants in the OWN Program. All other business activities include telematics SaaS subscriptions, software applications, and related telematics devices purchased by customers for their owned fleet, as well as building materials and hardware supplies.

Key Factors Affecting Our Performance

Demand for Construction Equipment. Our business is primarily impacted by the demand in the U.S. for construction equipment for use in non-residential, infrastructure, governmental, industrial, and residential construction, demolition, maintenance, energy operations, and other construction activities. Demand levels for heavy construction equipment are particularly dependent on the expected level of major infrastructure construction and repair projects, which is a function of expected economic growth and government spending.

We expect to benefit if tariffs lead to onshoring of manufacturing and result in construction of new facilities, but our results will be negatively affected if construction of energy transition infrastructure is reduced due to lower subsidies or other factors.

Seasonality and Weather Conditions. The rental of construction equipment is seasonal, which causes our quarterly results and our available cash flow to fluctuate during the year. Our customers generally purchase and rent equipment in preparation for, or in conjunction with, their busy season, which is typically late spring to November. However, weather conditions impact the timing of our customers' busy season, which may cause greater than expected fluctuations in our quarterly financial results year over year. Seasonal weather trends, particularly severe wet or dry conditions, can have a significant impact on regional construction market performance by affecting the ability to undertake construction projects. In addition, numerous external factors such as credit markets, government subsidies and tariffs, commodity prices, and other circumstances may disrupt normal rental and/or purchasing practices and sentiment, further contributing to the fluctuations.

Moreover, because equipment sale transactions with OWN Program participants occur unevenly throughout the year, depending on demand, period-over-period comparisons may not reflect underlying trends. These transactions may also result in a higher percentage of our revenue being attributable to an OWN Program participant for the period during which one or more equipment sale transactions with such party occurred. The OWN Program has consistently attracted strong demand across multiple sources of capital, including institutional investors who purchase as a buying group through a collective vehicle and finance their equipment purchases through asset-backed securities ("ABS"). To satisfy this demand, the Company has organized for these investors sales of large packages of equipment and has conducted these sales on an episodic basis. Accordingly, period-over-period comparisons may not reflect underlying trends and fluctuations in our operating results and makes it difficult for us to predict our future operating results.

Costs of Equipment and Inflation. Significant changes in the purchase price or residual values of equipment or interest rates can have a significant effect on our profitability depending on our ability to adjust pricing for these changes. Inflationary pressures and other factors have led to increases in the prices of some equipment and products that we purchase, and in the costs of our operations, which may be partially offset by increases in the prices we charge our customers. A sizeable portion of the equipment we lease as lessee through our OWN Program is owned by third parties who have financed equipment purchases through the issuance of ABS, and a reduction in residual values could trigger liquidation events for these OWN Program participants and may require them to sell their construction equipment, which may cause a disruption in our ability to lease and re-rent the construction equipment to our customers.

Our profitability is dependent upon a number of other factors, including the volume, mix, and pricing of rental transactions, and the utilization of equipment.

Our business requires significant expenditures for equipment, and we require substantial liquidity and/or access to capital to finance such expenditures. See "—Liquidity and Capital Resources" below.

Geographic and Fleet Expansion

Our geographic expansion of full-service equipment rental branch locations, and the corresponding increase in total equipment rental fleet size as we supply new branch locations, is one of the primary factors affecting our results. The additional branch locations and rental fleet, combined with equipment sales, were the primary drivers for total revenue increasing from \$716 million for the three months ended March 31, 2025 to \$989 million for the three months ended March 31, 2026, or at an annual growth rate of 38%.

In line with customer demand and our growth strategy, we have increased the number of full-service equipment rental branch locations from 292 as of March 31, 2025 to 371 as of March 31, 2026, an increase of 79 new full-service equipment rental branch locations. In conjunction with the opening of these new full-service equipment rental branch locations, we incurred \$50 million and \$55 million of new market startup costs during the three months ended March 31, 2026 and 2025, respectively.

We correspondingly increased our fleet size from 207,366 units of equipment under management as of March 31, 2025 to 262,650 as of March 31, 2026, reflecting the growth in original equipment cost ("OEC") under management, which includes equipment we own and rent to customers, as well as equipment owned by third parties and leased by us, as lessee through our OWN Program, and re-rented to customers, from \$7,013 million as of March 31, 2025 to \$9,065 million as of March 31, 2026, or an increase of 29%.

Expansion of OWN Program

The growth in our business through geographic and fleet expansion has been partially achieved through the execution of our strategy to expand our OWN Program. Under the OWN Program, participants may purchase from us new or used (typically less than four years old) equipment which is fully enabled with T3. Concurrently, we enter into a lease arrangement with the participant whereby we are the lessee and this qualified equipment is placed on our T3 platform, to be rented to third party users. Rental revenue generated from equipment enrolled under the OWN Program is divided and shared between us and the owner of the equipment, and for the duration of the arrangement we manage the owner's equipment utilizing the T3 platform.

Amounts we pay to OWN Program participants to lease their equipment are presented as OWN Program payouts within cost of revenues. At the end of the sharing period under the OWN Program, we may assist the owner with remarketing services if the equipment is to be sold in the market as used construction equipment. We also offer several add-on services to the owner of the equipment. Participants in the OWN Program include institutional investors and ABS entities, high-net-worth individuals, family offices, and other third parties.

Revenue earned from equipment that is in the OWN Program has no depreciation expense or interest expense for us because we do not own, and therefore do not finance, such equipment. Thus, we have been able to implement this portion of our managed fleet growth without taking on additional debt and increasing our debt costs. When rental equipment is enrolled in the OWN Program, rather than purchased and owned by us, we incur lease expense in the form of OWN Program payouts, which are recorded as cost of revenues, instead of depreciation expense and interest expense associated with rental equipment that is purchased. OWN Program payouts were \$217 million and \$154 million for the three months ended March 31, 2026 and 2025, respectively. This expansion increases cost of revenues (before depreciation expense) and decreases depreciation expense and interest expense, which affects gross profit (before depreciation expense), EBITDA (which we define and calculate as net income before interest expense, income taxes, depreciation expense and amortization expense, and non-cash stock compensation expense), and EBITDA margins. We expect to further increase our usage of the OWN Program, which will increase OWN Program payouts in cost of revenues and reduce gross profit (before depreciation) and EBITDA margins, as compared to rental equipment that is purchased and placed in our rental fleet. In addition, OWN Program payouts plus depreciation have grown at a faster rate than the growth of revenue. Total equipment rental fleet OEC under the Company's management increased \$2,052 million, or 29%, from \$7,013 million as of March 31, 2025 to \$9,065 million as of March 31, 2026. The total equipment rental fleet OEC enrolled in the OWN Program grew by \$1,414 million, or 39%, Company-owned equipment rental fleet OEC grew by \$717 million, or 22%, and the equipment rental fleet OEC under operating leases decreased by \$79 million during the same period. During the three months ended March 31, 2026, OWN Program payouts increased 41% compared to the three months ended March 31, 2025; of that increase, 41% was attributed to the growth of the average equipment rental fleet OEC enrolled in the OWN Program. Because the OWN Program payouts are variable and primarily based on the amount of rental revenue generated by the applicable equipment during the period, changes in demand from our customers for specific types of rental equipment affects the amount of equipment rental and related services revenue generated.

Components of Revenues and Expenses

Our revenues are primarily derived from the rental or sale of construction equipment, as well as related parts, supplies and services, and consist of:

- Equipment rental and related services (includes revenue associated with the rental of equipment including ancillary revenue from equipment delivery and pickup, rental protection plans, and fueling charges);
- Sales of new or used rental equipment and sales of new equipment, including revenue from equipment sales subsequently listed on our marketplace under the OWN Program;
- Sales of equipment parts, supplies, and services (primarily relating to warranty services and maintenance and repair services provided to customers); and
- Sales that we call “platform revenue,” which includes telematics software-as-a-service and related hardware revenues, as well as the sale of building materials, small tools and construction supplies at our retail locations.

Our expenses primarily consist of:

- Direct operating costs (primarily costs incurred at our rental branch locations that collectively support our Equipment Rental and Services Operations segment, including, but not limited to, wages and related benefits, service costs in connection with our rental equipment, site operating costs, pickup and delivery expenses in connection with rental equipment, maintenance, fuel, parts, and supplies);
- OWN Program payouts;
- Equipment sales cost of revenues;
- Platform expense;
- Depreciation and amortization expense relating to equipment used in operations and capitalized software;
- Selling, general and administrative expenses; and
- Interest expense.

Our revenues and expenses are described in more detail below.

Revenues

Equipment Rental and Related Services

Our core service is the rental of equipment to customers on a daily, weekly, and monthly basis, enabled by our T3 platform. The equipment we rent includes company-owned equipment, equipment we lease as a lessee, and equipment that is leased from other parties in the OWN Program and re-rented to customers. We generate rental revenue from equipment that is in our OWN Program by leasing equipment from owners on a month-to-month or longer basis and then renting that equipment to our customers. Under nearly all of our OWN Program contracts, we have control over the equipment and the equipment owner is not able to redeploy or retrieve the equipment while under rent. Depending on the terms and conditions, we present rental revenue that we generate and OWN Program payouts that we incur on OWN Program contracts either on a gross basis or a net basis.

In addition to equipment rental revenue, including from our OWN Program, we also generate revenue from rental customers from the sale of rental protection plan (“RPP”) services designed to protect them from potential damage or loss to the equipment they rent, environmental fees assessed on the rental asset and fuel recovery fees that we charge to our customers.

Equipment Sales

We have established a retail process to sell new and used equipment as a recurring part of our business. In addition, we sell equipment assets to third parties, including third parties who have financed equipment purchases through the issuance of ABS, and allow the customer to place the equipment in our OWN Program to be rented to our customers. We sell new and used equipment through a variety of channels, including retail sales to customers and other third parties, sales to wholesalers, brokered sales, and auctions. We generate revenue from the sale of new and used equipment, which we present net of sales and other tax amounts collected from customers and remitted to government authorities. When we act as agent in connection with the sale of new equipment to, for example, a contractor or an OWN Program participant, among other reasons, we present revenue from the sale of such equipment net in our consolidated statements of net income. When we are the principal in the transaction, we present revenue from the sale of equipment on a gross basis, with sales revenue included in equipment sales revenue and the related cost of revenues included in equipment sales cost of revenues in our consolidated statements of net income.

Equipment Parts, Supplies, and Services

As an integral part of our Equipment Rental and Services Operations, we sell equipment parts and supplies and provide maintenance, and repair services to customers, as well as the owners of equipment who are participants in our OWN Program. Revenue generated from the sale of equipment parts and supplies is presented net of sales and other tax amounts collected from customers and remitted to government authorities. We also generate revenue from the provision of ad hoc and preventative maintenance, and repair services to our customers, as well as warranty repairs. We provide warranty repair services on behalf of OEMs in order to fulfill the warranty extended by OEMs to their customers. Revenue that we generate from warranty repair services represents compensation for the service performed by us and is presented on a gross basis.

Platform Revenue

Platform revenue is comprised of revenue from telematics services and the sale of custom electronic components, including telematics tracker devices and cloud-based access control keypads, and revenue from building materials and hardware supplies. Revenue from telematics is generated through monthly subscriptions to our T3 platform and its full suite of capabilities, which we provide to our customers as a SaaS subscription. In addition, our equipment rental arrangements also provide customers with access to our T3 platform and we allocate a portion of the transaction consideration from equipment rentals to telematics revenue. Our T3 platform provides customers with access to proprietary digital tools to help manage their jobsites more productively and safely and enables customers to streamline maintenance and prevent theft, and equipment misuse. Our T3 platform also enables equipment owners with subscriptions to place their equipment on our OWN Program to be rented to our customers. Revenue from building materials and hardware supplies is derived from the sale of such materials and supplies at our retail stores.

Cost of Revenues

Direct Operating Costs

Direct operating costs include the costs that we incur at our rental branch locations that collectively support our Equipment Rental and Services Operations segment, including, but not limited to, wages and related benefits, service costs in connection with our rental equipment, site operating costs, pickup and delivery expenses in connection with rental equipment, maintenance, fuel, parts, and supplies.

OWN Program Payouts

Amounts we pay to OWN Program participants, as a variable lease expense for their share of rental revenue generated by us from equipment enrolled under the OWN Program, are presented as OWN Program payouts within cost of revenues.

Equipment Sales

Equipment sales cost of revenues includes our OEC, less accumulated depreciation, related to equipment that we sell when we act as the principal in the transaction.

Platform Expense

Platform expense primarily represents (1) costs relating to the telematics services provided to customers, including the cost of tracker devices and cloud-based access control keypads installed on equipment owned by our customers, and other custom electronic components; (2) the cost of building supplies, materials and hardware sold to customers; and (3) other operating costs for our retail stores.

Depreciation and Amortization

Depreciation and amortization includes non-cash expenses relating to the depreciation of our rental equipment in the fleet and the amortization of capitalized costs relating to the development of our T3 platform.

Depreciation of rental equipment includes depreciation of various classes of our construction equipment, delivery vehicles, trailers, and installed telematics tracker devices. We estimate that we may hold the asset in its rental fleet for a period of five to ten years to generate rental revenue, after which it will be sold or otherwise disposed of to another party. We also estimate the residual value of the equipment at the time of expected disposal. Depreciation expense is calculated using a straight-line method and recorded over the estimated holding period.

The total capitalized cost of our T3 platform includes direct costs that result in additional functionality of our software, including payroll and related costs for employees directly associated with the development project. Capitalized software is amortized over an estimated useful life of five years.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily include costs associated with operating leases, costs incurred by us in connection with marketing of manufacturers' equipment, net of reimbursements we receive from such manufacturers for such costs, payroll costs, insurance costs, legal costs, marketing and travel costs, technology costs, and certification and training costs. In addition, depreciation of our buildings and improvements, including leasehold improvements, furniture, fixtures, office equipment, and capitalized startup costs are classified within selling, general and administrative expenses.

Other Income (Expense)

Gain on Sale of Properties and Other Assets

Gain on the sale of properties and other assets primarily relate to properties in sale leaseback transactions with other parties.

Interest Expense

Interest expense primarily represents interest on our outstanding debt. Any interest or penalties incurred relating to income tax filings, if any, are also reported within interest expense.

Other Income, Net

Other income, net includes gains and losses on investments in equity securities, realized gains on available-for-sale debt securities, fees relating to properties assigned to other parties, construction development fees earned for managing construction activities at properties owned by other parties, and other miscellaneous income.

Results of Operations
Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
(\$ in millions)				
Revenues				
Equipment rental and related services	\$ 683	\$ 495	\$ 188	38 %
Equipment sales	179	145	34	23 %
Equipment parts and supplies and services	77	58	19	33 %
Platform revenue:				
Telematics	31	10	21	210 %
Other	19	8	11	138 %
Total revenue	989	716	273	38 %
Cost of revenues				
Direct operating costs	222	171	51	30 %
OWN Program payouts	217	154	63	41 %
Equipment sales	146	113	33	29 %
Platform expense	28	8	20	250 %
Depreciation and amortization	89	70	19	27 %
Total cost of revenues	702	516	186	36 %
Gross profit	287	200	87	44 %
Selling, general and administrative expenses	286	210	76	36 %
Operating income (loss)	1	(10)	11	(110)%
Other income (expense):				
Interest expense	(70)	(63)	(7)	11 %
Other income, net	8	6	2	33 %
Total other expense, net	(62)	(57)	(5)	9 %
Loss before income taxes	(61)	(67)	6	(9)%
Benefit from income taxes	(32)	(19)	(13)	68 %
Net loss	\$ (29)	\$ (48)	\$ 19	(40)%

Total revenue. Our revenue was \$989 million for the three months ended March 31, 2026, compared to \$716 million for the three months ended March 31, 2025, an increase of \$273 million, or 38%. Our four sources of revenues over the period are further discussed below:

Equipment rental revenue and related services. Equipment rental revenue and related services accounted for 69% of our revenue for the three months ended March 31, 2026, compared to 69% of our revenue for the three months ended March 31, 2025. Our equipment rental revenue and related services was \$683 million for the three months ended March 31, 2026, compared to \$495 million for the three months ended March 31, 2025, an increase of \$188 million, or 38%. Approximately \$144 million of the increase in equipment rental revenue and related services is driven by an increase in construction demand in the U.S., our strategy to increase our geographical presence, and value afforded our customers from our T3 technology platform. Accordingly, we increased the number of our full-service equipment rental branch locations from 292 as of March 31, 2025 to 371 as of March 31, 2026. In addition, we grew our fleet OEC under management from \$7,013 million as of March 31, 2025 to \$9,065 million as of March 31, 2026, and increased the size of our fleet from 207,366 units to 262,650 units of equipment under management as of March 31, 2025 and 2026, respectively. Changes in the mix of equipment rented and price changes increased in equipment rental and related services revenue by \$44 million.

Equipment sales revenue. Equipment sales revenue accounted for 18% of our revenue for the three months ended March 31, 2026, compared to 20% of our revenue for the three months ended March 31, 2025. Equipment sales revenue was \$179 million for the three months ended March 31, 2026, compared to \$145 million for the three months ended March 31, 2025, an increase of \$34 million, or 23%. The change was primarily due to our disciplined and selective equipment sales into the OWN Program, resulting in an increase of \$7 million in sales of construction equipment to existing and new participants in our OWN Program, and an increase of \$27 million in the sale of new and used equipment to contractors and other end users. As we increase the size of our OWN Program, transactions with OWN Program participants may result in a higher percentage of our revenue being attributable to an OWN Program participant for the period during which one or more equipment sale transactions with such party occurred. We have experienced strong interest from participants in the OWN Program for construction equipment enabled by T3, as owners get real-time data on usage, health, and performance of the machines rented exclusively by EquipmentShare and re-rented to our customers. The OWN Program has allowed us to scale the fleet OEC under our management in order to meet customer demand for construction equipment enabled by T3.

Equipment parts, supplies, and services. Equipment parts, supplies, and services revenue accounted for 8% of our revenue for the three months ended March 31, 2026, compared to 8% for the three months ended March 31, 2025. Equipment parts, supplies, and services revenue was \$77 million for the three months ended March 31, 2026, compared to \$58 million for the three months ended March 31, 2025, an increase of \$19 million, or 33%. This increase was primarily due to our expansion into new markets, resulting in additional full-service branch locations added to our nationwide network, which increased from 292 locations as of March 31, 2025 to 371 locations as of March 31, 2026. Equipment parts, supplies, and services revenue increased \$4 million from mature branch locations primarily attributed to the expansion of our product and service offering in mature branch locations, and \$15 million from new branch locations open less than 24 months as a result of the addition of 79 full-service branch locations.

Platform revenue. Platform revenue accounted for 5% of our revenue for the three months ended March 31, 2026, compared to 3% of our revenue for the three months ended March 31, 2025. Platform revenue from telematics was \$31 million for the three months ended March 31, 2026, compared to \$10 million for the three months ended March 31, 2025, an increase of \$21 million, or 210%. This increase was primarily due to an increase in monthly subscriptions sold for the T3 telematics services, an increase in equipment rented that is fully enabled with T3 telematics services, and an increase in revenues related to the sale of custom electronic components following our September 2025 acquisition of the controlling interests in The Morey Corporation ("Morey"), a business that designs, manufactures, and sells custom electronic components, including telematics tracker devices and cloud-based access control keypads. Platform revenue from the sale of construction materials, building supplies, and hardware across our building materials and hardware retail stores was \$19 million for the three months ended March 31, 2026, compared to \$8 million for the three months ended March 31, 2025, an increase of \$11 million primarily attributable to the addition of 11 building materials and hardware retail stores.

Cost of revenues. Cost of revenues was \$702 million for the three months ended March 31, 2026, compared to \$516 million for the three months ended March 31, 2025, an increase of \$186 million, or 36%.

Direct operating costs. Direct operating costs were \$222 million for the three months ended March 31, 2026, compared to \$171 million for the three months ended March 31, 2025, an increase of \$51 million, or 30%. The increase in direct operating costs is primarily due to the organic expansion of our footprint through the addition of 79 full-service branch locations, which increased from 292 locations as of March 31, 2025 to 371 locations as of March 31, 2026, partially offset by a decrease in equipment operating lease expense of \$1 million due to the termination of certain equipment operating lease agreements. The additional operating locations drove increases in wages and related benefits of \$23 million, and logistics, maintenance, and other site operating costs of \$29 million.

OWN Program payouts. OWN Program payouts were \$217 million for the three months ended March 31, 2026 compared to \$154 million for the three months ended March 31, 2025, an increase of \$63 million, or 41%. Approximately \$63 million of the increase is attributed to the growth of the average fleet OEC under management enrolled in the OWN Program, which grew from \$3,529 million in 2025 to \$4,980 million in 2026, or 41%, driven by demand from customers and participants in the OWN Program for construction equipment, as well as an increase in 19 new full-service branch locations during the three months ended March 31, 2026.

Equipment sales cost of revenues. Equipment sales cost of revenues was \$146 million for the three months ended March 31, 2026, compared to \$113 million for the three months ended March 31, 2025, an increase of \$33 million, or 29%. This increase was primarily due to higher equipment sales to existing and new participants in the OWN Program resulting in a increase in equipment sales cost of revenues of \$10 million, and an increase of \$23 million in equipment sales to contractors and other end users primarily due to our ability to reach a greater customer base through our expansion of full-service branch locations, which increased from 292 as of March 31, 2025 to 371 as of March 31, 2026, also contributed to the increase in equipment sales cost of revenues.

Platform expense. Platform expense was \$28 million for the three months ended March 31, 2026, compared to \$8 million for the three months ended March 31, 2025, an increase of \$20 million primarily attributed to the addition of 11 hardware retail stores and the acquisition of Morey in September 2025.

Depreciation and amortization. Depreciation and amortization accounted for 13% of our cost of revenues for the three months ended March 31, 2026, compared to 14% of our cost of revenues for the three months ended March 31, 2025. Depreciation and amortization was \$89 million for the three months ended March 31, 2026, compared to \$70 million for the three months ended March 31, 2025, an increase of \$19 million, or 27%. This increase was primarily due to an increase in depreciable equipment expense on rental equipment due to an increase in average cost of owned equipment in our rental equipment, and a \$3 million increase in amortization expense on capitalized software due to an increase in average capitalized costs related to the continued development of our T3 platform.

Selling, general and administrative expenses. Selling, general and administrative expenses were \$286 million for the three months ended March 31, 2026, compared to \$210 million for the three months ended March 31, 2025, an increase of \$76 million, or 36%. The increases in selling, general and administrative expenses were primarily attributed to our expansion of full-service branch locations and growth strategy. To support our expansion, we hired 570 additional staff resulting in an increase of \$28 million in selling, general and administrative expense associated with higher payroll, benefits and travel costs. Our expansion of full-service locations also resulted in higher facilities and non-rental vehicles lease expense and associated costs of \$11 million. The growth of our business and expansion of our full-service branch locations also increased administrative costs such as insurance, legal, professional expenses and non-income based taxes by \$7 million and other miscellaneous administrative expenses by \$13 million. Additionally, stock-based compensation expense of \$17 million was recorded for the IPO Founders Awards for the three months ended March 31, 2026.

Interest expense, net. Interest expense, net, was \$70 million for the three months ended March 31, 2026, compared to \$63 million for the three months ended March 31, 2025, an increase of \$7 million, or 11%. This increase was primarily due to an increase in average outstanding debt balances to fund our expansion strategy including purchases of construction equipment for our fleet, partially offset by lower average interest rates under our asset-based revolving credit facilities.

Total other expense, net. Total other expense, net, was \$62 million for the three months ended March 31, 2026, compared to \$57 million for the three months ended March 31, 2025, an increase of \$5 million, or 9%. This increase was primarily due to higher interest expense of \$7 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, resulting from our higher average outstanding borrowing for the three months ended March 31, 2026, partially offset by higher miscellaneous income of \$2 million due to interest and dividend income and unrealized net gains, on various investments held in equity securities.

Benefit from income taxes. The benefit for income taxes was \$32 million for the three months ended March 31, 2026, compared to \$19 million for the three months ended March 31, 2025, an increase of \$13 million, or 68%. Although the Company incurred a loss in the current interim period, it anticipates generating taxable income for the full fiscal year. Accordingly, the estimated annual effective tax rate reflects the expected full-year income and related expense. Differences between applicable federal and state statutory tax rates and the effective income tax rates for the income tax benefit recorded by the Company are primarily due to nondeductible expenses and the Texas franchise tax, offset by research and development tax credits.

Net loss. Net loss decreased by \$19 million to \$29 million for the three months ended March 31, 2026, as compared to net loss of \$48 million for the three months ended March 31, 2025, due to \$11 million of higher

operating income, partially offset by \$5 million of higher total other expense, net and \$13 million of higher income tax benefit.

Key Performance Metrics

We regularly review a number of financial measurements and operating metrics to evaluate our operating performance, measure our growth and make strategic investment decisions. In addition to traditional U.S. generally accepted accounting principles (“U.S. GAAP”) performance measures, such as total revenue and net income, we use supplemental performance operating metrics such as OEC Under Management, and the non-GAAP financial measure EBITDA.

Non-GAAP Financial Measure

We refer in this Form 10-Q to EBITDA, a non-GAAP financial measure that is not prepared in accordance with U.S. GAAP. This non-GAAP financial measure should be considered supplemental to and is not a substitute for financial information prepared in accordance with U.S. GAAP. Our use of the term EBITDA may vary from the use of similar terms by other companies in our industry and accordingly may not be comparable to similarly titled measures used by other companies.

EBITDA. EBITDA is a key metric used by management and our Board to assess our financial performance. We define EBITDA as net income before interest expense, income taxes, depreciation and amortization and non-cash stock compensation expense, which we believe, when excluded, provide investors with a useful representation of our ongoing operations and performance. Certain items excluded from EBITDA are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are reflected in EBITDA. Our presentation of EBITDA should not be construed as an indication that results will be unaffected by the items excluded from EBITDA.

The table below reconciles net income to EBITDA for each of the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Net income	\$ (29)	\$ (48)
Provision for income taxes	(32)	(19)
Depreciation and amortization expense	104	79
Interest expense	70	63
Non-cash stock compensation expense ⁽¹⁾	19	1
EBITDA	\$ 132	\$ 76

(1) Represents non-cash compensation expense for stock option and other stock-based awards.

Other Key Financial Metrics

Equipment Rental Segment Adjusted EBITDA and Equipment Rental Segment Adjusted EBITDA Margin.

Equipment Rental Segment Adjusted EBITDA and Equipment Rental Segment Adjusted EBITDA Margin are key performance metrics used by management and our Board to assess the financial performance of our Equipment Rental and Services Operations segment. Equipment Rental Segment Adjusted EBITDA is the profitability measure used by management to evaluate our Equipment Rental and Services Operations segment, disclosed in accordance with the requirements of Accounting Standards Codification (“ASC”) Topic 280, *Segment Reporting*, (“Topic 280”). Equipment Rental Segment Adjusted EBITDA Margin is Equipment Rental Segment Adjusted EBITDA divided by Equipment Rental and Services Operations Segment total revenues.

[Table of Contents](#)

The below table presents our Equipment Rental Segment Adjusted EBITDA and Equipment Rental Segment Adjusted EBITDA Margin for each of the periods indicated.

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Equipment Rental Segment Adjusted EBITDA ⁽¹⁾	\$ 323	\$ 209
Equipment Rental Segment Adjusted EBITDA Margin	42 %	38 %

(1) Equipment Rental Segment Adjusted EBITDA includes direct operating costs (excluding equipment and vehicle operating lease expense) and selling, general, and administrative expenses (excluding depreciation expense related to our property and other fixed assets). Equipment and vehicle operating lease expense was \$6 million and \$6 million for the three months ended March 31, 2026 and 2025, respectively. Depreciation expense related to our property and other fixed assets was \$14 million and \$9 million, and for the three months ended March 31, 2026 and 2025, respectively. Equipment Rental Segment Adjusted EBITDA also excludes operating expenses related to OWN Program payouts, depreciation expense on rental equipment, and amortization expense on capitalized software and intangible assets. These excluded expenses are significant: OWN Program payouts, depreciation expense on rental equipment, and amortization expense on capitalized software and intangible assets was \$217 million, \$82 million, and \$8 million, respectively, for the three months ended March 31, 2026, \$154 million, \$67 million, and \$4 million, respectively, for the three months ended March 31, 2025. For additional information, see Note 18 to our condensed consolidated financial statements for the three months ended March 31, 2026.

OEC Under Management. A substantial portion of our overall value is in our rental fleet equipment, including support vehicles and trailers. The OEC of our owned rental equipment at March 31, 2026 and March 31, 2025 was \$3,930 million and \$3,213 million, respectively, or approximately 43% and 46%, respectively, of total equipment rental OEC under our management. At March 31, 2026, the appraised value of the rental equipment owned by OWN Program participants was \$4,039 million. Our broader managed equipment rental fleet from which we support and generate our equipment rental revenue as of March 31, 2026 consisted of 262,650 units having an OEC of \$9,065 million and an average age of 31 months, and as of March 31, 2025 consisted of 207,366 units having an OEC of \$7,013 million and an average age of 29 months.

Fleet Composition. Our equipment rental fleet from which we support and generate our equipment rental revenue is summarized in the tables below:

	March 31, 2026			
	Units	% of Total	OEC (in millions)	% of Total
EquipmentShare Owned	179,322	69 %	\$ 3,930	43 %
OWN Program	82,480	31 %	5,056	56 %
Operating Lease	848	— %	79	1 %
Total	262,650	100 %	\$ 9,065	100 %

	March 31, 2025			
	Units	% of Total	OEC (in millions)	% of Total
EquipmentShare Owned	142,936	69 %	\$ 3,213	46 %
OWN Program	62,581	30 %	3,642	52 %
Operating Lease	1,849	1 %	158	2 %
Total	207,366	100 %	\$ 7,013	100 %

[Table of Contents](#)

December 31, 2025				
	Units	% of Total	OEC (in millions)	% of Total
EquipmentShare Owned	170,704	68 %	\$ 3,740	43 %
OWN Program	80,482	32 %	4,942	56 %
Operating Lease	1,066	— %	98	1 %
Total	252,252	100 %	\$ 8,780	100 %

December 31, 2024				
	Units	% of Total	OEC (in millions)	% of Total
EquipmentShare Owned	134,394	69 %	\$ 3,021	46 %
OWN Program	58,360	30 %	3,437	52 %
Operating Lease	1,708	1 %	143	2 %
Total	194,462	100 %	\$ 6,601	100 %

The diversity of equipment in our rental fleet is monitored and carefully balanced to give us the ability to relocate equipment across regions to support increased regional industrial or construction activity and enhance our overall utilization. For example, certain categories of our equipment supporting industrial construction can efficiently be re-located to infrastructure projects. As of March 31, 2026 and December 31, 2025, 84% and 85% of our rental fleet consists of general rental construction equipment, which includes our core rental equipment of boom lifts, telehandlers, earth moving, scissor lifts, and excavators, respectively, and 16% and 15% of our rental fleet consists of specialty equipment, which includes advanced solutions, industrial tooling, and other non-core rental equipment, respectively.

The rental equipment mix among our general rental and specialty equipment categories was largely consistent in each year as a percentage of total units available for rent and as a percentage of OEC.

For the net book value of our rental equipment, see Note 5 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2026.

Business Segments

We operate our business through the following reportable segments: (i) Equipment Rental and Services Operations, comprised of recurring activity performed at our full-service branch locations, such as equipment rentals and related services (including allocated telematics revenue related to rental customer access to the T3 platform), and sales of parts, supplies and maintenance services to construction contractors and others, and (ii) Equipment Sales, comprised of sales by us of new or used equipment made at any of our branch locations and dealership sites, including equipment sales to participants in the OWN Program. All other business activities include telematics SaaS subscriptions, software applications, and related telematics devices purchased by customers for their owned fleet, as well as building materials and hardware supplies. These segments are based upon how we allocate resources and assess performance. For additional information about our business segments, see Note 18 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2026.

Equipment Rental and Services Operations

Our core service is the rental of equipment to customers on a daily, weekly, and monthly basis, enabled by our T3 platform. The equipment we rent includes (i) company-owned equipment, (ii) equipment that is leased to us under month-to-month or longer-term arrangements from participants in our OWN Program, and (iii) equipment owned by other third parties and leased to us under operating leases. We generate rental revenue by renting equipment owned by us or owned by others and re-renting the equipment to our customers.

In addition to equipment rental revenue, we also generate revenue from the sale of RPP services designed to protect our customers from potential damage or loss to the equipment during the rental period, environmental fees assessed on the rental asset, and fuel recovery fees that we charge to our rental customers.

As an integral part of our Equipment Rental and Services Operations segment, we sell equipment parts and supplies and provide maintenance and repair services to customers, as well as the owners of equipment who are participants in our OWN Program. We generate revenue from the provision of ad hoc and preventative maintenance and repair services to our customers. We also provide warranty repair services on behalf of OEMs in order to fulfill the warranty extended by the OEMs to customers. Revenue that we generate from warranty repair services represents compensation for the service performed by us.

Our principal costs and expenses associated with the Equipment Rental and Services Operations segment include (i) segment direct operating costs incurred across our 371 full-service branch locations and 9 dealership sites as of March 31, 2026, excluding operating expenses related to OWN Program payouts and equipment and vehicle operating lease expense; and (ii) segment selling, general and administrative expenses, excluding depreciation expense related to the property and other fixed assets. Direct operating costs include the costs incurred at our rental branch locations that collectively support our Equipment Rental and Services Operations segment, including, but not limited to, wages and related benefits, service costs in connection with our rental equipment, site operating costs, pickup and delivery expenses in connection with rental equipment, maintenance, fuel, parts, and supplies.

Equipment Sales

Through our Equipment Sales segment, we manage retail processes to sell new and used equipment. We sell used equipment assets to participants in our OWN Program, including third parties who have financed equipment purchases through the issuance of ABS. We also sell new and used equipment to others through a variety of channels, including retail sales, wholesalers, brokered sales, and auctions. Our principal costs and expenses associated with the Equipment Sales segment include the OEC, or purchase cost, of the equipment that we sell when we act as the principal in the transaction. When we act as the agent in the transaction, the purchase cost of the equipment that we sell is presented net of the equipment sales revenue.

All Other

All other business activities, which include telematics SaaS subscriptions, software applications, and the design, manufacture, and sale of custom electronic components, including telematics devices and cloud-based access control keypads purchased by customers for their owned fleet, as well as building materials and hardware supplies, are included in "All Other."

[Table of Contents](#)

The following tables present information about our reportable segments for the three months ended March 31, 2026 and 2025 (in millions):

	Three Months Ended March 31, 2026			
	Equipment Rental and Services Operations	Equipment Sales	All Other	Total
Equipment rental, parts, supplies, and services	\$ 760	\$ —	\$ —	\$ 760
Equipment sales	—	179	—	179
Telematics	4	—	27	31
Sales of building materials, small tools, and hardware supplies	—	—	19	19
Total revenues	\$ 764	\$ 179	\$ 46	\$ 989
Significant expenses:				
Segment cost of revenues	216	146	28	
Segment selling, general and administrative expenses	225	7	20	
Segment Adjusted EBITDA⁽¹⁾	\$ 323	\$ 26	\$ (2)	

	Three Months Ended March 31, 2025			
	Equipment Rental and Services Operations	Equipment Sales	All Other	Total
Equipment rental, parts, supplies, and services	\$ 553	\$ —	\$ —	\$ 553
Equipment sales	—	145	—	145
Telematics	3	—	7	10
Sales of building materials, small tools, and hardware supplies	—	—	8	8
Total revenues	\$ 556	\$ 145	\$ 15	\$ 716
Significant expenses:				
Segment cost of revenues	165	113	8	
Segment selling, general and administrative expenses	182	7	11	
Segment Adjusted EBITDA⁽¹⁾	\$ 209	\$ 25	\$ (4)	

(1) Segment Adjusted EBITDA includes cost of revenues and selling, general, and administrative expenses for each segment. Cost of revenues for the Equipment Rental and Services Operations segment includes direct operating costs, excluding equipment and vehicle operating lease expense. Equipment and vehicle operating lease expense was \$6 million and \$6 million for the three months ended March 31, 2026 and 2025 respectively. Cost of revenues for the Equipment Sales segment includes the cost of equipment sales. Cost of revenues for all other activities includes platform expenses. Segment Adjusted EBITDA also excludes operating expenses related to OWN Program payouts, depreciation expense on rental equipment, and amortization expense on capitalized software and intangible assets. These excluded expenses are significant: OWN Program payouts, depreciation expense on rental equipment, and amortization expense on capitalized software and intangible assets was \$217 million, \$82 million, and \$8 million, respectively, for the three months ended March 31, 2026, \$154 million, \$67 million, and \$4 million, respectively, for the three months ended March 31, 2025. Selling, general and administrative expenses for each segment exclude depreciation expense related to our property and other fixed assets. Depreciation expense related to our property and other fixed assets was \$14 million and \$9 million for the three months ended March 31, 2026 and 2025, respectively. For additional information, see Note 18 to our condensed consolidated financial statements for the three months ended March 31, 2026.

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Equipment Rental and Services Operations. Revenue for our Equipment Rental and Services Operations segment was \$764 million for the three months ended March 31, 2026, compared to \$556 million for the three months ended March 31, 2025, an increase of \$208 million, or 37%. Approximately \$144 million of the increase is

attributed to the growth in fleet OEC under our management from \$7,013 million as of March 31, 2025 to \$9,065 million as of March 31, 2026, and the corresponding increase in our fleet size from 207,366 units to 262,650 units of equipment under our management as of March 31, 2025 and 2026, respectively. The increase in fleet OEC under our management, connected to our T3 platform, drove an increase in equipment rental revenue, primarily from national and regional customers. Fleet OEC under our management includes equipment we own and lease, as well as equipment owned by third parties and leased through our OWN Program that we rent to customers from our full-service branch locations, which also increased from 292 as of March 31, 2025, to 371 as of March 31, 2026. Revenue from sales of equipment parts, supplies, and services from mature branch locations and new branch locations open less than 24 months contributed \$4 million and \$15 million, respectively, to the increase in equipment rental and related services revenue and changes in the mix of equipment rented and price changes increased equipment rental and related services revenue by \$44 million.

Segment Adjusted EBITDA for our Equipment Rental and Services Operations segment was \$323 million for the three months ended March 31, 2026, compared to \$209 million for the three months ended March 31, 2025, an increase of \$114 million, or 55%. The increase in Segment Adjusted EBITDA was primarily due an increase in segment total revenues of \$208 million from equipment rentals and the sale of parts, supplies and services, attributed to our organic growth initiatives, including the maturation of our existing sites and incremental growth sites, and an increase in equipment rental fleet OEC under our management, from \$7,013 million as of March 31, 2025 to \$9,065 million as of March 31, 2026, and the corresponding increase in our fleet size from 207,366 units to 262,650 units of equipment under our management as of March 31, 2025 and 2026, respectively, driven by OWN Program demand. The increase in segment total revenues was offset by increases of \$51 million in segment cost of revenues and \$43 million in segment selling, general and administrative expenses.

Equipment Sales. Revenue for our Equipment Sales segment was \$179 million for the three months ended March 31, 2026, compared to \$145 million for the three months ended March 31, 2025, an increase of \$34 million, or 23%. The increase was primarily due to increased sales of construction equipment, primarily to contractors and other end users, as presented in the following table (in millions):

	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
Equipment sales to OWN Program participants ⁽¹⁾	\$ 102	\$ 95	\$ 7	7 %
Other equipment sales	77	50	27	54 %
Total revenues - equipment sales	\$ 179	\$ 145	\$ 34	23 %
Cost of equipment sold to OWN Program participants	\$ 82	\$ 72	\$ 10	14 %
Cost of other equipment sales	64	41	23	56 %
Total cost of revenues - equipment sales	\$ 146	\$ 113	\$ 33	29 %

(1) For the three months ended March 31, 2026 and 2025, equipment sales to OWN Program participants included net revenue of \$6 million and \$13 million, respectively, recognized on an agent basis, with overall transaction values of \$41 million and \$97 million, respectively.

The increase in equipment sales of \$34 million is primarily attributed to higher sales of \$7 million in construction equipment to existing and new participants in our OWN Program. Sales of new and used equipment from our full service branch locations to contractors and other end users increased \$27 million, primarily attributed to our site expansions.

Segment Adjusted EBITDA for our Equipment Sales segment was \$26 million for the three months ended March 31, 2026, compared to \$25 million for the three months ended March 31, 2025, an increase of \$1 million, or 4%. The increase in Segment Adjusted EBITDA was primarily attributed to higher gross margins on equipment sales.

All Other. Revenue for all other activities was \$46 million for the three months ended March 31, 2026, compared to \$15 million for the three months ended March 31, 2025, an increase of \$31 million, or 207%. This increase was primarily due to an increase of \$20 million in telematics SaaS subscriptions, applications, and related telematics devices, as well as an increase of \$11 million in sales of building materials, small tools, and hardware

supplies due to our expansion of 11 hardware stores during the trailing twelve months. Segment loss for our all other activities was \$2 million for the three months ended March 31, 2026, compared to \$4 million for the three months ended March 31, 2025, an increase of \$2 million, or 50%, primarily due to the higher revenue as previously discussed, partially offset by an increase of \$9 million in selling, general and administrative expenses, including employee compensation, technology costs, professional service fees, and insurance expenses which were allocated to all other activities based on employee headcount.

Liquidity and Capital Resources

Overview

Our primary liquidity needs include funding our growth, payment of operating expenses, purchases of rental equipment to be used in our operations, servicing of debt, and funding acquisitions.

Our future contractual obligations are further discussed in “—Contractual Obligations and Commitments” below. Our primary sources of liquidity have been cash and cash equivalents, cash flows from our operations and our ability to borrow under our existing ABL Credit Facility, other financing arrangements, including lines of credit, and the issuances of perpetual preferred, common stock, and convertible preferred stock.

As of March 31, 2026, our liquidity consisted of cash and cash equivalents of \$329 million and net excess availability of \$1,276 million under our ABL Credit Facility. See “—ABL Credit Facility—Borrowing Capacity” below.

Our strategy is to maintain enough liquidity from both cash from operations and our availability under our debt facilities to maintain sufficient headroom to finance our growth, as well as mitigate the impact that any adverse financial market conditions might have on our operations in the future. We believe that cash generated from operations, together with amounts available under the ABL Credit Facility or other financing arrangements, will be sufficient to meet working capital requirements, debt payments, and anticipated capital expenditures, as well as meet other strategic uses of cash, if any, over the next twelve months and beyond. We aim to maintain at least \$500 million in liquidity at all times.

To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to shareholders. In addition, we continuously monitor the capital markets and our capital structure, and, from time to time, we seek to refinance, amend or otherwise restructure our outstanding debt on an opportunistic basis and can also choose to raise incremental liquidity as part of such transactions. Such repurchases, refinancings, amendments, exchanges or other transactions, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, the availability of authorized share capital, contractual restrictions and other factors. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that may restrict our operations. There can be no assurances that we will be able to raise additional capital on terms that are attractive to us or at all. The inability to raise capital would adversely affect our ability to achieve our business objectives.

We sell equipment to third party OWN Program participants who have financed equipment purchases through the issuance of ABS. Under the terms of the ABS, if the appraised value of the equipment declines below specified amounts, these vehicles may require the third-party owner to liquidate some or all of their equipment, which would make it unavailable to us and may require us to expend cash to obtain replacement equipment in order to supply our customers with rental equipment.

Cash Flows

Significant factors driving our liquidity position include cash flows generated from operating and financing activities, as well as investing activities. We have generated and expect to continue to generate positive cash flow

[Table of Contents](#)

from our operations. Our ability to fund our capital needs will be affected by our ongoing ability to generate cash from operations and access to capital markets.

The following table summarizes the change in cash and cash equivalents for the periods shown:

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Net cash used in operating activities	\$ (200)	\$ (51)
Net cash used in investing activities	(280)	(283)
Net cash provided by financing activities	503	273
Net increase (decrease) in cash and cash equivalents	\$ 23	\$ (61)

Net Cash Used in Operating Activities

For the three months ended March 31, 2026 and 2025, net cash used in our operating activities was \$200 million and \$51 million, respectively, and was in each period primarily due to the expansion of our business, increased working capital corresponding to the growth in our revenues, and the timing of certain payments. For the three months ended March 31, 2026, net cash used in operating activities reflects a decrease in accrued equipment purchases from \$281 million at December 31, 2025 to \$70 million at March 31, 2026, primarily due to the timing of payments for equipment purchased in transactions when we act as the agent. Net cash used in operating activities also reflects an increase in cost of revenues of \$186 million, selling, general and administrative expenses of \$76 million, and interest expense of \$7 million for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, associated with the growth of our revenues and other changes in working capital.

Net Cash Used in Investing Activities

For the three months ended March 31, 2026 and 2025, net cash used in our investing activities was \$280 million and \$283 million, respectively, a decrease of 1%, and was primarily due to a decrease in cash used for the purchases of properties and other fixed assets which was \$48 million for the three months ended March 31, 2026, and \$50 million for the three months ended March 31, 2025, and an increase in proceeds received from the sale of rental equipment of \$115 million and \$75 million for the three months ended March 31, 2026 and 2025, partially offset by an increase in cash used for the purchases of rental equipment, which was \$328 million for the three months ended March 31, 2026, and \$293 million for the three months ended March 31, 2025.

Net Cash Provided by Financing Activities

For the three months ended March 31, 2026, net cash provided by financing activities was \$503 million, compared to \$273 million for the three months ended March 31, 2025, an increase of 84%. Net cash provided by financing activities was positively impacted by net proceeds of \$706 million from the issuance of class A common stock upon the initial public offering, net of underwriting discount and commissions, net proceeds of \$381 million from the issuance of long-term debt for the three months ended March 31, 2026, and net proceeds of \$300 million from the issuance of long-term debt for the three months ended March 31, 2025. This was offset partially by using \$582 million in cash to repay long-term debt and finance leases for the three months ended March 31, 2026 and \$15 million in cash to repay long-term debt and finance leases for the three months ended March 31, 2025.

Capital Expenditures

Our capital expenditures relate largely to purchases of rental equipment, with the remaining portion representing purchases of and deposits on property and other fixed assets and investments in internally developed software primarily associated with the development of our proprietary T3 platform and related software applications. We offset capital expenditures related to our rental equipment fleet through our sales of rental equipment to contractors and to OWN Program participants, including high net worth individuals, family offices, and other third parties who have financed equipment purchases through the issuance of ABS.

[Table of Contents](#)

The table below sets forth the capital expenditures related to our rental equipment fleet, net of proceeds from the sale of rental equipment, and investments we are making to the T3 platform and other internally developed software for each of the years presented.

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Purchases of rental equipment	\$ 328	\$ 293
Proceeds from sale of rental equipment	(115)	(75)
Net rental equipment capital expenditure	\$ 213	\$ 218
Investments in internally developed software ⁽¹⁾	9	10
Net rental equipment & software expenditure	\$ 222	\$ 228

(1) Represents expenditures in connection with developing and maintaining our information technology, including our T3 platform, as well as related software applications that generate platform revenue.

Net rental equipment capital expenditures were \$213 million for the three months ended March 31, 2026, compared to \$218 million for the three months ended March 31, 2025, a decrease of 2%, as we continued to grow our fleet and site locations in connection with our geographical expansion.

ABL Credit Facility

Borrowing Capacity

On November 26, 2025, the Company refinanced existing borrowings under an asset-based lending facility (the “ABL Facility”) by entering into a new asset-based lending facility (the “ABL Credit Facility”). The ABL Credit Facility has a stated maturity date of November 26, 2030. The ABL Credit Facility provides available “borrowing capacity” (the maximum borrowing permitted, assuming there is sufficient collateral as identified under the ABL Credit Facility) up to \$2.75 billion. Borrowings under the ABL Credit Facility will bear interest at a rate (at the Company’s election) equal to either (i) the SOFR plus a spread between 112.5 to 137.5 basis points or (ii) the greatest of (a) 0%, (b) the Federal Funds Rate in effect on such day plus 50 basis points, (c) the SOFR for a one month tenor in effect on such day (to the extent ascertainable), plus 100 basis points, and (d) the Prime Rate plus (y) a spread between 12.5 basis points and 37.5 basis points.

The ABL Credit Facility provides for the majority of our borrowing capacity and availability. Creditors under the ABL Credit Facility have a first-priority security interest in specific pools of assets identified as collateral therein. Our ability to borrow under the ABL Credit Facility is a function of, among other things, the value of the assets in the relevant collateral pool. We refer to the amount of debt we can borrow given a certain pool of assets as the “Borrowing Base,” which includes our accounts receivable, unbilled accounts receivable, eligible rental equipment, eligible rolling stock and eligible inventory.

Under the ABL Credit Facility, we are required to maintain control agreements on deposit accounts where, (x) proceeds of collateral from customers and other obligors or (y) proceeds of sales of the collateral, are deposited. During a Cash Dominion Period (as defined below), all amounts in such deposit accounts are swept into a collection account maintained with the ABL Credit Facility Agent and used to repay borrowings under the ABL Credit Facility. A cash dominion period (“Cash Dominion Period”) begins from the occurrence of (a) any specified event of default or (b) specified availability being less than the greater of (i) 10% of the maximum borrowing amount and (ii) \$175 million, for five consecutive business days and ends when (a) no specified event of default exists and (b) specified availability has been greater than the greater of (i) 10% of the maximum borrowing amount and (ii) \$175 million, for twenty consecutive days.

As of March 31, 2026, we calculated a Borrowing Base, as defined under the ABL Credit Facility, of \$2,280 million. We determine “Net Excess Availability” as the amount of additional debt we could borrow based on the existing borrowing base. As of March 31, 2026, we had Net Excess Availability of \$1,276 million under the ABL

[Table of Contents](#)

Facility. We determine “Remaining Capacity” as defined under the ABL Credit Facility as the maximum principal amount of debt permitted to be outstanding under the facility (i.e., the amount of debt we could borrow assuming we possessed sufficient assets as collateral) less the principal amount of debt then-outstanding under the facility. We calculate “Availability Under Borrowing Base Limitation” as the lower of Remaining Capacity or the Borrowing Base less the principal amount of debt then-outstanding under the ABL Credit Facility, or the amount of debt we could borrow given the collateral we possess at such time, up to payment conditions. As of March 31, 2026, we calculated Remaining Capacity of \$1,746 million and our “Availability Under Borrowing Base Limitation” was \$1,048 million. Under the ABL Credit Facility, “Remaining Capacity” and “Availability Under Borrowing Base Limitation” are calculated and defined in the same way as under the ABL Facility.

As of March 31, 2026, \$6 million of standby letters of credit were issued and outstanding with a third-party financial institution.

Covenants

Our ABL Credit Facility contains a number of covenants that, among other things, limit or restrict our ability to dispose of assets, incur additional indebtedness, incur guarantee obligations, prepay certain indebtedness, make certain restricted payments (including paying dividends, redeeming stock or making other distributions), create liens, make investments, make acquisitions, engage in mergers, fundamentally change the nature of our business, or engage in certain transactions with certain affiliates. Under the terms of our ABL Credit Facility, we are not subject to ongoing financial maintenance covenants; however, under the ABL Credit Facility, failure to maintain certain levels of liquidity will subject us to a contractually specified fixed charge coverage ratio of not less than 1:1 for the four quarters most recently ended. As of March 31, 2026, the appropriate levels of liquidity have been maintained; therefore this financial maintenance covenant is not applicable. Additional information on the terms of our ABL Credit Facility is included in Note 9 to our unaudited condensed consolidated financial statements included in this Form 10-Q.

The ABL Credit Facility is secured on a first-priority basis by liens on substantially all of our and any guarantor’s assets, subject to permitted liens and certain exceptions. As of the date of this Form 10-Q, the ABL Credit Facility is not guaranteed by any of our subsidiaries.

Certain of the restrictive covenants under the ABL Credit Facility utilize adjusted EBITDA, as defined in the related credit agreement, as a primary component of the compliance metric governing our ability to undertake certain actions otherwise proscribed by such covenants. The adjusted EBITDA metric is calculated under the ABL Credit Facility as net income before the income tax provision, net financing charges, restructuring and impairment costs, allocation for support functions and other costs, and intangible asset amortization and depreciation, and new market start-up costs attributable to new locations less than twelve months old subject to a specified cap calculated as a percentage of the adjusted EBITDA metric. For the three months ended March 31, 2026 and 2025, new market start-up costs attributed to our Equipment Rental and Services Operations segment were \$50 million and \$55 million, respectively.

Notes

Senior Secured Second Lien Notes due 2028

On May 9, 2023, we issued \$640,000,000 in aggregate principal amount of 9.000% Senior Secured Second Lien Notes due 2028 (the “Initial 2028 Notes”). On September 21, 2023, we issued an additional \$400,000,000 in aggregate principal amount of 9.000% Senior Secured Second Lien Notes due 2028 (the “Additional 2028 Notes” and together with the Initial 2028 Notes, the “2028 Notes”). The 2028 Notes were issued pursuant to the indenture, dated as of May 9, 2023, between us and Citibank, N.A., as trustee and notes collateral agent (the “2028 Notes Indenture”). The 2028 Notes bear interest at a rate of 9.00% per year and interest on the 2028 Notes is payable semi-annually in arrears on May 15 and November 15 of each year. The 2028 Notes will mature on May 15, 2028. The 2028 Notes rank *pari passu* in right of payment to all of our and any guarantor’s existing and future senior indebtedness, including indebtedness under the ABL Credit Facility, our 2032 Notes (as defined below) and our 2033 Notes (as defined below).

[Table of Contents](#)

The 2028 Notes and any related guarantees are secured on a second-priority basis by liens on substantially all of our and any guarantor's assets that secure any first-priority lien obligations (including the ABL Credit Facility), subject to permitted liens and certain exceptions. There are certain situations where all or a portion of such collateral may be automatically released.

The 2028 Notes are not currently guaranteed by any of our subsidiaries and, in the future, will be jointly and severally guaranteed on a senior secured second lien basis by each of our current and future subsidiaries to the extent such subsidiary guarantees our ABL Credit Facility, subject to certain limitations and exceptions. We may redeem some or all of the 2028 Notes at the redemption prices set forth in the 2028 Notes Indenture.

The 2028 Notes Indenture contains certain covenants applicable to us and our restricted subsidiaries, including limitations on: (1) liens; (2) indebtedness; (3) mergers, consolidations and acquisitions; (4) sales, transfers and other dispositions of assets; (5) loans and other investments; (6) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (7) restrictions affecting subsidiaries; (8) transactions with affiliates; and (9) designations of unrestricted subsidiaries. Each of these covenants is subject to a number of important exceptions and qualifications. In addition, many of the restrictive covenants do not apply to us during any period when the 2028 Notes are rated investment grade by any two of Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Investors Ratings Services ("S&P") and Fitch Ratings ("Fitch") or, in certain circumstances, another rating agency selected by us, provided at such time no default under the 2028 Notes Indenture has occurred and is continuing. In the case of an event of default, the principal amount of the 2028 Notes plus accrued and unpaid interest would be accelerated.

Senior Secured Second Lien Notes due 2032

On April 16, 2024, we issued \$600,000,000 in aggregate principal amount of 8.625% Senior Secured Second Lien Notes due 2032 (the "2032 Notes"). The 2032 Notes were issued pursuant to the indenture, dated as of April 16, 2024, between us and Citibank, N.A., as trustee and notes collateral agent (the "2032 Notes Indenture"). The 2032 Notes bear interest at a rate of 8.625% per year and interest on the 2032 Notes is payable semi-annually in arrears on May 15 and November 15 of each year. The 2032 Notes will mature on May 15, 2032. The 2032 Notes rank pari passu in right of payment to all of our and any guarantor's existing and future senior indebtedness, including indebtedness under the ABL Credit Facility, our 2028 Notes and our 2033 Notes.

The 2032 Notes and any related guarantees are secured on a second-priority basis by liens on substantially all of our and any guarantor's assets that secure any first-priority lien obligations (including the ABL Credit Facility), subject to permitted liens and certain exceptions. There are certain situations where all or a portion of such collateral may be automatically released.

As of the date of this Form 10-Q, the 2032 Notes are not guaranteed by any of our subsidiaries. Going forward, the 2032 Notes will be jointly and severally guaranteed on a senior secured second lien basis by each of our current and future subsidiaries to the extent such subsidiary guarantees our ABL Credit Facility, subject to certain limitations and exceptions. We may redeem some or all of the 2032 Notes at the redemption prices set forth in the 2032 Notes Indenture.

The 2032 Notes Indenture contains certain covenants applicable to us and our restricted subsidiaries, including limitations on: (1) liens; (2) indebtedness; (3) mergers, consolidations and acquisitions; (4) sales, transfers and other dispositions of assets; (5) loans and other investments; (6) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (7) restrictions affecting subsidiaries; (8) transactions with affiliates; and (9) designations of unrestricted subsidiaries. Each of these covenants is subject to a number of important exceptions and qualifications. In addition, many of the restrictive covenants do not apply to us during any period when the 2032 Notes are rated investment grade by any two of Moody's, S&P, and Fitch or, in certain circumstances, another rating agency selected by us, provided at such time no default under the 2032 Notes Indenture has occurred and is continuing. In the case of an event of default, the principal amount of the 2032 Notes plus accrued and unpaid interest would be accelerated.

Senior Secured Second Lien Notes due 2033

On September 13, 2024, we issued \$500,000,000 in aggregate principal amount of 8.000% Senior Secured Second Lien Notes due 2033 (the “2033 Notes”). The 2033 Notes were issued pursuant to the indenture, dated as of September 13, 2024, between us and Citibank, N.A., as trustee and notes collateral agent (the “2033 Notes Indenture”). The 2033 Notes bear interest at a rate of 8.000% per year and interest on the 2033 Notes is payable semi-annually in arrears on March 15 and September 15 of each year. The 2033 Notes will mature on March 15, 2033. The 2033 Notes rank pari passu in right of payment to all of our and any guarantor’s existing and future senior indebtedness, including indebtedness under the ABL Credit Facility, our 2028 Notes and our 2032 Notes.

The 2033 Notes and any related guarantees are secured on a second-priority basis by liens on substantially all of our and any guarantor’s assets that secure any first-priority lien obligations (including the ABL Credit Facility), subject to permitted liens and certain exceptions. There are certain situations where all or a portion of such collateral may be automatically released.

As of the date of this Form 10-Q, the 2033 Notes are not guaranteed by any of our subsidiaries. Going forward, the 2033 Notes will be jointly and severally guaranteed on a senior secured second lien basis by each of our current and future subsidiaries to the extent such subsidiary guarantees our ABL Credit Facility, subject to certain limitations and exceptions. We may redeem some or all of the 2033 Notes at the redemption prices set forth in the 2033 Notes Indenture.

The 2033 Notes Indenture contains certain covenants applicable to us and our restricted subsidiaries, including limitations on: (1) liens; (2) indebtedness; (3) mergers, consolidations and acquisitions; (4) sales, transfers and other dispositions of assets; (5) loans and other investments; (6) dividends and other distributions, stock repurchases and redemptions and other restricted payments; (7) restrictions affecting subsidiaries; (8) transactions with affiliates; and (9) designations of unrestricted subsidiaries. Each of these covenants is subject to a number of important exceptions and qualifications. In addition, many of the restrictive covenants do not apply to us during any period when the 2033 Notes are rated investment grade by any two of Moody’s, S&P, and Fitch or, in certain circumstances, another rating agency selected by us, provided at such time no default under the 2033 Notes Indenture has occurred and is continuing. In the case of an event of default, the principal amount of the 2033 Notes plus accrued and unpaid interest would be accelerated.

Certain of the restrictive covenants under the indentures governing our outstanding notes utilize consolidated total assets as a primary component of the compliance metric governing our ability to undertake certain actions otherwise proscribed by such covenants.

In addition, certain liens and restricted payments are permitted subject to leverage ratios which are calculated based on an adjusted EBITDA metric. Such adjusted EBITDA metric is calculated under the indentures governing our outstanding notes as net income before income tax provision, net financing charges, restructuring and impairment costs, allocation for support functions and other costs, and intangible asset amortization and depreciation, and new market start-up costs attributable to new locations less than twelve months old subject to a specified cap calculated as a percentage of the adjusted EBITDA metric.

Amendments to the Indentures Governing the 2028 Notes and the 2032 Notes

On July 17, 2025, the indentures governing the 2028 Notes and the 2032 Notes were amended to conform certain covenants and related definitions for these notes to the indenture governing the 2033 Notes. Among other things, the amendments increased certain limits on debt incurrence to align with the 2033 Notes and aligned certain aspects of the lien covenant to the same terms in the 2033 Notes Indenture. In connection with these amendments to the indentures, we paid \$5 million in fees and expenses.

Dividends

Dividends on our perpetual preferred accrue and accumulate daily in arrears on the then current accreted liquidation preference of the outstanding perpetual preferred, whether or not declared, and, if not declared and paid, will accrue at the applicable dividend rate and be compounded quarterly in arrears. Dividends on the perpetual

[Table of Contents](#)

preferred will be payable, at our election, in cash at any time when, as and if declared by our Board or any duly authorized committee of our Board, but only out of assets legally available. As of March 31, 2026, the maximum potential dividend accumulated in arrears on our perpetual preferred was approximately \$136 million.

Contractual Obligations and Commitments

The following table summarizes our long-term contractual obligations and commitments as of March 31, 2026.

	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	(In millions)				
Debt	\$ 3,139	\$ 5	\$ 1,035	\$ 999	\$ 1,100
Operating leases	1,093	95	245	222	531
Finance leases	302	25	56	52	169
Financing obligations (equipment)	25	7	6	12	–
Total contractual obligations	\$ 4,559	\$ 132	\$ 1,342	\$ 1,285	\$ 1,800

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have a material current effect or are reasonably likely to have a material future effect on our results of operations, financial condition, capital expenditures, liquidity or capital resources.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our critical accounting policies and estimates during the quarter ended March 31, 2026.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of market risks, primarily related to the effects of changes in interest rates (including credit spreads) and fluctuations in fuel prices. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a major financial institution in order to manage our exposure to counterparty nonperformance on such instruments.

Interest Rate Risk

We have assessed our exposure to changes in interest rates by analyzing the sensitivity to our earnings assuming various changes in market interest rates. Assuming a hypothetical increase of one percentage point in interest rates on our ABL Facility as of March 31, 2026, our pre-tax earnings would decrease by an estimated \$10 million over a 12-month period. We terminated certain interest rate swap agreements in connection with the entry into the ABL Credit Facility.

Commodity Price Risk

The cost of logistics and transportation fluctuates in large part due to the price of oil and demand trends. Any fluctuations in our transportation costs in excess of amounts we charge to customers, including the cost of delivery and pick up of construction equipment, could harm our gross profits and margins. If we are unable to successfully mitigate a significant portion of commodity price increases or fluctuations, our results of operations could be harmed. A 10% increase in our transportation costs, if not recovered through higher charges to our customers, would

have resulted in a change to cost of revenues of approximately \$4 million and \$3 million, and for the three months ended March 31, 2026 and 2025, respectively.

Foreign Currency Risk

We employ a limited number of software engineers domiciled in the United Kingdom (the “UK”). As a result, we have foreign currency risk exposure to exchange rate fluctuations, primarily with respect to payroll, employee benefits, lease expense, and other costs incurred and paid in British Pounds. During the three months ended March 31, 2026, the total costs incurred by our subsidiary in the UK was not material to our operating results. Based on the size of our subsidiary in the UK, we do not believe that a 10% change in the British Pound exchange rate would have a material impact on our earnings. We do not engage in purchasing forward exchange contracts for speculative purposes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the appropriate time periods, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

We, under the supervision of and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective as of March 31, 2026.

Management’s Annual Report on Internal Control Over Financial Reporting

This Form 10-Q does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the fiscal quarter ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

A description of legal proceedings can be found in Note 17 to our unaudited condensed consolidated financial statements of this quarterly report on Form 10-Q is incorporated by reference in answer to this item.

Item 1A. Risk Factors

There have been no material changes to our risk factors from those previously disclosed under Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 5. Other Information

During the quarter ended March 31, 2026, none of the Company's directors or Section 16 officers adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

(1) Exhibits: The exhibits to this report are listed in the exhibit index below.

Exhibit No.	Exhibit Description	Incorporation by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date	
3.1	Amended and Restated Certificate of Formation	8-K	001-43062	3.1	January 26, 2026	
3.2	Amended and Restated Bylaws	8-K	001-43062	3.2	January 26, 2026	
10.1	Amendment No. 1 to the Credit Agreement, dated as of April 15, 2026, among EquipmentShare.com Inc., the guarantors party thereto, Wells Fargo Bank, National Association, as agent and the lenders party thereto.					X
10.2**	Form of Lease Agreement with Related Parties					X
31.1	Certification of the Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1**	Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2**	Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.IN S	Inline XBRL Instance Document					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

* Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided on a supplemental basis to the Securities and Exchange Commission upon request.

Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(a)(6) and Item 601(b)(10).

** This certification is deemed not filed for purposes of section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EquipmentShare.com Inc

Date: May 14, 2026

By: /s/ David Marquardt

Name: David Marquardt

Title: Chief Financial Officer and Chief Accounting Officer

AMENDMENT NO. 1 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment"), dated as of April 15, 2026, is entered into by and among EQUIPMENTSHARE.COM INC, a Texas corporation ("Parent Borrower"), the Lenders (as defined in the below-defined Credit Agreement) party hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (each as defined in the below-defined Credit Agreement) (in such capacity, together with its successors and assigns in such capacity, "Agent"), and in light of the following:

WITNESSETH

WHEREAS, Parent Borrower, Agent, and the Lenders are parties to that certain Credit Agreement, dated as of November 26, 2025 (as amended, restated, supplemented, or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement"; the Existing Credit Agreement, as amended by this Amendment, is referred to herein as the "Credit Agreement");

WHEREAS, Parent Borrower has requested that Agent and the Lenders party hereto (constituting the Required Lenders) agree to make certain amendments to the Existing Credit Agreement; and

WHEREAS, upon the terms and conditions set forth herein, Agent and the Lenders are willing to accommodate Parent Borrower's request.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Defined Terms. All initially capitalized terms used herein (including the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Credit Agreement.

2. Amendments to Credit Agreement. Subject to the satisfaction or waiver in accordance with Section 14.1 of the Existing Credit Agreement of the conditions precedent set forth in Section 3 hereof:

(a) Section 1.1 of the Existing Credit Agreement is hereby amended by adding the following definitions in the appropriate alphabetical order:

"OWN Transfer Prepayment Amount" means, with respect to any OWN Transfer Prepayment Trigger Date, 100% of the aggregate Net Cash Proceeds received by the Loan Parties and their Restricted Subsidiaries from OWN Program Transfers during the period from the immediately preceding OWN Transfer Prepayment Trigger Date through and including such OWN Transfer Prepayment Trigger Date.

"OWN Transfer Prepayment Outside Trigger Date" means the date that is one calendar month after the immediately preceding OWN Transfer Prepayment Trigger Date; provided that with respect to an OWN Transfer Prepayment Outside Trigger Date that begins on the last day of a calendar month (or on a day for which there is no numerically corresponding day in the next succeeding calendar month), the OWN Transfer Prepayment Outside Trigger Date shall be the last day of the next succeeding calendar month.

"OWN Transfer Prepayment Trigger Date" means each date that is the earliest to occur of (a) the date as of which the aggregate amount of Net Cash Proceeds received by the Loan Parties and their Restricted Subsidiaries since the immediately preceding OWN Transfer

Prepayment Trigger Date equal or exceed \$250,000,000, (b) the last day of the next expiring Interest Period then in effect, and (c) the OWN Transfer Prepayment Outside Trigger Date.

(b) Section 2.4(e)(ii) of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“(ii) **OWN Program Transfers.** If any Loan Party or any of its Restricted Subsidiaries receives any Net Cash Proceeds from any OWN Program Transfer, Borrowers shall prepay the outstanding principal amount of the Obligations within five (5) Business Days following each OWN Transfer Prepayment Trigger Date in an amount equal to the OWN Transfer Prepayment Amount with respect to such OWN Transfer Prepayment Trigger Date in accordance with Section 2.4(f). Notwithstanding anything else contained herein, the first Own Transfer Prepayment Trigger Date shall be April 30, 2026. Nothing contained in this Section 2.4(e)(ii) shall permit any Loan Party or any of its Subsidiaries to sell or otherwise dispose of any assets pursuant to an OWN Program Transfer other than in accordance with Section 6.5(x).”

(c) Section 2.4(f) of the Existing Credit Agreement is hereby amended by adding the following sentence at the end of such Section:

“Notwithstanding anything else contained herein, so long as no Application Event shall have occurred and be continuing, each prepayment made pursuant to Section 2.4(e)(ii) shall be applied (without a corresponding reduction in the Revolver Commitments) *first*, to the outstanding principal amount of any Base Rate Loans until paid in full and *second*, to the outstanding principal amount of any SOFR Loans until paid in full.”

(d) Section 5.2 of the Existing Credit Agreement is hereby amended by adding the following new clause (e) at the end of such Section:

“(e) Monthly, (no later than the twenty-fifth (25th) day of each calendar month) a report (which may be delivered by email) of the Net Cash Proceeds (if any) received by any Loan Party or any of its Restricted Subsidiaries from any OWN Program Transfer during the immediately preceding calendar month.”

3. **Conditions Precedent to Amendment.** The satisfaction or waiver of each of the following in accordance with Section 14.1 of the Existing Credit Agreement shall constitute conditions precedent to the effectiveness of this Amendment (such date being the “Amendment No. 1 Effective Date”):

(a) Agent shall have received this Amendment, duly executed by Parent Borrower, the Required Lenders, and Agent, and the same shall be in full force and effect.

(b) The representations and warranties set forth herein and in the Credit Agreement and the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified by materiality in the text thereof) on and as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified by materiality in the text thereof) as of such earlier date).

(c) No Default or Event of Default shall have occurred and be continuing on the date hereof or shall result from this Amendment.

(d) Agent shall have received a certificate, dated as of the Amendment No. 1 Effective Date and signed by a Responsible Officer confirming the accuracy of the conditions set forth in clauses (b) and (c) of this Section 3.

4. Representations and Warranties. Parent Borrower hereby represents and warrants to Agent and the Lenders as follows:

(a) Parent Borrower (i) is duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization (except as a result of a transaction permitted under Section 6.4(a) of the Credit Agreement), (ii) is qualified to do business in each jurisdiction where the conduct of its business requires such qualification, other than such jurisdictions in which the failure to be so qualified, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and

(iii) has all requisite power and authority to conduct its business and to own its property, except to the extent that the failure to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) Parent Borrower has (i) the power and authority to execute, deliver and perform this Amendment and (ii) has taken all necessary corporate action (including obtaining approval of its stockholders if necessary) to authorize its execution, delivery and performance of this Amendment.

(c) The execution, delivery, and performance by Parent Borrower of this Amendment does not and will not (i) conflict with, or constitute a violation or breach of, the terms of (A) any Second Lien Notes Documents, any Additional Permitted Junior Lien Indebtedness Documents or any other Material Indebtedness Documents, (B) any other contract, mortgage, lease, agreement, indenture, or instrument to which Parent Borrower or any of its Restricted Subsidiaries is a party or which is binding upon it, (C) any Requirement of Law applicable to Parent Borrower or any of its Restricted Subsidiaries, (D) any order, judgment, or decree of any court or other Governmental Authority binding on Parent Borrower or any of its Restricted Subsidiaries, or (E) any Governing Documents of Parent Borrower or any of its Restricted Subsidiaries, except in the case of clauses (B), (C) or (D) above, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) result in the imposition of any Lien (other than Permitted Liens) upon the property of Parent Borrower or any of its Restricted Subsidiaries.

(d) This Amendment has been duly executed and delivered by Parent Borrower, and constitutes the legal, valid and binding obligations of Parent Borrower, enforceable against it in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, winding up, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

5. Payment of Costs and Fees. Parent Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of Lender Group (limited, in the case of legal fees, to the reasonable and documented fees and disbursements of Paul Hastings LLP, as outside counsel to Agent) in connection with the preparation, negotiation, execution and delivery of this Amendment and any documents and instruments relating hereto.

6. [Reserved].

7. Governing Law; Jurisdiction, Etc.; Jury Trial Waiver. **THIS AMENDMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING GOVERNING LAW, JURISDICTION AND VENUE, SERVICE OF PROCESS, AND JURY TRIAL WAIVER SET FORTH IN SECTION 12 OF THE CREDIT AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.**

8. Counterpart Execution. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Execution of any such counterpart may be by means of (a) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, as in effect from time to time, state enactments of the Uniform Electronic Transactions Act, as in effect from time to time, or any other relevant and applicable electronic signatures law; (b) an original manual signature; or (c) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Agent reserves the right, in its discretion, to accept, deny, or condition acceptance of any electronic signature on this Amendment. Any party delivering an executed counterpart of this Amendment by faxed, scanned or photocopied manual signature shall also deliver an original manually executed counterpart, but the failure to deliver an original manually executed counterpart shall not affect the validity, enforceability and binding effect of this Amendment.

9. Effect on Loan Documents.

(a) Except for the amendments to the Credit Agreement expressly set forth herein, the Credit Agreement and each of the other Loan Documents shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. The execution, delivery, and performance of this Amendment shall not operate, except as expressly set forth herein, as a waiver of, consent to, or a modification or amendment of, any right, power, or remedy of Agent or any Lender under the Credit Agreement or any other Loan Document.

(b) Upon and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "therein", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified and amended hereby.

(c) To the extent that any of the terms and conditions in any of the Loan Documents shall contradict or be in conflict with any of the terms or conditions of the Credit Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as modified or amended hereby.

(d) This Amendment is a Loan Document.

10. Entire Agreement. This Amendment, and the terms and provisions hereof, the Credit Agreement and the other Loan Documents constitute the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written.

11. Reaffirmation of Obligations. Parent Borrower hereby ratifies and reaffirms its obligations under each Loan Document to which it is a party. Parent Borrower hereby further ratifies and reaffirms the validity and enforceability of all of the liens and security interests heretofore granted, pursuant to and in connection with the Security Agreement or any other Loan Document, to Agent, as collateral security for the obligations under the Loan Documents in accordance with their respective terms.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first above written.

EQUIPMENTSHARE.COM INC,
as Parent Borrower

By: /s/ Jabbok Schlacks _____
Name: Jabbok Schlacks
Title: CEO

[Signature Page to Amendment No. 1 to Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Agent and a Lender

By: /s/ Laura Nickas
Name: Laura Nickas
Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Credit Agreement]

Citibank, N.A., as a Lender

By: /s/ Christopher Marino

Name: Christopher Marino

Title: Vice President & Managing Director

[Signature Page to Amendment No. 1 to Credit Agreement]

TRUIST SECURITIES, INC., as a Lender

By: /s/ Hannah Schregardus
Name: Hannah Schregardus
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

Citizens Bank, N.A., as a Lender

By: /s/ Peter M. Walther
Name: Peter M. Walther
Title: Senior Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Patrick Lingrosso
Name: Patrick Lingrosso
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

Sumitomo Mitsui Banking Corporation, as a Lender

By: /s/ Paul Dellova
Name: Paul Dellova
Title: Managing Director

[Signature Page to Amendment No. 1 to Credit Agreement]

Goldman Sachs Bank USA, as a Lender

By: /s/ Roopa Chandra
Name: Roopa Chandra
Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Chris Fudge
Name: Chris Fudge
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

Regions Bank, as a Lender

By: /s/ Ryan Miles
Name: Ryan Miles
Title: Director

Signature Page to Amendment No. 1 to Credit Agreement

TD BANK, N.A., as a Lender

By: /s/ Lori Hilker
Name: Lori Hilker
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

UBS AG STAMFORD BRANCH, as a Lender

By: /s/ Muhammad Afzal
Name: Muhammad Afzal
Title: Director

By: /s/ Joselin Fernandes
Name: Joselin Fernandes
Title: Director

[Signature Page to Amendment No. 1 to Credit Agreement]

KEYBANK, N.A., as a Lender

By: /s/ Timothy W Kenealy
Name: Timothy W Kenealy
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

MASTER LEASE AGREEMENT

*Certain portions of this agreement (including the exhibits) have been redacted in accordance with Item 6.01 (b)(10) of Regulations S-K. This information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

“[***]” indicates that information has been redacted.

THIS MASTER LEASE AGREEMENT (this “Lease”) is made as of [***], 2026 (the “Effective Date”), by and between [***] (“Lessor”), whose address is [***], and **EQUIPMENTSHARE.COM INC**, a Texas corporation, its successors and/or assigns (“Lessee”), whose address is 5710 Bull Run Dr. Columbia, MO 65201. Capitalized terms not defined herein shall have the meanings set forth in Exhibit A hereto.

In consideration of the mutual covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

ARTICLE I

BASIC LEASE TERMS

Section 1.01. Properties. This Lease shall dictate the terms and conditions of occupancy of certain real property owned by Lessor and leased to Lessee (individually, a “Property” and collectively, “Properties”) identified on commencement date memoranda in substantially the same form as attached hereto at Exhibit B (each a “Commencement Date Memorandum”). From time to time the Parties may add additional Properties to this Lease by executing a Commencement Date Memorandum for each such additional Property. The street addresses, legal descriptions, tenancy lengths, and economic terms relating to each Property are set forth on the applicable Real Property Schedule attached to the applicable Commencement Date Memorandum. For the avoidance of doubt, each Commencement Date Memorandum shall constitute a separate lease of the Property, subject to the terms of this Lease.

Section 1.02. Master Lease Expiration Date. As described in Section 3.01, below.

Section 1.03. Extension Options for Scheduled Property. As described in Section 3.02, below.

Section 1.04. Term Expiration Date (if fully extended). See, applicable Real Property Schedule.

Section 1.05. Equipment Storage Rent; Initial Base Annual Rent. During the Construction Period (defined in Section 3.01(a), below), Rent shall be paid to Lessor in the manner described in Article IV and in the amount set forth in the applicable Real Property Schedule (the “Equipment Storage Rent”) for use of any portions of the Property upon which Improvements are not being constructed for purposes of storing equipment and uses incidental thereto. Beginning as of the Base Rent Commencement Date (as determined pursuant to Section 2.01(d)), initial Base Annual Rent shall be paid to Lessor in the manner described in Article IV and in the amounts set forth in the applicable Real Property Schedule (“Base Rent Commencement Date”). For the avoidance of doubt, if no site improvements are contemplated on the Property and Lessee intends to assume all obligations hereunder as of the Access Date (as stipulated on the applicable Commencement Date Memorandum), then the Base Rent Commencement Date shall be of even date therewith.

Section 1.06. Rent Adjustment. See, applicable Real Property Schedule.

Section 1.07. Adjustment Date. See, applicable Real Property Schedule.

ARTICLE II

LEASE OF PROPERTIES

Section 2.01. Lease.

(a) In consideration of Lessee's obligations hereunder, and subject to Section 2.01(c) below, Lessor hereby leases to Lessee, and Lessee hereby accepts, the Properties, "AS IS" and "WHERE IS" without representation or warranty by Lessor, except as otherwise set forth herein, and subject to the existing state of title, the parties in possession, any statement of facts which an accurate survey or physical inspection might reveal, and all Legal Requirements now or hereafter in effect.

(b) During the Lease Term, only the Properties for which Commencement Date Memoranda have been executed are subject to this Lease.

(c) Notwithstanding any other provision in this Lease, the Parties acknowledge that except for those provisions that are clearly intended by their terms to begin as of the Access Date, the enforceability of this Lease with respect to any Property, including Lessee's occupancy and acceptance of the Property and the Lessor's leasing obligations, shall only occur on the Base Rent Commencement Date and is expressly conditioned upon the Substantial Completion of the Improvements, and the issuance of a certificate of occupancy (temporary or permanent, as applicable) by the relevant governmental authorities with respect to such Property.

(d) The Base Rent Commencement Date for each Property shall be the date on which Lessee delivers to Lessor a Completion Notice for such Property certifying that Substantial Completion has been achieved and a Certificate of Occupancy (temporary or permanent, as applicable) has been issued, with a copy of such Certificate of Occupancy attached. If Lessor disputes that Substantial Completion has been achieved or that a Certificate of Occupancy has been issued, Lessor shall deliver to Lessee a written objection specifying in reasonable detail the factual basis therefor within ten (10) Business Days after receipt of the Completion Notice; failing which, Lessor shall be deemed to have accepted the Completion Notice and the Base Rent Commencement Date established thereby. If a timely objection is delivered, the dispute shall be submitted to an independent architect mutually selected by the Parties, which determination shall be rendered within twenty (20) Business Days after engagement. The non-prevailing Party shall bear the costs of such determination. If the determination confirms that Substantial Completion was achieved and a Certificate of Occupancy was issued as of or prior to the date of Lessee's delivery of the Completion Notice, the Base Rent Commencement Date shall be the date of such delivery and all obligations triggered thereby shall apply retroactively. In the event of any conflict between this Section 2.01(d) and any other provision of this Lease or any Commencement Date Memorandum, this Section 2.01(d) shall control.

Section 2.02. Quiet Enjoyment. So long as no Event of Default has occurred and continues beyond all applicable opportunities for notice and cure, and subject to the rights of Lessor under Section 12.02, Lessee, its sublessees, co-occupants, and/or assigns shall have the right to the peaceful and quiet enjoyment, occupancy, and use of the Properties.

Section 2.03. Phased Application of Obligations. Notwithstanding any other provision of this Lease, and in furtherance of the condition set forth in Section 2.01(c), the Parties acknowledge that the obligations of Lessee under this Lease with respect to each Property are intended to apply in phases corresponding to the development status of such Property (the Construction Period, the Transition Period (if any), and the Operating Period) as set forth in this Section 2.03. In the event of any conflict between this Section 2.03 and any other provision of this Lease, this Section 2.03 shall control.

(a) Construction Period Obligations. During the Construction Period, Lessee's obligations with respect to each Property shall be limited to: (i) payment of Equipment Storage Rent pursuant to Section 1.05 and the applicable Commencement Date Memorandum; (ii) performance of all construction obligations set forth in Article XVIII; (iii) maintenance of insurance required by Section 18.07; (iv) compliance with Environmental Laws as set forth in Section 8.03(a)(i)(A)-(G) and notification requirements under Section 8.03(b); (v) compliance with all representations and

warranties set forth in Article V; (vi) compliance with all assignment restrictions and structural provisions set forth in Articles XIII, XIV, XV, and XVII; (vii) waiver of Lessor's lien as set forth in Article XVI; and (viii) payment of real property taxes levied on the Property in its then-current state pursuant to Section 6.01(a), which amounts shall be treated as Construction Costs reimbursable by Lessor pursuant to Article XVIII.

(b) Transition Period Obligations. During the Transition Period for each Property, the following framework shall apply:

(i) Commencement of Operating Obligations. All provisions listed in Section 2.03(c) shall become effective as of the Base Rent Commencement Date, subject to the modifications set forth in this Section 2.03(b).

(ii) Continuation of Construction Obligations. Article XVIII shall continue in full force and effect during the Transition Period with respect to all punch-list items, Closing Deliverables, close-out activities, and any other construction work remaining after Substantial Completion (collectively, "Remaining Construction Work"). Lessee shall diligently prosecute all Remaining Construction Work to achieve Final Completion in accordance with Section 18.06 and this Section 2.03(b). The Parties' target for Final Completion for each Property shall be the date set forth in the applicable Completion Notice (the "Target Final Completion Date"), which date shall not be more than ninety (90) days after the Base Rent Commencement Date unless extended by mutual written agreement or by reason of Force Majeure.

(iii) Indemnification. During the Transition Period:

(A) Section 18.08 shall govern all claims arising from or relating to Remaining Construction Work.

(B) Section 10.01 shall govern all claims arising from Lessee's use and occupancy of the Property as a Permitted Facility during the Transition Period.

(iv) Insurance. During the Transition Period, Lessee shall maintain:

(A) The full operating-period insurance program required by Section 6.03 with respect to the Property, commencing on the Base Rent Commencement Date; and

(B) Such construction-period coverages as are reasonably necessary to cover Remaining Construction Work, including without limitation (1) builder's risk tail coverage or an endorsement extending the builder's risk policy through the Final Completion Date, insuring the completed and uncompleted portions of the Improvements for their full replacement cost; (2) commercial general liability coverage for ongoing construction operations in the amounts required by Section 18.07; and (3) contractor's pollution liability coverage if Remaining Construction Work includes activities that could result in a pollution event.

(v) Default Regime. During the Transition Period:

(A) Article XII shall govern all Events of Default relating to Operating Period obligations (including without limitation Base Rent payment, net lease obligations, operational maintenance, and insurance compliance under Section 6.03).

(B) Section 18.10 shall continue to govern all Construction Events of Default relating to Remaining Construction Work, including without limitation failure to complete punch-list items, failure to deliver Closing Deliverables, failure to achieve Final Completion by the Target Final Completion Date, and misapplication of Construction Funding received during the Transition Period.

(C) A Construction Event of Default during the Transition Period shall not constitute an Event of Default under Article XII, and an Event of Default under Article XII during the Transition Period shall not constitute a Construction Event of Default under Section 18.10, unless such default independently satisfies the criteria for both.

(vi) *Construction Funding*. Lessor shall continue to fund Construction Costs for Remaining Construction Work pursuant to Section 18.09 during the Transition Period, subject to the same draw request procedures and disbursing conditions applicable during the Construction Period. Equipment Storage Rent netting pursuant to the Commencement Date Memorandum shall not apply during the Transition Period (as Equipment Storage Rent is no longer payable).

(c) *Operating Period Obligations*. From and after the commencement of the Operating Period (which, for Properties with a Transition Period, occurs upon the Final Completion Date) for each Property, all obligations of Lessee under this Lease shall apply with respect to such Property without the modifications set forth in Section 2.03(b), including without limitation the full provisions of Articles IV, VI, VII, VIII, IX, X, XI, and XII, subject to the terms and conditions of this Lease.

(d) *Default Regime*. During the Construction Period, the events of default and remedies applicable to each Property shall be those set forth in Section 18.10. During the Transition Period, the dual default regime set forth in Section 2.03(b)(v) shall apply. From and after the commencement of the Operating Period, the events of default and remedies set forth in Article XII shall apply. For the avoidance of doubt, entity-level Events of Default under Sections 12.01(a), 12.01(f), 12.01(i), 12.01(j), and 12.01(k) shall apply at all times regardless of the development status of any Property.

ARTICLE III

LEASE TERM; EXTENSION

Section 3.01. Lease Term; Property Term; Phasing. The initial term of this Lease ("Initial Term") shall commence as of the Effective Date and shall expire at midnight on the 15th anniversary thereof (the "Master Lease Expiration Date"), unless terminated sooner as provided in this Lease and as may be extended as provided herein. The time period during which this Lease shall actually be in effect, including any extension pursuant to Section 3.02, is referred to as the "Lease Term."

The term applicable to each individual Property, commencing on the Access Date for such Property and expiring on the date set forth in the applicable Real Property Schedule (as may be extended by any Extension Term exercised or deemed exercised with respect to such Property pursuant to Section 3.02), is referred to as the "Property Term." For each Property, the Property Term shall consist of the following sequential phases:

(a) "Construction Period" means the period commencing on the Access Date for such Property and ending on the Base Rent Commencement Date for such Property.

(b) "Transition Period" means the period, if any, commencing on the Base Rent Commencement Date for such Property and ending on the Final Completion Date for such Property, as evidenced by the Close-out Certificate delivered pursuant to Section 18.09(d). If the Base Rent Commencement Date and the Final Completion Date for a Property are the same date, there shall be no Transition Period for such Property.

(c) "Operating Period" means the period commencing on the Final Completion Date for such Property (or, if there is no Transition Period, on the Base Rent Commencement Date) and ending on the expiration of the Property Term for such Property.

Notwithstanding the Master Lease Expiration Date, this Lease shall continue in full force and effect through and until the expiration of the last-expiring Property Term, and during such period the Lease Term and such remaining Property Term(s) shall be coextensive. References in this Lease to the

"Lease Term" shall mean the Lease Term as defined herein, and references to the "Property Term" shall mean the Property Term for the applicable Property, unless the context clearly requires otherwise.

Section 3.02. Extensions for Scheduled Property. Unless this Lease has expired or has been sooner terminated, or an Event of Default has occurred and is continuing beyond all applicable notice and cure periods at the time any extension option is exercised, Lessee shall have the right and option (each, an "Extension Option") to extend the term of the Properties as set forth in the Real Property Schedule of the applicable Commencement Date Memorandum (each, an "Extension Term"), pursuant to the terms and conditions of this Lease then in effect.

Section 3.03. Notice of Exercise. Lessee may elect to exercise an Extension Option by delivering written notice to Lessor of its intention to do so no later than one hundred twenty (120) days prior to the expiration of the then-current Property Term. If written election of any Extension Option is not received by Lessor by the applicable dates described above, then this Lease shall continue in full force and effect until the end of such Property Term. Upon the request of Lessor or Lessee, the parties hereto will, at the expense of the requesting party, execute and exchange an instrument in recordable form setting forth the extension of the Lease Term in accordance with this Section 3.03.

Section 3.04. Removal of Personalty. At all times including upon the expiration of the applicable Property Term, Lessee may remove from the Properties all Personalty. Lessee shall repair any damage caused by such removal and shall leave all of the Properties clean and in good and working condition and repair inside and out, subject to normal wear and tear, casualty and condemnation.

Section 3.05 Right of First Refusal. During the Lease Term, if (a) Lessor receives and intends to accept a bona fide written offer to purchase one or more of the Properties or any portion of a Property, or (b) extends a bona fide written offer to sell one or more of the Properties or any portion of a Property (in each case, an "Offered Property"), Lessor shall provide Lessee with written notice of its intention prior to entering into any binding agreement with respect to the Offered Property (the "ROFR Notice"). The ROFR Notice shall specify the price, terms and conditions of Lessor's intended sale. The ROFR Notice shall constitute an offer by Lessor to sell its interest in the Offered Property to Lessee on the price and terms set forth in such notice. Lessee may accept such offer by written notice (the "Acceptance Notice") delivered to Lessor within thirty (30) days after Lessee's receipt of the ROFR Notice (the "Acceptance Period"). If Lessee fails to deliver to Lessor the Acceptance Notice by the expiration of the Acceptance Period, Lessee shall be deemed to have waived its right of first refusal to purchase the Offered Property provided in this Section 3.05, and Lessor may thereafter sell the Offered Property upon substantially similar terms and conditions as those set forth in the ROFR Notice, at any time within one (1) year after the expiration of the Acceptance Period. If such sale does not close within such one (1) year period, Lessee's rights of first refusal hereunder shall be revived, and all of the foregoing terms and conditions shall apply with respect to any applicable pending or subsequent offer to purchase the Offered Property.

Lessee's rights under this Section 3.05 shall be recurring, shall apply to each and every offer throughout the Term and shall not be extinguished by any sale of the Offered Property. If Lessee delivers to Lessor an Acceptance Notice during the Acceptance Period, then the closing on the sale of the Offered Property from Lessor to Lessee shall occur (a) not less than 30 days nor more than 60 days after the date of the Acceptance Notice, and (b) for the purchase price and upon the other terms and conditions set forth in the ROFR Notice (excluding any terms and conditions relating to the buyer's right to undertake any physical inspections of the Offered Property). Notwithstanding the foregoing and for the avoidance of doubt, Lessee's right of first refusal shall not apply to the following transfers of Lessor (a) any non-arms-length transfer to an Affiliate, (b) any transfer to or for the benefit of a Lender or its designee, or (c) any transfer by virtue of a foreclosure or a Condemnation.

ARTICLE IV

RENT AND OTHER MONETARY OBLIGATIONS

Section 4.01. Monthly Rent. Subject to Section 2.03, during the Property Term for each Property, on or before the first Business Day of each calendar month, Lessee shall pay to Lessor in advance the Equipment Storage Rent or Base Monthly Rent then in effect for such Property (as applicable). During the Construction Period, Lessee shall pay Equipment Storage Rent in accordance with Section 1.05 and the applicable Commencement Date Memorandum. During the Transition Period and the Operating Period, Lessee shall pay Base Monthly Rent in accordance with this Article IV. If the Access Date or Base Rent Commencement Date (as applicable) is a date other than the first day of the month, Lessee shall pay to Lessor the applicable Rent, prorated by multiplying the applicable Rent by a fraction, the numerator of which is the number of days remaining in the month (including the Access Date or Base Rent Commencement Date) for which Rent is being paid, and the denominator of which is the total number of days in such month. Prorated Rent shall be paid to Lessor within three (3) business days of the Access Date or Base Rent Commencement Date, as applicable.

Section 4.02. Adjustments. During the Operating Period for each Property, on the first Adjustment Date for such Property and on each Adjustment Date thereafter, the Base Annual Rent for such Property shall be increased by an amount equal to a percentage, as stipulated in the applicable Commencement Date Memorandum, multiplied by the Base Annual Rent in effect immediately prior to the Adjustment Date.

Section 4.03. Additional Rent. Lessee shall pay and discharge, as additional rent ("Additional Rent"), all sums of money required to be paid by Lessee under this Lease which are not specifically referred to as Rent. Subject to Lessee's right to contest any Additional Rent, including as set forth at Section 6.01(b), Lessee shall pay and discharge any Additional Rent when the same shall become due, provided that amounts which are billed to Lessor or any third party, but not to Lessee, shall be paid within fifteen (15) days after Lessor's demand for payment thereof or, if earlier, when the same are due. In no event shall Lessee be required to pay to Lessor any item of Additional Rent that Lessee is obligated to pay and has paid to any third party pursuant to any provision of this Lease.

Section 4.04. Rents to be Net to Lessor. Subject to Section 2.03, The Base Annual Rent payable hereunder shall be net to Lessor, so that this Lease shall yield to Lessor the Rent specified during the Property Term for each Property (commencing on the Base Rent Commencement Date), and all Costs and obligations of every kind and nature whatsoever relating to the Properties shall be performed and paid by Lessee from and after the Base Rent Commencement Date for the applicable Property. During the Construction Period, Lessee's monetary obligations with respect to each Property shall be limited to those set forth in Section 2.03(a). Except as otherwise expressly set forth herein, Lessee shall perform all of its obligations under this Lease at its sole cost and expense. All Rent and other Monetary Obligations which Lessee is required to pay hereunder shall be the unconditional obligation of Lessee and shall be payable in full when due and payable, without notice or demand, and without any setoff, abatement, deferment, deduction or counterclaim whatsoever.

Section 4.05. ACH Authorization. Upon execution of this Lease, Lessee shall deliver to Lessor a complete Authorization Agreement – Pre-Arranged Payments in the form of Exhibit C attached hereto and incorporated herein by this reference, together with a voided check for account verification, establishing arrangements whereby payments of the Base Monthly Rent are transferred by Automated Clearing House Debit initiated by Lessor from an account established by Lessee at a United States bank or other financial institution to such account as Lessor may designate. Lessee shall continue to pay all Base Monthly Rent by Automated Clearing House Debit unless otherwise directed by Lessor.

Section 4.06. Late Charges; Default Interest. Any delinquent payment made over five (5) Business Days after such payment was due shall, in addition to any other remedy of Lessor, incur a late charge of five percent (5%) (which late charge is intended to compensate Lessor for the cost of handling and processing such delinquent payment and should not be considered interest) and bear simple interest at the Default Rate, such interest to be computed from and including the date that is

thirty (30) days after such payment was due through and including the date of the payment; *provided, however*, in no event shall Lessee be obligated to pay a sum of late charge and interest higher than the maximum legal rate then in effect. For the avoidance of doubt, any late charged assessed pursuant to this section shall not accrue interest or be capitalized into the principal for Default Rate purposes.

Section 4.07. Holdover. If Lessee remains in possession of any Property after the expiration of both the Lease Term and the Property Term for such Property, then at Lessor's sole discretion, Lessee may be deemed a tenant on a month-to-month basis and shall continue to pay Rents and other Monetary Obligations in the amounts herein provided, except that the Base Monthly Rent shall be automatically increased to one hundred twenty-five percent (125%) of the last Base Monthly Rent payable under this Lease, and Lessee shall comply with all the terms of this Lease; *provided that* nothing herein nor the acceptance of Rent by Lessor shall be deemed a consent to such holding over. **LESSEE SHALL DEFEND, INDEMNIFY, PROTECT AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ANY AND ALL LOSSES RESULTING FROM LESSEE'S FAILURE TO SURRENDER POSSESSION UPON THE EXPIRATION OF THE LEASE TERM.**

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF LESSEE

The representations and warranties of Lessee contained in this Article V are being made as of the Effective Date (and as of the date any Property is added to this Lease), except to the extent set forth in Section 5.05 below, to induce Lessor to enter into this Lease, and Lessor has relied, and will continue to rely, upon such representations and warranties. Lessee represents and warrants to Lessor as of the Effective Date as follows:

Section 5.01. Organization, Authority and Status of Lessee. Lessee has been duly organized or formed, is validly existing and in good standing under the laws of its state of formation and is qualified to do business in any jurisdiction where such qualification is required. All necessary action has been taken to authorize the execution, delivery and performance by Lessee of this Lease and of the other documents, instruments and agreements provided for herein. Lessee is not, and if Lessee is a "disregarded entity," the owner of such disregarded entity is not, a "nonresident alien," "foreign corporation," "foreign partnership," "foreign trust," "foreign estate," or any other "person" that is not a "United States Person" as those terms are defined in the Code and the regulations promulgated thereunder. The Person who has executed this Lease on behalf of Lessee is duly authorized to do so. Except for any sublease permitted under Section 14.03, there is no lease or sublease affecting any Property other than this Lease.

Section 5.02. Enforceability. This Lease constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms.

Section 5.03. Litigation. There are no suits, actions, proceedings or investigations pending, or to the best of its knowledge, threatened against or involving any Lessee Entity or the Properties before any arbitrator or Governmental Authority which might reasonably result in any Material Adverse Effect.

Section 5.04. Absence of Breaches or Defaults. The authorization, execution, delivery and performance of this Lease and the documents, instruments and agreements provided for herein will not result in any breach of or default under any document, instrument or agreement to which Lessee is a party or by which Lessee, the Properties or any of Lessee's property is subject or bound, which has had, or could reasonably be expected to result in, a Material Adverse Effect.

Section 5.05. Compliance with OFAC Laws. None of the Lessee Entities, and to Lessee's knowledge, no individual or entity owning directly or indirectly any interest in any of the Lessee Entities, is an individual or entity whose property or interests are subject to being blocked under any of the OFAC Laws or is otherwise in violation of any of the OFAC Laws; *provided, however*, that the

representation contained in this sentence shall not apply to any Person to the extent such Person's interest is in or through a U.S. Publicly Traded Entity. The representations in this Section 5.05 shall be true and correct at all times during the Lease Term.

Section 5.06. Solvency. There is no contemplated, pending or threatened Insolvency Event or similar proceedings, whether voluntary or involuntary, affecting Lessee or any Lessee Entity. Lessee does not have unreasonably small capital to conduct its business.

ARTICLE VI

TAXES AND ASSESSMENTS; UTILITIES; INSURANCE

Section 6.01. Taxes.

(a) **Payment.** Subject to Section 2.03(a)(viii) and the provisions of Section 6.01(b) below, Lessee shall pay, prior to the earlier of delinquency or the accrual of interest on the unpaid balance, all taxes and assessments, including any that have accrued prior to the Effective Date hereof, of every type or nature assessed against or imposed upon the Properties, Lessee or Lessor related to or arising out of this Lease and the activities of the parties hereunder, including without limitation, (i) all taxes or assessments upon the Properties, or any part thereof and upon any personal property, trade fixtures and improvements located on the Properties, whether belonging to Lessor or Lessee, or any tax or charge levied in lieu of such taxes and assessments, including any fees or costs under any payment in lieu of payment or PILOT programs; (ii) all taxes, charges, license fees and or similar fees imposed by reason of the use of the Properties by Lessee; (iii) all excise, franchise, transaction, privilege, license, sales, use and other taxes upon the Rent or other Monetary Obligations hereunder, the leasehold estate of either party or the activities of either party pursuant to this Lease; and (iv) all franchise, privilege or similar taxes of Lessor calculated on the value of the Properties or on the amount of capital apportioned to the Properties. Notwithstanding anything in clauses (i) through (iv) to the contrary, Lessee shall not be obligated to pay or reimburse Lessor for any taxes based on the net income of Lessor.

(b) **Right to Contest.** Within thirty (30) days after each tax and assessment payment is required by this Section 6.01 to be paid, Lessee shall provide Lessor with evidence reasonably satisfactory to Lessor that taxes and assessments have been timely paid by Lessee. In the event Lessor receives a tax bill, Lessor shall use commercially reasonable efforts to forward said bill to Lessee within fifteen (15) days of Lessor's receipt thereof. Lessee may, at its own expense, contest or cause to be contested (in the case of any item involving more than \$10,000, after prior written notice to Lessor, which shall be given within fifteen (15) days of Lessee's determination to contest any matter as permitted herein), by appropriate legal proceedings conducted in good faith and with due diligence, any above-described item or lien with respect thereto, provided that (i) neither the Properties nor any interest therein would be in any material danger of being sold, forfeited or lost by reason of such proceedings; (ii) no Event of Default has occurred and is continuing; (iii) if and to the extent required by the applicable taxing authority and/or reasonably required by Lessor, Lessee posts a bond or takes other steps acceptable to such taxing authority and/or reasonably acceptable to Lessor that removes such lien or stays enforcement thereof; (iv) Lessee shall promptly provide Lessor with copies of all notices received or delivered by Lessee and filings made by Lessee in connection with such proceeding; and (v) upon termination of such proceedings, it shall be the obligation of Lessee to pay the amount of any such tax and assessment or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith. Lessor shall at the request of Lessee, execute or join in the execution of any instruments or documents necessary in connection with such contest or proceedings, but Lessor shall incur no cost or obligation thereby.

Section 6.02. Utilities. Subject to Section 2.03, Lessee shall contract, in its own name, for and pay when due all charges for the connection and use of water, gas, electricity, telephone, garbage collection, sewer use and other utility services supplied to each Property during the respective Property Term. During the Construction Period, temporary construction utility costs shall

be treated as Construction Costs eligible for reimbursement by Lessor pursuant to Article XVIII. During the Transition Period and the Operating Period, utility costs shall be operating expenses of Lessee. Under no circumstances shall Lessor be responsible for any interruption of any utility service unless such interruption is due to Lessor's gross negligence or willful misconduct.

Section 6.03. Insurance.

(a) **Coverage.** From and after the Base Rent Commencement Date for each Property and throughout the remainder of the applicable Property Term, Lessee shall maintain, with respect to each such Property, at its sole expense, the types and amounts of insurance noted in subsections (i-vi), below. During the Construction Period for each Property, insurance obligations shall be governed exclusively by Section 18.07. During the Transition Period, Lessee shall maintain both the insurance required by this Section 6.03 and the Transition Period construction coverages required by Section 2.03(b)(iv).

(i) Insurance against loss or damage to real property and personal property under a "special form" insurance policy, which shall include coverage against all risks of direct physical loss, including but not limited to loss by fire, lightning, wind, terrorism, and other risks normally included in the standard ISO special form (and shall also include National Flood and Excess Flood insurance for any Property located in Flood Zone A or Flood Zone V, as designated by FEMA, or otherwise located in a flood zone area identified by FEMA as a 100-year flood zone or special hazard area, and earthquake insurance if any Property is located within a moderate to high earthquake hazard zone as determined by an approved insurance company set forth in Section 6.03(b)(x) below). Such policy shall also include soft costs, a joint loss agreement, coverage for ordinance or law covering the loss of value of the undamaged portion of the Properties, costs to demolish and the increased costs of construction if any of the improvements located on, or the use of, the Properties shall at any time constitute legal non-conforming structures or uses. Ordinance or law limits shall be in an amount equal to the full replacement cost for the loss of value of the undamaged portion of the Properties and no less than 25% of the replacement cost for costs to demolish and the increased cost of construction, or in an amount otherwise specified by Lessor. Such insurance shall be in amounts not less than 100% of the full insurable replacement cost values (without deduction for depreciation), with an agreed amount endorsement or without any coinsurance provision, and with sublimits reasonably satisfactory to Lessor, as determined from time to time at Lessor's request but not more frequently than once in any 12-month period.

(ii) Commercial general liability insurance, including products and completed operation liability, covering Lessor and Lessee against bodily injury liability, property damage liability and personal and advertising injury, including without limitation any liability arising out of the ownership, maintenance, repair, condition or operation of every Property or adjoining ways, streets, parking lots or sidewalks. Such insurance policy or policies shall contain a broad form contractual liability endorsement under which the insurer agrees to insure Lessee's obligations under Article X hereof to the extent insurable, and a "severability of interest" clause or endorsement which precludes the insurer from denying the claim of Lessee or Lessor because of the negligence or other acts of the other, shall be in amounts of not less than \$10,000,000 per occurrence for bodily injury and property damage, and \$10,000,000 general aggregate per location, or such higher limits as Lessor may reasonably require from time to time, and shall be of form and substance satisfactory to Lessor. Such limits of insurance can be acquired through Commercial General liability and Umbrella liability policies.

(iii) Workers' compensation and Employers Liability insurance with statutory limits covering all persons employed by Lessee on the Properties in connection with any work done on or about any of the Properties for which claims for death or bodily injury could be asserted against Lessor, Lessee or the Properties.

(iv) Business interruption insurance including Rent Value Insurance payable to Lessor at all locations for a period of not less than twelve (12) months. Such insurance is to follow the form of the real property "special form" coverage and is not to contain a co-insurance clause. Such insurance is to have a minimum of 180 days of extended period of indemnity.

(v) Automobile liability insurance, including owned, non-owned and hired car liability insurance for combined limits of liability of \$5,000,000 per occurrence. The limits of liability can be provided in a combination of an automobile liability policy and an umbrella liability policy.

(vi) Comprehensive Boiler and Machinery or Equipment Breakdown Insurance against loss or damage from explosion of any steam or pressure boilers or similar apparatus, if any, and other building equipment including HVAC units located in or about each Property and in an amount equal to the lesser of 25% of the 100% replacement cost of each Property or \$5,000,000.

(b) **Insurance Provisions.** All insurance policies shall:

(i) provide for a waiver of subrogation by the insurer as to claims against Lessor, its employees and agents;

(ii) be primary and provide that any "other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by Lessor and the insurance policy shall not be brought into contribution with insurance maintained by Lessor;

(iii) contain deductibles not to exceed \$25,000 for liability insurance and \$250,000 for property insurance (provided if this Lease is assigned, the property insurance deductible shall be reduced to \$25,000.00 unless otherwise approved by Lessor). These deductibles may be provided by combining coverage from a policy given by insurance companies licensed to do business in the states where the Properties are located and which are rated no less than A-X by Best's Insurance Guide, along with Concor Insurance Corp., an unrated insurance company that provides coverage to Lessee up to \$250,000;

(iv) contain a standard non-contributory mortgagee clause or endorsement in favor of any Lender designated by Lessor;

(v) provide that the policy of insurance shall not be terminated, cancelled or amended without at least thirty (30) days' prior written notice to Lessor and to any Lender covered by any standard mortgagee clause or endorsement;

(vi) provide that the insurer shall not have the option to restore the Properties if Lessor elects to terminate this Lease in accordance with the terms hereof;

(vii) be in amounts sufficient at all times to satisfy any coinsurance requirements thereof;

(viii) except for workers' compensation insurance referred to in Section 6.03(a)(iii) above, name Lessor and any Lessor Affiliate or Lender requested by Lessor, as an "additional insured" with respect to liability insurance, and as an "additional named insured" or "additional insured" with respect to real property and rental value insurance, as appropriate and as their interests may appear;

(ix) be evidenced by delivery to Lessor and any Lender designated by Lessor of an Accord Form 28 for property, business interruption and boiler & machinery coverage (or any other form requested by Lessor) and an Accord Form 25 for commercial general liability, workers' compensation and umbrella coverage (or any other form requested by Lessor); provided that in the event that either such form is no longer available, such evidence of insurance shall be in a form reasonably satisfactory to Lessor and any Lender designated by Lessor; and

(x) be issued by insurance companies licensed to do business in the states where the Properties are located and which are rated no less than A-X by Best's Insurance Guide or are otherwise approved by Lessor;

(c) **Additional Obligations.** It is expressly understood and agreed that (i) if any insurance required hereunder, or any part thereof, shall expire, be withdrawn, become void by breach of any condition thereof by Lessee, or become void or in jeopardy by reason of the failure or impairment of

the capital of any insurer, Lessee shall immediately obtain new or additional insurance reasonably satisfactory to Lessor and any Lender designated by Lessor; (ii) the minimum limits of insurance coverage set forth in this Section 6.03 shall not limit the liability of Lessee for its acts or omissions as provided in this Lease; (iii) Lessee shall procure policies for all insurance for periods of not less than one year and shall provide to Lessor and any servicer or Lender of Lessor certificates of insurance or, upon Lessor's request, duplicate originals of insurance policies evidencing that insurance satisfying the requirements of this Lease is in effect at all times; (iv) Lessee shall pay as they become due all premiums for the insurance required by this Section 6.03; (v) in the event that Lessee fails to comply with any of the requirements set forth in this Section 6.03, within ten (10) days of the giving of written notice by Lessor to Lessee, (A) Lessor shall be entitled to procure such insurance; and (B) any sums expended by Lessor in procuring such insurance shall be Additional Rent and shall be repaid by Lessee, together with interest thereon at the Default Rate, from the time of payment by Lessor until fully paid by Lessee immediately upon written demand therefor by Lessor (except that Lessor shall be entitled to exercise the rights described the foregoing clauses (A) and (B) if evidence of renewal or replacement insurance is not provided to Lessor at least 5 Business Days prior to the date Lessee's then existing insurance is terminated or be non-renewed); and (vi) Lessee shall maintain all insurance policies required in this Section 6.03 not to be cancelled, invalidated or suspended on account of the conduct of Lessee, its officers, directors, managers, members, employees or agents, or anyone acting for Lessee or any subtenant or other occupant of the Properties, and shall comply with all policy conditions and warranties at all times to avoid a forfeiture of all or a part of any insurance payment.

(d) **Blanket Policies.** Notwithstanding anything to the contrary in this Section 6.03, any insurance which Lessee is required to obtain pursuant to this Section 6.03 may be carried under a "blanket" policy or policies covering other properties or liabilities of Lessee provided that such "blanket" policy or policies otherwise comply with the provisions of this Section 6.03.

(e) **Additional Insurance.** Lessee shall not carry separate insurance concurrent in form or contributing in the event of a Casualty with that required in this Section 6.03 unless (i) Lessor and Lender are included therein as named insureds, with loss payable as provided herein, and (ii) such separate insurance complies with the other provisions herein. Lessee shall immediately notify Lessor of such separate insurance and shall deliver to Lessor the original policies thereof.

(f) **Property Insurance.** The property insurance maintained by Lessee shall name Lessor as an additional named insured (pursuant to ISO form CP 12 19 06 07 or its equivalent) and as loss payee (and at Lessor's request, Lender will be named a mortgagee insured pursuant to a mortgagee loss payable endorsement in favor of Lender and any loss under any such policy shall be payable to Lender to be held and applied by Lender pursuant to the provisions of this Lease).

ARTICLE VII

MAINTENANCE; ALTERATIONS

Section 7.01. Condition of Property; Maintenance. From and after the Base Rent Commencement Date for each Property, and subject to Section 2.03, Lessee shall, at its sole cost and expense, be responsible for (a) keeping all of the buildings, structures and improvements erected on such Property in good order and repair, free from actual or constructive waste; (b) subject to Article XI, the repair or reconstruction of any building, structures or improvements erected on the Properties damaged or destroyed by a Casualty; (c) subject to Section 7.02 and Article XI, making all necessary structural, non-structural, exterior and interior repairs and replacements to any building, structures or improvements erected on the Properties; (d) except as to those matters disclosed on the Title Commitments obtained by Lessor prior to the Effective Date (i) ensuring that no party encroaches upon any Property, (ii) **PROTECTING, DEFENDING, INDEMNIFYING, RELEASING AND HOLDING THE INDEMNIFIED PARTIES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND LOSSES ARISING OUT OF OR IN ANY WAY RELATING TO ANY ENCROACHMENTS AND/OR ACTIVITIES UPON ANY PROPERTY CAUSED BY ANY PERSON; AND** (iii) prosecuting any claims that Lessee seeks to bring against any Person relating to Lessee's use and possession of any Property; and (f) paying all operating costs of the Properties in the ordinary course of business. Lessee waives any right to require Lessor to maintain, repair or rebuild

all or any part of the Properties or make repairs at the expense of Lessor pursuant to any Legal Requirements at any time in effect.

Section 7.02. Alterations and Improvements. From and after the Base Rent Commencement Date for each Property and during the remainder of the applicable Property Term, Lessee shall not alter the exterior, structural, plumbing or electrical elements of any Property in any manner without the consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; *provided, however*, Lessee may undertake nonstructural alterations to the Properties, individually, costing less than \$250,000 per annum, as adjusted by increases in the Price Index, without Lessor's prior written consent so long as such alterations do not change or expand the existing "footprint" of the existing building at any Property. If Lessor's consent is required hereunder and Lessor consents to the making of any such alterations, the same shall be made by Lessee at Lessee's sole expense by a licensed contractor and according to plans and specifications approved by Lessor and subject to such other conditions as Lessor shall reasonably require. Any work at any time commenced by Lessee on the Properties shall be prosecuted diligently to completion, shall be of good workmanship and materials and shall comply fully with all the terms of this Lease and all Legal Requirements. Upon completion of any alterations individually costing \$250,000 or more, as adjusted by increases in the Price Index, Lessee shall promptly provide Lessor with evidence of full payment to all laborers and materialmen contributing to the alterations. Any addition to or alteration of the Properties shall be deemed a part of the Properties and belong to Lessor, and Lessee shall execute and deliver to Lessor such instruments as Lessor may require to evidence the ownership by Lessor of such addition or alteration. During the Construction Period, modifications to the Improvements shall be governed exclusively by Section 18.08.

Section 7.03. Encumbrances. From and after the Base Rent Commencement Date for each Property and during the remainder of the applicable Property Term, Lessor shall have the right to grant easements on, over, under and above such Property upon prior written notice but without the prior consent of Lessee, provided that such easements will not materially interfere with Lessee's use of such Property. Lessee shall comply with and perform all obligations of Lessor under all easements, declarations, covenants, restrictions and other items of record now or, to the extent granted in accordance with this Section 7.03, hereafter encumbering the Properties. Without Lessor's prior written consent, Lessee shall not grant any easements on, over, under or above the Properties.

Section 7.04. Warranty License. Lessor hereby grants to Lessee during the Lease Term a license to use and enforce all warranties, guaranties, indemnities and similar rights (collectively, the "Warranties") which Lessor may have against any manufacturer, seller, engineer, contractor or builder in respect of any of the Properties. Such license shall remain in effect until the expiration or earlier termination of this Lease, whereupon such license shall cease and Lessee shall have no further rights with respect to all of the Warranties without any further notice. Lessor shall also retain the right to enforce any Warranties upon the occurrence of an Event of Default. Lessee shall, at its sole cost, enforce the Warranties in accordance with their respective terms.

ARTICLE VIII

USE OF THE PROPERTIES; COMPLIANCE

Section 8.01. Use. From and after the Base Rent Commencement Date for each Property and during the remainder of the applicable Property Term, each Property shall be used solely for the operation of a Permitted Facility. During the Construction Period, each Property may be used for construction of the Improvements and for the purposes described in Section 1.05. In the event that Lessee shall change the use of the Properties, only as may be expressly permitted herein or consented to by Lessor in writing, which consent shall not be unreasonably withheld, conditioned or delayed, Lessee shall provide Lessor with written notice of any such change and copies of the franchise agreement(s) related to such new concept or brand, if any.

Section 8.02. Compliance.

(a) Subject to Section 2.03, and from and after the Base Rent Commencement Date for each Property, Lessee's use and occupation of each such Property, and the condition thereof, shall, at Lessee's sole cost and expense, comply with all Legal Requirements and all restrictions, covenants and encumbrances of record, and any owner obligations under such Legal Requirements, or restrictions, covenants and encumbrances of record, with respect to the Properties. During the Construction Period, Lessee's compliance obligations with respect to each Property shall be governed by Article XVIII and the applicable construction-phase Legal Requirements.

(b) Notwithstanding anything to the contrary set forth in the immediately preceding Section 8.02(a), Lessee shall comply with any Legal Requirement, or a restriction, covenant or encumbrance of record, if (A) Lessee and/or Lessor receives written notice (such as, but not limited to, a lawsuit, notice of intent to sue, notice from an adjoining property owner, a party to a restriction, covenant or encumbrance of record, or a notice from a Governmental Authority) seeking compliance with such Legal Requirement or covenant, condition or encumbrance, (B) Lessee and/or Lessor receives written notice from a Governmental Authority alleging that the failure to comply with such Legal Requirement or covenant, condition or encumbrance of record will result in impending fines or penalties to Lessor or Lessee, or will result in a criminal charge (including a misdemeanor) against either Lessee or Lessor, or (C) such compliance is a condition of an insurer providing the insurance required to be maintained by Lessee pursuant to this Lease.

(c) Without in any way limiting the provisions of Section 8.02(a), Lessee shall comply with all Legal Requirements relating to anti-terrorism, trade embargos, economic sanctions, Anti Money Laundering Laws, and the Americans with Disabilities Act of 1990, as such act may be amended from time to time, and all regulations promulgated thereunder, as it affects the Properties now or hereafter in effect. Lessee shall obtain, maintain and comply with all required licenses and permits, both governmental and private, to use and operate the Properties as Permitted Facilities, the failure with which to obtain, maintain or comply would have a Material Adverse Effect. Lessee will use commercially reasonable efforts to prevent any act or condition to exist on or about the Properties that will materially increase any insurance rate thereon (solely with respect to the insurance required to be maintained by Lessee pursuant to this Lease), except when such acts are required in the normal course of its business and Lessee shall pay for such increase.

Section 8.03. Environmental.

(a) **Covenants.** Except as expressly set forth elsewhere in this Lease, the covenants and obligations set forth in this Section 8.03 constitute the sole and exclusive covenants and obligations of Lessee and Lessor under this Lease with respect to Hazardous Materials, Regulated Substances or Environmental Laws.

(i) Lessee covenants to Lessor during the Lease Term, subject to the limitations of subsection (ii) below, as follows:

(A) All uses and operations on or of the Properties, whether by Lessee or any other Person, shall be in material compliance with all applicable Environmental Laws and permits issued pursuant thereto.

(B) There shall be no Releases by Lessee or Lessee's employees, agents, customers, licensees or invitees in, on, under or from the Properties, except in Permitted Amounts.

(C) There shall be no Hazardous Materials or Regulated Substances in, on or under the Properties to the extent brought in, on or under the Properties by Lessee or Lessee's employees, agents, customers, licensees or invitees, except in Permitted Amounts. Above and below ground storage tanks shall be properly permitted and only used as permitted under applicable Environmental Laws.

(D) Lessee shall use commercially reasonable efforts to keep the Properties or cause the Properties to be kept free and clear of all Environmental Liens, whether due to any act or omission of Lessee or any other Person.

(E) With respect to the Properties, Lessee shall not act or fail to act and take commercially reasonable efforts to prohibit any other tenant, occupant, guest, customer or other user of the Properties from acting or failing to act, in each case with respect to any Release of Hazardous Materials or Regulated Substances, in any way that (1) materially increases a risk to human health or the environment, (2) poses an unreasonable risk of harm to any Person or the environment (whether on or off any of the Properties), (3) has a Material Adverse Effect, (4) is contrary to any material reasonable requirement set forth in the insurance policies maintained by Lessee or Lessor and known to Lessee, (5) constitutes a public or private nuisance or constitutes waste, or (6) violates any Environmental Law or covenant, condition, agreement or easement applicable to the Properties.

(F) Lessee shall, at its sole cost and expense, reasonably cooperate in all activities pursuant to this Section 8.03, including but not limited to providing all relevant information and making knowledgeable persons available for interviews, as reasonably requested by Lessor.

(G) Lessee shall not install any underground storage tanks or systems at a Property without Lessor's prior consent which shall not be unreasonably withheld.

(ii) Notwithstanding any provision of this Lease to the contrary, an Event of Default shall not be deemed to have occurred as a result of the failure of Lessee to satisfy any one or more of the covenants set forth in subsections (A) through (F) above provided that Lessee shall be in material compliance with Environmental Laws and the requirements of any Governmental Authority with respect to the Remediation of any Release at the Properties. **NOTHING IN THIS SECTION 8.03 SHALL AFFECT LESSEE'S INDEMNIFICATION OBLIGATIONS PURSUANT TO THIS LEASE.**

(b) **Notification Requirements.** Except with respect to any Existing Environmental Conditions, Lessee shall promptly notify Lessor in writing upon Lessee obtaining actual knowledge of any of the following occurring or arising during the Lease Term (i) any Releases or Threatened Releases in, on, under or from any of the Properties other than in Permitted Amounts, or migrating towards any of the Properties; (ii) any material non-compliance with any Environmental Laws related to any of the Properties; (iii) any actual or potential Environmental Lien or material activity use limitation relating to the Properties; (iv) any required or proposed Remediation of environmental conditions relating to any of the Properties required by applicable Governmental Authorities; and (v) any written or oral notice or other communication of which Lessee becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to a Release of Hazardous Materials, Regulated Substances or from above or below ground storage tanks, or Remediation thereof at or on any of the Properties, other than in Permitted Amounts, possible material liability of any Person relating to any of the Properties pursuant to any Environmental Law, other material environmental conditions in connection with any of the Properties, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Section.

(c) **Remediation.** Lessee shall, at its sole cost and expense, and without limiting any other provision of this Lease, effectuate any Remediation required by any Governmental Authority of any material environmental condition (including, but not limited to, a Release or Threatened Release) in, on, under or from any of the Properties and take any other reasonable action deemed necessary by any Governmental Authority for protection of human health or the environment; provided, however, notwithstanding any other provision of this Lease, Lessee shall have no liability or obligation with respect to any condition or Release caused by Lessor, any affiliate of Lessor or any Indemnified Party, or relating to an event occurring or first arising following the expiration or early termination of the Lease Term. Should Lessee fail to undertake any required Remediation in accordance with the preceding sentence, Lessor, after written notice to Lessee and Lessee's failure to promptly undertake such Remediation, shall be permitted to complete such Remediation, and all reasonable Costs incurred in connection therewith shall be paid by Lessee. Any Cost so paid by Lessor, together with interest at the Default Rate, shall be deemed to be Additional Rent hereunder and shall be due from Lessee to Lessor.

(d) **Indemnification.** **LESSEE SHALL, AT ITS SOLE COST AND EXPENSE, PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS EACH OF THE INDEMNIFIED**

PARTIES FROM AND AGAINST ANY AND ALL LOSSES, INCLUDING, BUT NOT LIMITED TO, ALL COSTS OF REMEDIATION (WHETHER OR NOT PERFORMED VOLUNTARILY), ARISING OUT OF OR IN ANY WAY RELATING TO ANY ENVIRONMENTAL LAWS, HAZARDOUS MATERIALS, REGULATED SUBSTANCES, ABOVE OR BELOW GROUND STORAGE TANKS, OR OTHER ENVIRONMENTAL MATTERS CONCERNING THE PROPERTIES, IN EACH CASE TO THE EXTENT CAUSED BY OR FIRST RESULTING FROM ANY CONDITIONS OR CIRCUMSTANCES ARISING DURING THE PROPERTY TERM FOR THE APPLICABLE PROPERTY; PROVIDED, HOWEVER, FOR AVOIDANCE OF DOUBT, LESSEE SHALL HAVE NO LIABILITY OR OBLIGATION WITH RESPECT TO ANY SUCH MATTER CAUSED BY LESSOR, ANY AFFILIATE OF LESSOR OR ANY INDEMNIFIED PARTY, OR RELATING TO AN EVENT ARISING OR FIRST OCCURRING AFTER THE LATER OF THE EXPIRATION OF THE PROPERTY TERM FOR SUCH PROPERTY OR THE DATE ON WHICH LESSEE OR ANY SUBLESSEE CEASES TO OCCUPY SUCH PROPERTY. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE FOR ANY REASON.

(e) **Right of Entry.** In the event that Lessor has a reasonable basis to believe that a material Release or a material violation of any Environmental Law has occurred at the Properties, Lessor and any other Person designated by Lessor, including but not limited to any receiver, any representative of a Governmental Authority, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Properties at all reasonable times and upon prior reasonable advance written notice to Lessee to assess any and all aspects of the environmental condition of any Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lessor's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing, but in each case shall be reasonably related to the suspected Release. Lessee shall reasonably cooperate with and provide reasonable access to Lessor and any other Person designated by Lessor; provided, however, Lessor or any other Person designated by Lessor shall take commercially reasonable steps to ensure that such entry shall not unreasonably interfere with Lessee's operation of use of the Properties. Any such assessment or investigation shall be at Lessee's sole cost and expense if such assessment or investigation reveals that a Release or violation of any Environmental Law occurred in breach of this Lease.

(f) **Survival.** The obligations of Lessee and the rights and remedies of Lessor or Lessee under this Section 8.03 shall survive the expiration of the Property Term for each applicable Property and the termination, expiration and/or release of this Lease.

ARTICLE IX

ADDITIONAL COVENANTS

Section 9.01. Performance at Lessee's Expense. Lessee acknowledges and confirms that Lessor may impose reasonable administrative, processing or servicing fees (which fees shall not exceed \$2,500 per Lessee request), and collect its reasonable third party attorneys' fees, costs and expenses in connection with (a) any extension, renewal, modification, amendment and termination of this Lease requested by Lessee; (b) any release or substitution of Properties requested by Lessee (it being understood that Lessor has no obligation to agree to a release of a Property from this Lease or a substitution of a Property); (c) the procurement of consents, waivers and approvals with respect to the Properties or any matter related to this Lease requested by Lessee; (d) the review of any assignment or sublease or proposed assignment or sublease or the preparation or review of any subordination or non-disturbance agreement requested by Lessee; (e) the collection, maintenance and/or disbursement of reserves created under this Lease or the other Transaction Documents (following an Event of Default); and (f) inspections required to make certain determinations under this Lease or the other Transaction Documents following Lessor's reasonable belief of a breach under this Lease or any other Transaction Documents if such inspection reveals a breach occurred.

Section 9.02. Inspection. From and after the Base Rent Commencement Date for each Property, Lessor and its authorized representatives, at Lessor's expense, shall have the right, at all

reasonable times and upon giving at least 48 hours prior written notice (except in the event of an emergency, in which case no prior notice shall be required), to enter the Properties or any part thereof and inspect the same. Such inspections shall not unreasonably interfere with the business of Lessee, its sublessees, co-occupants, and/or assigns, and Lessor will fully indemnify Lessee, its sublessees, co-occupants, and/or assigns from any damages or losses resulting from the actions of Lessor, except as otherwise provided in Article XVII. During the Transition Period, this Section 9.02 shall apply to operational areas of the Property, and Section 18.06 shall continue to apply to areas where Remaining Construction Work is being performed.

Section 9.03. Financial Information.

(a) **Financial Statements.** Within ninety (90) days after the end of each fiscal quarter and within one hundred twenty (120) days after the end of each fiscal year of Lessee, Lessee shall deliver to Lessor (i) complete consolidated financial statements that consolidate Lessee, including a balance sheet, profit and loss statement, statement of cash flows (on an annual basis only unless quarterly are available) and all other related schedules for the fiscal period then ended, such statements to detail separately interest expense, income taxes, non-cash expenses, non-recurring expenses, operating lease expense and current portion of long-term debt – capital leases. The quarterly financial statements required to be delivered by Lessee to Lessor described in the immediately preceding sentence need not be audited but the annual financial statements required to be delivered by Lessee to Lessor described in the immediately preceding sentence shall be prepared by, and audited by, and independent certified public accountant. Lessee shall deliver to Lessor any other commercially reasonable financial statements relating solely to the operation of the Property in the manner and to the extent required by any Lender or mortgagee of Lessor (if any).

(b) **Disclosure of Information.** Lessor agrees any of the information obtained pursuant to this Section 9.03 or other financial information provided by Lessee to Lessor under this Lease is confidential in accordance with Section 17.19.

Section 9.04. OFAC Laws. At all times during the Lease Term, no director, officer, member (owning more than a 10% direct or indirect interest in Lessee), manager or partner (owning more than a 10% direct or indirect interest in Lessee) of Lessee is a Person whose property or interests are subject to being blocked under any of the OFAC Laws, or is otherwise in violation of any of the OFAC Laws, or is under investigation by any Governmental Authority for, or has been charged with, or convicted of, drug trafficking, terrorist-related activities or any violation of the Anti-Money Laundering Laws, has been assessed civil penalties under these or related Laws, or has had funds seized or forfeited in an action under these or related Laws; *provided, however*, that the covenant in this Section 9.04 shall not apply to any Person to the extent such Person's interest is in or through a U.S. Publicly Traded Entity.

Section 9.05. Estoppel Certificate. At any time, but in no instance more than twice annually, Lessee shall, promptly and in no event later than thirty (30) days after a request from Lessor or any Lender or mortgagee of Lessor, execute, acknowledge and deliver to Lessor or such Lender or mortgagee, as the case may be, a certificate in the form supplied by Lessor, certifying: (a) that Lessee has accepted the Properties; (b) that this Lease is in full force and effect and has not been modified (or if modified, setting forth all modifications), or, if this Lease is not in full force and effect, the certificate shall so specify the reasons therefor; (c) the commencement and expiration dates of the Lease Term and Construction Period (as applicable); (d) the date to which the Rents have been paid under this Lease and the amount thereof then payable; (e) whether there are then any existing defaults by Lessor in the performance of its obligations under this Lease, and, if there are any such defaults, specifying the nature and extent thereof; (f) that no notice has been received by Lessee of any default under this Lease which has not been cured, except as to defaults specified in the certificate; (g) the capacity of the Person executing such certificate, and that such Person is duly authorized to execute the same on behalf of Lessee. At any time, and from time to time, Lessor shall, promptly and in no event later than ten (10) Business Days after a request from Lessee, execute, acknowledge and deliver to Lessee certificate in the form supplied by Lessee, certifying: (a) that this Lease is in full force and effect and has not been modified (or if modified, setting forth all modifications), or, if this Lease is not in full force and effect, the certificate shall so specify the reasons therefor; (b) the commencement and expiration dates of the Lease Term; (c) the date to

which the Rents have been paid under this Lease and the amount thereof then payable; (d) whether there are then any existing defaults by Lessee in the performance of its obligations under this Lease, and, if there are any such defaults, specifying the nature and extent thereof; (e) that no notice has been received by Lessor of any default under this Lease which has not been cured, except as to defaults specified in the certificate; (f) the capacity of the Person executing such certificate, and that such Person is duly authorized to execute the same on behalf of Lessor; and (g) any other information reasonably requested by Lessee. If such certificate is not received by Lessor within ten (10) Business Days following request from Lessee, Lessor hereby grants Lessee power of attorney to execute and deliver such certificate on Lessor's behalf.

ARTICLE X

RELEASE AND INDEMNIFICATION

Section 10.01. RELEASE AND INDEMNIFICATION. LESSEE AGREES TO USE AND OCCUPY THE PROPERTIES AT ITS OWN RISK AND HEREBY RELEASES LESSOR AND LESSOR'S AGENTS AND EMPLOYEES FROM ALL CLAIMS FOR ANY DAMAGE OR INJURY TO THE FULL EXTENT PERMITTED BY LAW EXCEPT TO THE EXTENT CAUSED BY THEIR NEGLIGENCE OR MISCONDUCT. LESSEE AGREES THAT LESSOR SHALL NOT BE RESPONSIBLE OR LIABLE TO LESSEE OR LESSEE'S EMPLOYEES, AGENTS, SUBLESSEES, CO-OCCUPANTS, CUSTOMERS, LICENSEES OR INVITEES FOR BODILY INJURY, PERSONAL INJURY OR PROPERTY DAMAGE OCCASIONED BY THE ACTS OR OMISSIONS OF ANY OTHER LESSEE OR ANY OTHER PERSON EXCEPT TO THE EXTENT CAUSED BY LESSOR'S NEGLIGENCE OR MISCONDUCT. LESSEE AGREES THAT ANY EMPLOYEE OR AGENT TO WHOM THE PROPERTIES OR ANY PART THEREOF SHALL BE ENTRUSTED BY OR ON BEHALF OF LESSEE SHALL BE ACTING AS LESSEE'S AGENT WITH RESPECT TO THE PROPERTIES OR ANY PART THEREOF, AND NEITHER LESSOR NOR LESSOR'S AGENTS, EMPLOYEES OR CONTRACTORS SHALL BE LIABLE FOR ANY LOSS OF OR DAMAGE TO THE PROPERTIES OR ANY PART THEREOF EXCEPT TO THE EXTENT CAUSED BY THEIR NEGLIGENCE OR MISCONDUCT. LESSEE SHALL INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES (EXCLUDING LOSSES SUFFERED BY AN INDEMNIFIED PARTY ARISING OUT OF THE NEGLIGENCE OR MISCONDUCT OF SUCH INDEMNIFIED PARTY OCCURRING ON OR AFTER THE EFFECTIVE DATE) CAUSED BY, INCURRED OR RESULTING FROM LESSEE'S OPERATIONS OR BY LESSEE'S USE AND OCCUPANCY OF THE PROPERTIES, WHETHER RELATING TO ITS ORIGINAL DESIGN OR CONSTRUCTION, LATENT DEFECTS, ALTERATION, MAINTENANCE, USE BY LESSEE OR ANY AUTHORIZED PERSON THEREON, SUPERVISION OR OTHERWISE, OR FROM ANY BREACH OF, DEFAULT UNDER, OR FAILURE TO PERFORM, ANY TERM OR PROVISION OF THIS LEASE BY LESSEE, ITS OFFICERS, EMPLOYEES, AGENTS OR OTHER AUTHORIZED PERSONS. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LESSEE'S OBLIGATIONS UNDER THIS SECTION SHALL SURVIVE UNTIL THE LATER OF (A) THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE OR (B) THE EXPIRATION OF THE PROPERTY TERM FOR THE APPLICABLE PROPERTY, FOR ANY REASON WHATSOEVER. THE INDEMNIFICATION SET FORTH IN THIS SECTION 10.01 IS IN ADDITION TO ANY OTHER INDEMNIFICATIONS SET FORTH IN THIS LEASE.

ARTICLE XI

CONDEMNATION AND CASUALTY

Section 11.01. Notification. Lessee and Lessor shall promptly give the other party written notice of (a) any Condemnation of any of the Properties, (b) the commencement of any proceedings or negotiations which might result in a Condemnation of any of the Properties, and (c) any Casualty to any of the Properties or any part thereof known to such party. Such notice shall provide a general description of the nature and extent of such Condemnation, proceedings, negotiations or Casualty.

and shall include copies of any documents or notices received in connection therewith. Thereafter, Lessee shall promptly send Lessor copies of all notices, correspondence and pleadings relating to any such Condemnation, proceedings, negotiations or Casualty.

Section 11.02. Total Condemnation. Sections 11.02 through 11.08 apply to each Property from and after the Base Rent Commencement Date. Construction Period Casualties and Condemnations are governed exclusively by Section 18.11. In the event of a Condemnation of all or substantially all of any of the Properties, and if as a result of such Condemnation: (i) access to the Property to and from the public right-of-way adjacent to the Property as of the Effective Date is permanently and materially impaired such that Lessee no longer has access to such right-of-way; (ii) there is insufficient parking to operate the Property as a Permitted Facility under applicable Laws; or (iii) the Condemnation includes a portion of the improvements such that the remaining portion is unsuitable for use as a Permitted Facility, as determined by Lessee in the exercise of good faith business judgment (each such event, a "Total Condemnation"), then, in such event:

(a) **Partial Termination of Lease.** On the date of the Total Condemnation, all obligations of either party hereunder with respect to the applicable Property shall cease and the Base Annual Rent shall be reduced as set forth in Section 11.03(c) below; *provided, however*, that Lessee's obligations to the Indemnified Parties under any indemnification provisions of this Lease with respect to such Property and Lessee's obligation to pay Rent and all other Monetary Obligations (whether payable to Lessor or a third party) accruing under this Lease with respect to such Property, and any other obligation of Lessee with respect to such Property arising or accruing due to an act or omission occurring prior to the date of termination, shall survive such termination. If the date of such Total Condemnation is other than the first day of a month, the Base Monthly Rent for the month in which such Total Condemnation occurs shall be apportioned based on the date of the Total Condemnation.

(b) **Net Award.** Subject to Section 11.07 below, Lessor shall be entitled to receive the entire Net Award in connection with a Total Condemnation without deduction for any estate vested in Lessee by this Lease, and Lessee hereby expressly assigns to Lessor all of its right, title and interest in and to every such Net Award and agrees that Lessee shall not be entitled to any Net Award or other payment for the value of Lessee's leasehold interest in this Lease.

Section 11.03. Partial Condemnation or Casualty. In the event of a Condemnation which is not a Total Condemnation (each such event, a "Partial Condemnation"), or in the event of a Casualty:

(a) **Net Awards.** All Net Awards shall be paid to Lessor; provided, however, that a Net Award payable in the case of a Partial Condemnation shall be paid to Lessee.

(b) **Continuance of Lease.** This Lease shall continue in full force and effect upon the following terms:

(i) With respect to a Condemnation or Casualty event, there shall be no abatement of Rent or any other Monetary Obligations due under this Lease, except as provided for by Section 11.03(c), below.

(ii) Lessee shall promptly commence and diligently prosecute restoration of such Property to the same condition, as nearly as practicable, as prior to such Partial Condemnation or Casualty as approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. Subject to the terms and provisions of the Mortgages and upon the written request of Lessee (accompanied by evidence reasonably satisfactory to Lessor that such amount has been paid or is due and payable and is properly part of such costs, and that Lessee has complied with the terms of Section 7.02 in connection with the restoration), Lessor shall promptly make available in installments, subject to reasonable conditions for disbursement imposed by Lessor, an amount up to but not exceeding the amount of any Net Award received by Lessor with respect to such Partial Condemnation or Casualty. Prior to the disbursement of any portion of the Net Award with respect to a Casualty, Lessee shall provide evidence reasonably satisfactory to Lessor of the payment of restoration expenses by Lessee up to the amount of the insurance deductible applicable to such Casualty. Lessor shall be entitled to keep any portion of the Net Award which may be in excess of

the cost of restoration, and Lessee shall bear all additional Costs of such restoration in excess of the Net Award.

(c) **Rent.** Upon removal of a Property pursuant to [Section 11.02](#), [Section 11.03](#), or [Section 11.04](#) the Base Annual Rent shall be reduced by an amount equal to the amount of Base Annual Rent attributable to such Property based on the purchase price paid by Lessor for each Property.

Section 11.04. Temporary Taking. In the event of a Condemnation of all or any part of any Property for a temporary use (a "[Temporary Taking](#)") there shall be no abatement of any Rent or other Monetary Obligation and Lessee shall be entitled to the entire Net Award for a Temporary Taking. At the termination of any such Temporary Taking, Lessee will promptly commence and complete restoration of such Property at Lessee's sole cost and expense.

Section 11.05. Adjustment of Losses. Any loss under any property damage insurance required to be maintained by Lessee shall be adjusted by Lessor and Lessee. Any Net Award relating to a Total Condemnation or a Partial Condemnation shall be adjusted by Lessor or, at Lessor's election, Lessee. Notwithstanding the foregoing or any other provisions of this [Section 11.05](#) to the contrary, if at the time of any Condemnation or any Casualty or at any time thereafter an Event of Default shall have occurred and be continuing, Lessor is hereby authorized and empowered but shall not be obligated, in the name and on behalf of Lessee and otherwise, to file and prosecute Lessee's claim, if any, for a Net Award on account of such Condemnation or such Casualty and to collect such Net Award and apply the same to the curing of such Event of Default and any other then existing Event of Default under this Lease and/or to the payment of any amounts owed by Lessee to Lessor under this Lease, in such order, priority and proportions as Lessor in its reasonable discretion shall deem proper.

Section 11.06. Lessee Obligation in Event of Casualty. During all periods of time following a Casualty, Lessee shall take reasonable steps to ensure that the affected Property is secure and does not pose any risk of harm to any adjoining property and Persons (including owners or occupants of such adjoining property).

Section 11.07. Lessee Awards and Payments. Notwithstanding any provision contained in this [Article XI](#), Lessee shall be entitled to claim and receive any award or payment from the condemning authority expressly granted for the taking of any personal property owned by Lessee, any insurance proceeds with respect to any personal property owned by Lessee, the interruption of its business and moving expenses (subject, however, to the provisions of [Section 6.03\(a\)\(iv\)](#) above).

Section 11.08. Late Term Termination Right. If during the last year of the Property Term for any Property (assuming that Lessee has not exercised an Extension Option which will extend the Property Term for such Property upon the expiration of the then current Property Term), with respect to such Property, as the same may be extended, the Buildings with respect to any Property shall be damaged to the extent of twenty five percent (25%) or more of their insurable value ("[Late Term Damaged Property](#)"), then provided that no Event of Default has occurred and is continuing, such casualty is covered by the insurance required to be maintained by Lessee under [Section 6.03](#), and such insurance is for the full replacement cost of the Property, Lessee may elect to terminate this Lease as to the Late Term Damaged Property only by notice given to Lessor within sixty (60) days of the damage or destruction. The termination shall become effective on the twentieth (20th) day after the giving of the notice of termination, but in no event earlier than the date Lessor receives from Lessee a payment in an amount equal to the amount of any deductible or self-insured retention pursuant to Lessee's insurance, in which event (a) Base Annual Rent and other amounts paid or payable by Lessee hereunder shall be apportioned and adjusted as of the time of termination for the Late Term Damaged Property only, and (b) Lessee shall not be obligated to repair or restore any damage or destruction to the Late Term Damaged Property caused by the casualty except to the extent proceeds are expended in order to satisfy temporary safety measures to vacate the Property. All insurance proceeds and the amount of any insurance deductible or self-insurance retention (or an equivalent sum in the case of self-insurance) shall be paid to, and be the property of Lessor, provided, however, that Lessee shall be entitled to recover from the insurance proceeds the cost of any temporary safety measures undertaken by Lessee in order to vacate the Late Term Damaged

Property. Notwithstanding any termination of this Lease with respect to the Late Term Damaged Property, this Lease shall continue in full force and effect with respect to the remaining Properties; provided, however, Base Annual Rent shall be adjusted in accordance with Section 11.03(c). **ALL INDEMNIFICATION OBLIGATIONS WITH RESPECT TO THE LATE TERM DAMAGED PROPERTY, AND ALL OBLIGATIONS RELATING TO THE LATE TERM DAMAGED PROPERTY ARISING DUE TO ANY ACT OR OMISSION OCCURRING PRIOR TO THE DATE OF THE TERMINATION OF THIS LEASE WITH RESPECT TO THE LATE TERM DAMAGED PROPERTY, SHALL SURVIVE THE TERMINATION OF THIS LEASE WITH RESPECT TO THE LATE TERM DAMAGED PROPERTY.**

ARTICLE XII

DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES AND MEASURE OF DAMAGES

Section 12.01. Event of Default. Each of the following shall be an event of default by Lessee under this Lease (each, an “Event of Default”):

(a) if any representation or warranty of Lessee set forth in this Lease is false in any material respect when made, or if Lessee renders any materially false statement or account when made;

(b) if any Base Monthly Rent due under this Lease is not paid when due and such failure continues for five (5) Business Days after receipt of written notice from Lessor of such failure; provided, however, that after the first (1st) notice of non-payment of Base Monthly Rent has been sent to Lessee in any twelve (12) month period, no further notice to Lessee shall be required within such 12-month period, with the result that an Event of Default shall occur immediately upon the failure of Lessee to pay any Base Monthly Rent within five (5) Business Days after such installment is due for the remainder of such 12- month period;

(c) if any Monetary Obligation other than Base Monthly Rent and other than as set forth in Section 12.01(d), is not paid when due and such failure continues for ten (10) Business Days or more after written notice from Lessor;

(d) subject to Lessee’s right to contest under Section 6.01(b), if Lessee fails to pay, prior to delinquency, any taxes, assessments or other charges the failure of which to pay will result in the imposition of a lien against any of the Properties and such failure continues for five (5) Business Days after written notice from Lessor of such failure;

(e) if Lessee abandons any Property;

(f) if there is an Insolvency Event affecting Lessee;

(g) if Lessee fails to observe or perform any of the other covenants, conditions or obligations of Lessee in this Lease; *provided, however*, if any such failure does not involve the payment of any Monetary Obligation, does not place any Property or any rights or property of Lessor in immediate jeopardy, and is within the reasonable power of Lessee to promptly cure, all as determined by Lessor in its reasonable discretion, then such failure shall not constitute an Event of Default hereunder, unless otherwise expressly provided herein, unless and until Lessor shall have given Lessee notice thereof and a period of thirty (30) days shall have elapsed, during which period Lessee may correct or cure such failure, upon failure of which an Event of Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required. If such failure cannot reasonably be cured within such thirty (30)-day period, as determined by Lessor in its reasonable discretion, and Lessee is diligently pursuing a cure of such failure, then Lessee shall have a reasonable period to cure such failure beyond such thirty (30)-day period, which shall in no event exceed ninety (90) days after receiving notice of such failure from Lessor. If Lessee shall fail to correct or cure such failure within such ninety (90)-day period, an Event of Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required;

(h) if a final, nonappealable judgment is rendered by a court against Lessee which has a Material Adverse Effect, and in either case is not discharged or provision made for such discharge within ninety (90) days from the date of entry thereof;

(i) if Lessee shall be liquidated or dissolved or shall begin proceedings towards its liquidation or dissolution;

(j) if the estate or interest of Lessee in any of the Properties shall be levied upon or attached in any proceeding and such estate or interest is about to be sold or transferred or such process shall not be vacated or discharged within ninety (90) days after it is made.

Notwithstanding the foregoing and for the avoidance of doubt, any above-referenced Event of Default that occurs with respect to a particular Property or Properties shall apply solely to that Property or Properties scheduled under this Lease and shall in no event serve as a mechanism for cross-default of the Lease as a whole.

Section 12.02. Remedies. Upon the occurrence and during the continuance of an Event of Default, with or without notice or demand, except as otherwise expressly provided herein or in any Transaction Documents or such other notice as may be required by statute and cannot be waived by Lessee, Lessor shall be entitled to exercise, at its option, concurrently, successively, or in any combination, all remedies available at Law or in equity, including, without limitation, any one or more of the following:

(a) to terminate this Lease with respect to the Property or Properties to which the default pertains, whereupon Lessee's right to possession of such Properties shall cease and this Lease, except as to Lessee's liability, shall be terminated with respect to such Properties;

(b) to the extent not prohibited by applicable Law, to (i) re-enter and take possession of the applicable Properties (or any part thereof), and, to the extent permissible, permits and other rights or privileges of Lessee pertaining to the use and operation of the Properties, and (ii) expel Lessee and those claiming under or through Lessee, without being deemed guilty in any manner of trespass or becoming liable for any loss or damage resulting therefrom, without resort to legal or judicial process, procedure or action. No notice from Lessor hereunder or under a forcible entry and detainer statute or similar Law shall constitute an election by Lessor to terminate this Lease unless such notice specifically so states. If Lessee shall, after default, voluntarily give up possession of the Properties to Lessor, deliver to Lessor or its agents the keys to the Properties, or both, such actions shall be deemed to be in compliance with Lessor's rights and the acceptance thereof by Lessor or its agents shall not be deemed to constitute a termination of the Lease. Lessor reserves the right following any re-entry and/or reletting to exercise its right to terminate this Lease by giving Lessee written notice thereof, in which event this Lease will terminate;

(c) to bring an action against Lessee for any damages sustained by Lessor or any equitable relief available to Lessor.

(d) to relet the applicable Properties or any part thereof for such term or terms (including a term which extends beyond the original Lease Term), at such rents and upon such other terms as Lessor, in its sole discretion, may determine, with all proceeds received from such reletting being applied to the Rent and other Monetary Obligations due from Lessee in such order as Lessor may, in its sole discretion, determine, which other Monetary Obligations include, without limitation, all repossession costs, brokerage commissions, attorneys' fees and expenses, alteration, remodeling and repair costs and expenses of preparing for such reletting. Lessor shall use reasonable efforts to mitigate its damages in the event it takes possession of the Properties including, but not limited to, by reletting the Properties. Lessor reserves the right following any re-entry and/or reletting to exercise its right to terminate this Lease by giving Lessee written notice thereof, in which event this Lease will terminate as specified in said notice;

(e) after the termination of this Lease and except to the extent prohibited by applicable Law to accelerate and recover from Lessee all Rent and other Monetary Obligations due and owing and scheduled to become due and owing under this Lease both before and after the date of such breach

for the entire original scheduled Lease Term; provided, however, that the "accelerated rent" amount shall be reduced by the fair market rent amount Lessor reasonably expects to receive if the Properties were relet for the time period to which the "accelerated rent" applies, which "accelerated rent" amount (as so reduced by the fair market rent amount as aforesaid) shall be discounted to present value at a rate per annum equal to the discount rate of the Federal Reserve Bank of New York at the time of such "accelerated rent" determination (the "FMRV Offset");

(f) to recover from Lessee all Costs paid or incurred by Lessor as a result of such breach, regardless of whether or not legal proceedings are actually commenced;

(g) to immediately or at any time thereafter, and with or without notice, at Lessor's sole option but without any obligation to do so, correct such breach or default and charge Lessee all reasonable Costs incurred by Lessor therein. Any sum or sums so paid by Lessor, together with interest at the Default Rate, shall be deemed to be Additional Rent hereunder and shall be immediately due from Lessee to Lessor. Any such acts by Lessor in correcting Lessee's breaches or defaults hereunder shall not be deemed to cure said breaches or defaults or constitute any waiver of Lessor's right to exercise any or all remedies set forth herein; and/or

(h) to seek any equitable relief available to Lessor, including, without limitation, the right of specific performance.

Section 12.03. Cumulative Remedies. All powers and remedies given by Section 12.02 to Lessor, subject to applicable Law, shall be cumulative and not exclusive of one another or of any other right or remedy or of any other powers and remedies available to Lessor under this Lease, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements of Lessee contained in this Lease, and no delay or omission of Lessor to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any other or subsequent Event of Default or impair any rights or remedies consequent thereto. Every power and remedy given by this Section or by Law to Lessor may be exercised from time to time, and as often as may be deemed expedient, by Lessor, subject at all times to Lessor's right in its sole judgment to discontinue any work commenced by Lessor or change any course of action undertaken by Lessor.

ARTICLE XIII

MORTGAGE, SUBORDINATION AND ATTORNMENT

Section 13.01. No Liens. Lessor's interest in this Lease and/or the Properties shall not be subordinate to any liens or encumbrances placed upon the Properties by or resulting from any act of Lessee, and nothing herein contained shall be construed to require such subordination by Lessor.

Section 13.02. Subordination. This Lease at all times shall (but only if requested by Lessor) automatically be subordinate to the lien of any and all ground leases and Mortgages now or hereafter placed upon any of the Properties by Lessor, and Lessee covenants and agrees to execute and deliver, upon demand, such further instruments subordinating this Lease to the lien of any or all such ground leases and Mortgages as shall be desired by Lessor, or any present or proposed mortgagees under trust deeds, upon the condition that Lessee shall have the right to remain in possession of the Properties under the terms of this Lease, notwithstanding any default in any or all such ground leases or Mortgages, or after the foreclosure of any such Mortgages, so long as no Event of Default shall have occurred and be continuing. Lessor agrees to provide Lessee with a SNDA executed by each Lender holding a Mortgage (if Lessor requests Lessee to subordinate its interest in this Lease to such Mortgage), and Lessee agrees to promptly execute and return such SNDA to Lessor.

Section 13.03. Attornment. In the event any purchaser or assignee of any Lender at a foreclosure sale acquires title to any of the Properties, or in the event that any Lender or any purchaser or assignee otherwise succeeds to the rights of Lessor as landlord under this Lease, Lessee shall attorn to Lender or such purchaser or assignee, as the case may be (a "Successor");

Lessor"), and recognize the Successor Lessor as lessor under this Lease, and, subject to the provisions of this Article XIII, this Lease shall continue in full force and effect as a direct lease between the Successor Lessor and Lessee, provided that the Successor Lessor shall only be liable for any obligations of Lessor under this Lease which accrue after the date that such Successor Lessor acquires title. The foregoing provision shall be self-operative and effective without the execution of any further instruments.

Section 13.04. Execution of Additional Documents. Although the provisions in this Article XIII shall be self-operative and no future instrument of subordination shall be required, upon request by Lessor, Lessee, at no material cost to Lessee, shall execute and deliver such additional reasonable instruments as may be reasonably required for such purposes.

Section 13.05. Notice to Lender. Lessee shall give written notice to any Lender having a recorded lien upon any of the Properties or any part thereof of which Lessee has been notified of any breach or default by Lessor of any of its obligations under this Lease and give such Lender at least sixty (60) days beyond any notice period to which Lessor might be entitled to cure such default before Lessee may exercise any remedy with respect thereto.

ARTICLE XIV

ASSIGNMENT

Section 14.01. Assignment by Lessor. Lessor may, without prior consent of Lessee, enter into agreements in connection with the following: (a) the sale, assignment, grant, conveyance, transfer, financing, re-financing, purchase or re-acquisition of all or a portion of the Properties, this Lease (and Lessor's interest herein); or (b) a Securitization and related transactions. In the event of any such sale or assignment other than a security assignment, Lessee shall attorn to such purchaser or assignee (so long as Lessor and such purchaser or assignee notify Lessee in writing of such transfer and such purchaser or assignee expressly assumes in writing the obligations of Lessor hereunder from and after the date of such assignment). Notwithstanding the foregoing, both Lessor and any Successor Lessor shall be prohibited from entering into any agreements referenced in the first clause of this Section with any party that is a competitor to Lessee's operations without first receiving written consent of Lessee, to be granted or withheld in Lessee's sole discretion. At the request of Lessor, Lessee will execute such documents confirming the sale, assignment or other transfer and such other agreements as Lessor may reasonably request, provided that the same do not increase the liabilities and obligations of Lessee hereunder. Lessor shall be relieved, from and after the date of such transfer or conveyance, of liability for the performance of any obligation of Lessor contained herein, except for obligations or liabilities accrued prior to such assignment or sale.

Section 14.02. Assignment by Lessee.

(a) Lessee shall not assign, transfer, convey, pledge or mortgage this Lease or any interest herein, whether by operation of Law or otherwise, without the prior written consent of Lessor which consent shall not be unreasonably withheld, conditioned or delayed. Factors which Lessor shall take into account in determining whether to consent to a proposed assignment of this Lease shall include, but not be limited to, the proposed creditworthiness of the proposed assignee and the experience of the proposed assignee in operating the business proposed to be conducted at the Properties. At the time of any assignment of this Lease which is approved by Lessor, the assignee shall assume all of the obligations of Lessee under this Lease pursuant to a written assumption agreement in form and substance reasonably acceptable to Lessor. Upon such assignment of this Lease pursuant to this Section 14.02 Lessee shall be relieved of its obligations respecting this Lease unless otherwise agreed to by the parties in writing. Any assignment, transfer, conveyance, pledge or mortgage in violation of this Section 14.02 shall be voidable at the sole option of Lessor. Any consent to an assignment given by Lessor hereunder shall not be deemed a consent to any subsequent assignment.

(b) Notwithstanding Section 14.02(a), Lessee shall have the right, without Lessor's consent but upon prior written notice to Lessor as set forth in Section 14.02(c), at any one time or multiple times during the Term to:

(i) assign this Lease to an Affiliate of Lessee;

(ii) encumber, pledge, hypothecate or otherwise mortgage Lessee's interest in the leasehold estate created by this Lease, subject to the terms of Section 14.04 below;

(iii) merge or consolidate Lessee with or into any other entity; or

(iv) assign this Lease in whole but not in part to a purchaser of all or substantially all of the assets of Lessee.

(c) As a condition to any assignment or transfer of this Lease by Lessee (including but not limited to a merger or consolidation of Lessee), (A) all representations and warranties set forth in Article V of this Lease shall be true and correct and shall be deemed to be made by the proposed assignee or transferee as of the date of the proposed assignment, (B) Lessee shall give Lessor at least 10 days prior written notice of the proposed assignee or transferee, together with a structure chart showing the proposed owner of all direct and indirect interests in the proposed transferee or assignee, financial information about the proposed assignee (such as balance sheets and statements of revenues and expenses and the business conducted by such proposed assignee or transferee, and information concerning the proposed management of the proposed assignee, (C) no Event of Default shall have occurred and be continuing, and after giving effect to the proposed assignment or transfer, no Event of Default shall have occurred and be continuing and no event or omission shall have occurred which would (with the giving of notice or the passage of time, or both) constitute an Event of Default, and (D) all Rent then due and payable shall have been previously paid by Lessee.

(d) No assignment or transfer of this Lease by Lessee, except where Lessor has consented to such assignment in accordance with Section 14.02(a), shall release Lessee from any obligations pursuant to this Lease unless agreed to by Lessor in its sole discretion, except that Lessee shall also be released from its obligations pursuant to this Lease arising due to acts and omissions arising after the date of the assignment or transfer of this Lease if there is an assignment of this Lease in connection with a sale of all or substantially all of the assets of Lessee.

Section 14.03. Assignment and Subletting. Lessee may assign, sublet or enter into co-occupancy agreements with respect to the Properties, in its sole and absolute discretion; provided, however, that no assignment, sublease, or co-occupancy arrangement shall affect or reduce any of the obligations of Lessee or impose additional obligations onto Lessor under this Lease. For the avoidance of doubt, any assignee, sublessee, co-occupant, or transferee of Lessee shall be entitled to the same quiet enjoyment and non-disturbance rights as Lessee, subject to occurrence and continuation of an Event of Default.

Section 14.04. Leasehold Mortgage. Notwithstanding any provision to the contrary in this Lease, Lessee, its successors, sublessees, and/or assigns shall have the right to grant a leasehold mortgage on Lessee's leasehold interest in the Properties. Any leasehold mortgagee shall be deemed to be a third party beneficiary of any SNDA granted to Lessee hereunder, but (i) any such leasehold mortgage otherwise shall be in all respects subject and subordinate to Lessor's interest in this Lease and to any Mortgage granted by Lessor, and to any renewals, modifications, consolidations, replacements and extensions of any such Mortgage, whether such Mortgage or any renewal, modification, consolidation, replacement or extension thereof, is granted by Lessor prior or subsequent to any leasehold mortgage granted by Lessee; and (ii) the leasehold mortgage shall attach to and be a lien on Lessee's leasehold interest in the Property only, shall convey no interest or rights in and to Lessor's interest in the Lease or the Property which are greater than Lessee's interest or rights in the Lease or the Property, and shall be in form and substance reasonably satisfactory to Lessor and Lessee. Lessor agrees that, at the request of Lessee and the mortgagee under the leasehold mortgages, Lessor will enter into an agreement with the mortgagee pursuant to which Lessor (x) will afford such mortgagee the opportunity to cure any Event of Default by Lessee

during the applicable cure period provided to Lessee under this Lease, and (y) will agree that, in the event this Lease is terminated or rejected, Lessor will enter into a replacement lease with such mortgagee (or the party acquiring Lessee's interest under this Lease by foreclosure or deed in lieu of foreclosure or similar conveyance) in the form of this Lease.

ARTICLE XV

NOTICES

Section 15.01. Notices. All notices, demands, designations, certificates, requests, offers, consents, approvals, appointments and other instruments given pursuant to this Lease shall be in writing and given by any one of the following: (a) hand delivery; (b) express overnight delivery service; (c) certified or registered mail, return receipt requested; or (d) email transmission, and shall be deemed to have been delivered upon (i) receipt, if hand delivered; (ii) the next Business Day, if delivered by a reputable express overnight delivery service; (iii) the third Business Day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested; or (iv) the date of email transmission, as applicable. Notices shall be provided to the parties and addresses (or electronic mail addresses) specified below:

If to Lessor:

[***]

If to Lessee:

EquipmentShare.com Inc
5710 Bull Run Dr.
Columbia, MO 65201
Attention: John Griffin
Email: legal@equipmentsshare.com

or to such other address or such other person as either party may from time to time hereafter specify to the other party in a notice delivered in the manner provided above.

ARTICLE XVI

WAIVER OF LESSOR'S LIEN

Section 16.01. Waiver of Lessor's Lien. It is understood and agreed that all personal property, trade fixtures, inventory, and equipment now or hereafter installed by Lessee at the Property, but excluding any replacement equipment installed by Lessee pursuant to its obligations under the Lease or any property owned by Lessor (collectively, the "Lessee's Personal Property") is or may be leased by Lessee or purchased by Lessee from a lessor or seller, or otherwise pledged to a third party (collectively, "Third Party"). Lessor agrees that all of Lessee's Personal Property, now or hereafter located upon a Property and owned by Lessee or any Third Party, and regardless of the method in which such Lessee's Personal Property is attached or affixed to the Property, shall not be deemed a fixture of the Property and shall be and shall remain the property of Lessee or such Third Party. Lessee or any Third Party shall have the right to remove Lessee's Personal Property from the Property at any time; provided however, that if such removal shall injure or damage the Property, Lessee or any Third Party shall repair the damage and place the Property in the same condition (ordinary wear and tear excepted) as it would have been if such Lessee's Personal Property had not been installed. Lessor agrees that in the event a Third Party or other party having a security interest in Lessee's Personal Property declares a default with respect to the underlying contract, the Third Party shall have 30 days (or such longer time period as is agreed upon between Lessor and such Third Party) to remove Lessee's Personal Property from the Property, and without liability to Lessor.

Lessor hereby waives its rights, statutory or otherwise, to any lien on or rights in Lessee's Personal Property. Lessor shall, upon written request of Lessee, execute, or cause to be executed, and delivered to the Lessee, within ten (10) Business Days after said request from Lessee, a commercially reasonable waiver of Lessor's lien or mortgage lien on all of Lessee's Personal Property, in substantially the form attached hereto at **Exhibit D** ("Landlord's Waiver").

ARTICLE XVII

MISCELLANEOUS

Section 17.01. Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, acts of God, enemy or hostile governmental action, civil commotion, fire or other casualty beyond the control of the party obligated to perform (each, a "Force Majeure Event") shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, expressly excluding, however, the obligations imposed upon Lessee with respect to Rent and other Monetary Obligations to be paid hereunder.

Section 17.02. No Merger. There shall be no merger of this Lease nor of the leasehold estate created by this Lease with the fee estate in or ownership of any of the Properties by reason of the fact that the same person, corporation, firm or other entity may acquire or hold or own, directly or indirectly, (a) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in such leasehold estate, and (b) the fee estate or ownership of any of the Properties or any interest in such fee estate or ownership. No such merger shall occur unless and until all persons, corporations, firms and other entities having any interest in (i) this Lease or the leasehold estate created by this Lease, and (ii) the fee estate in or ownership of the Properties or any part thereof sought to be merged shall join in a written instrument effecting such merger and shall duly record the same.

Section 17.03. Interpretation. Lessor and Lessee acknowledge and warrant to each other that each has been represented by independent counsel and has executed this Lease after being fully advised by said counsel as to its effect and significance. This Lease shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party which prepared the instrument, the relative bargaining powers of the parties or the domicile of any party. Whenever in this Lease any words of obligation or duty are used, such words or expressions shall have the same force and effect as though made in the form of a covenant.

Section 17.04. Characterization. The following expressions of intent, representations, warranties, covenants, agreements, stipulations and waivers are a material inducement to Lessor entering into this Lease:

(a) Each lease of Property pursuant to this Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease; and the business relationship created by this Lease and any related documents is solely that of a long-term commercial lease between Lessor and Lessee, the Lease has been entered into by both parties in reliance upon the economic and legal bargains contained herein, and none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership (*de facto* or *de jure*) between Lessor and Lessee, to make them joint venturers, to make Lessee an agent, legal representative, partner, subsidiary or employee of Lessor, nor to make Lessor in any way responsible for the debts, obligations or losses of Lessee.

(b) Lessor and Lessee covenant and agree that: (i) each will treat this Lease as an operating lease pursuant to Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic 842, as amended, and as a true lease for state Law reporting purposes and for federal income tax purposes; (ii) each party will not, nor will it permit any Affiliate to, at any time, take any action or fail to take any action with respect to the preparation or filing of any statement or disclosure to Governmental Authority, including without limitation, any income tax return (including an amended income tax return), to the extent that such action or such failure to take action would be inconsistent with the intention of the parties expressed in this Section 17.04; (iii) with

respect to each of the Properties, the Property Term for each Property is less than seventy-five percent (75%) of the estimated remaining economic life of the Property; and (iv) the Base Annual Rent is the fair market value for the use of the Property and was agreed to by Lessor and Lessee on that basis, and the execution and delivery of, and the performance by Lessee of its obligations under, this Lease do not constitute a transfer of all or any part of the Properties.

(c) Lessee waives any claim or defense based upon the characterization of this Lease as anything other than a true lease and as a master lease of all of the Properties. Lessee stipulates and agrees (i) not to challenge the validity, enforceability or characterization of the lease of the Properties as a true lease; and (ii) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in this Section 17.04.

Section 17.05. Disclosures.

(a) **Securities Act or Exchange Act.** The parties agree that, notwithstanding any provision contained in this Lease, any party (and each employee, representative or other agent of any party) may disclose to any and all persons, without limitation of any kind, any matter required under the Securities Act or the Exchange Act.

(b) **Public Disclosures.** Except as required by Law, the Parties shall not make any public disclosure, including press releases or any form of media release, of this Lease or any transactions relating hereto without the prior written consent of the other Party, except to the extent that information regarding this Lease Agreement and/or the transactions relating hereto is publicly available.

Section 17.06. Attorneys' Fees. In the event of any judicial or other adversarial proceeding concerning this Lease, to the extent permitted by Law, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other Costs in addition to any other relief to which it may be entitled. In addition, the prevailing party shall, upon demand, be entitled

to all attorneys' fees and all other Costs incurred in the preparation and service of any notice or demand hereunder, whether or not a legal action is subsequently commenced.

Section 17.07. No Brokerage. Lessor and Lessee represent and warrant to each other that they have had no conversation or negotiations with any broker concerning the leasing of the Properties. Each of Lessor and Lessee agrees to protect, indemnify, save and keep harmless the other, against and from all liabilities, claims, losses, Costs, damages and expenses, including attorneys' fees, arising out of, resulting from or in connection with their breach of the foregoing warranty and representation.

Section 17.08. Waiver of Jury Trial and Certain Damages. LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LESSOR AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THE PROPERTIES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN. FURTHERMORE, LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND INDIRECT DAMAGES FROM THE OTHER PARTY AND ANY OF THE AFFILIATES, OFFICERS, DIRECTORS, MEMBERS, MANAGERS OR EMPLOYEES OF LESSOR OR LESSEE, AS APPLICABLE, OR ANY OF THEIR SUCCESSORS WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE OR ANY DOCUMENT CONTEMPLATED HEREIN OR RELATED HERETO. THE WAIVER BY LESSOR AND LESSEE OF ANY RIGHT EITHER MAY HAVE TO SEEK PUNITIVE, CONSEQUENTIAL, SPECIAL AND

INDIRECT DAMAGES HAS BEEN NEGOTIATED BY THE PARTIES HERETO AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

Section 17.09. Securitizations. Lessee hereby acknowledges and agrees that Lessor may, from time to time and at any time (a) advertise, issue press releases, send direct mail or otherwise disclose information regarding the transaction for marketing purposes (provided, however, such information shall not include any financial terms of the transaction or any financial or proprietary information regarding Lessee, its Affiliates or their operations or businesses); and (b) (i) act or permit another Person to act as sponsor, settler, transferor or depositor of, or a holder of interests in, one or more Persons or other arrangements formed pursuant to a trust agreement, indenture, pooling agreement, participation agreement, sale and servicing agreement, limited liability company agreement, partnership agreement, articles of incorporation or similar agreement or document; and (ii) permit one or more of such Persons or arrangements to offer and sell stock, certificates, bonds, notes, other evidences of indebtedness or securities that are directly or indirectly secured, collateralized or otherwise backed by or represent a direct or indirect interest in whole or in part in any of the assets, rights or properties described in Section 14.01 of this Lease, in one or more Persons or arrangements holding such assets, rights or properties, or any of them (collectively, the "Securities"), whether any such Securities are privately or publicly offered and sold, or rated or unrated (any combination of which actions and transactions described in both clauses (i) and (ii) in this paragraph, whether proposed or completed, are referred to in this Lease as a "Securitization").

Section 17.10. State-Specific Provisions. The provisions and/or remedies which are set forth on the applicable Real Estate Schedule shall be deemed a part of and included within the terms and conditions of this Lease.

Section 17.11. Time is of the Essence; Computation. Time is of the essence with respect to each and every provision of this Lease. If any deadline provided herein falls on a non Business Day, such deadline shall be extended to the next day that is a Business Day.

Section 17.12. Waiver and Amendment. No provision of this Lease shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion. No acceptance by Lessor of an amount less than the Rent and other Monetary Obligations stipulated to be due under this Lease shall be deemed to be other than a payment on account of the earliest such Rent or other Monetary Obligations then due or in arrears nor shall any endorsement or statement on any check or letter accompanying any such payment be deemed a waiver of Lessor's right to collect any unpaid amounts or an accord and satisfaction.

Section 17.13. Successors Bound. Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

Section 17.14. Captions. Captions are used throughout this Lease for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof.

Section 17.15. Other Documents. Each of the parties agrees to sign such other and further documents as may be necessary or appropriate to carry out the intentions expressed in this Lease.

Section 17.16. Entire Agreement. This Lease and any other instruments or agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no other representations, warranties or agreements except as herein provided.

Section 17.17. Forum Selection; Jurisdiction; Venue; Choice of Law. For purposes of any action or proceeding arising out of this Lease, the parties hereto expressly submit to the jurisdiction of federal and state courts serving Boone County, Missouri. Lessee consents that it may be served with any process or paper by registered mail or by personal service within or without the state or states where the Properties are located in accordance with applicable Law. Furthermore,

Lessee waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. This Lease shall be governed by, and construed with, the Laws of the State of Missouri, without giving effect to any state's conflict of Laws principles.

Section 17.18. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original. Furthermore, the undersigned agree that transmission of this Lease via e-mail in a ".pdf" or other electronic format shall be deemed transmission of the original Lease for all purposes.

Section 17.19. Confidentiality. This entire Section 17.19 is subject to Sections 17.05 and 17.09. Except as expressly set forth herein, neither party, nor its respective agents, representatives, employees, partners, members, officers or directors will disclose the economic terms of this Lease or any Proprietary Information (collectively, the "Confidential Information") unless prior consent to such disclosure is obtained from the other party, which consent may be withheld, conditioned or delayed at either party's sole discretion. Each party shall hold in strict confidence and shall disclose the Confidential Information only to Lessor's or Lessee's employees, agents, attorneys, accountants, consultants, investors (including but not limited to in connection with a Securitization), potential investors, lenders, potential lenders, purchasers, potential purchasers and service providers (and the attorneys and accountants of, investors, potential investors, lenders, potential lenders, purchasers, potential purchasers), who have a reason to know such Confidential Information in order to assist Lessor or Lessee, as the case may be. Neither Lessor nor Lessee nor any of their employees, agents, attorneys, accountants, consultants, investors, potential investors, lenders or service providers shall disclose Confidential Information to any other person or entity except in connection with any tax, regulatory or loan securitization obligations or use Confidential Information for its or their benefit or for any purpose not expressly agreed upon in writing by the party originating the Confidential Information. The obligation hereunder to maintain the confidentiality of Confidential Information and to refrain from use of Confidential Information for any purposes not agreed upon shall not expire. The foregoing restriction on the dissemination of Confidential Information shall not apply to any Confidential Information which (i) is disclosed in a printed publication available to the public or is otherwise in the public domain through no act of the party to whom the Confidential Information has been provided, (ii) is approved for release by written authorization of an officer of the party to whom the Confidential Information belongs or (iii) is required to be disclosed by proper order of a court of competent jurisdiction after adequate notice to the party to whom the Confidential Information belongs in order to allow that party to seek a protective order therefor. In addition to the foregoing, Lessor may include information from this Lease, only on an aggregate/combined basis, in investor reports.

ARTICLE XVIII

CONSTRUCTION

Section 18.01. Appointment of Construction Agent. Lessor designates Lessee as its construction agent for the construction and installation of the Improvements on the Properties, and Lessee accepts such appointment. Lessee shall perform all construction and related services in accordance with the Plans and Specifications for the Properties.

Section 18.02. Construction Obligations. Lessee shall construct and install the Improvements in accordance with the Plans and Specifications for each Property and shall comply with all applicable Construction Budgets, schedules, and industry standards.

Section 18.03. Term Related to Construction. Lessee's construction obligations with respect to each Property shall continue until the Final Completion Date for all Improvements.

Section 18.04. Scope of Authority.

Lessee shall have the authority to:

- (1) Perform or supervise all construction, design, and engineering functions for the Improvements;
- (2) Hire and manage contractors, subcontractors, architects, engineers, and consultants necessary for construction;
- (3) Negotiate, enter into, and enforce contracts necessary for construction of the Improvements on such terms as are customary and reasonable in light of local and national standards and procure the equipment and materials necessary to construct and install the Improvements;
- (4) Obtain all necessary permits, licenses, consents, approvals, entitlement, and other authorizations required for the Improvements and the use and occupancy thereof and those required under applicable Requirements from all governmental authorities in connection with the construction and installation of the Improvements in accordance with the Plans and Specifications, except for such permits, licenses, consents, approvals, entitlements, and other authorizations which applicable law or other necessity dictate should be obtained by Lessor; and
- (5) Maintain all books and records related to the Improvements and the construction, operation, and management thereof.

Lessee shall have sole control over the means, methods, sequences, and procedures of construction, subject to compliance with the Plans and Specifications and applicable law.

Section 18.05. Delegation and Step-In Rights.

- (1) Lessee may delegate construction duties by or through one or more contractors, agents, architects, construction managers, contractors, design builders, developers, affiliates, employees, engineers, consultants, attorneys-in-fact, or other professionals, provided Lessee remains responsible for proper performance. Lessee shall enter into (or has entered into) such agreements with the Contractor, construction managers, the Architect and any other architects, contractors, design builders, developers, consultants, engineers and such other agents as Lessee deems necessary or desirable for the development and construction of the Improvements pursuant hereto with respect to any one or more of the Properties (the "Construction Documents"); provided, however, that no such delegation shall limit or reduce in any way the Lessee's duties, liabilities and obligations under this Lease. Each contract with a Contractor, developer or design builder shall be with a reputable Contractor, developer or design builder with experience in constructing projects that are similar in scope and type to the proposed Improvements, and shall provide for a stipulated price or guaranteed maximum price through the Final Completion Date.
- (2) For value received, and to secure Lessee's performance of its obligations hereunder, the Lessee does hereby assign unto the Lessor, and its successors and assigns, all of Lessee's rights, title and interests in and to the following (referred to collectively herein as the "Assigned Rights"): (i) the Construction Contracts, (ii) all other Construction Documents now or hereafter entered into by, or on behalf of Lessee (iii) the Plans and Specifications, (iv) all building and other permits, licenses and governmental approvals which are necessary or useful to the commencement and completion of the construction of the Improvements, or otherwise relate to such construction, heretofore or hereafter obtained or applied for by or on behalf of Lessee, the Contractor or any of the Architect, engineers or contractors working on any aspect of the construction of the Improvements, and any deposits made in connection therewith (referred to collectively herein as the "Permits"); and (v) any warranties and guaranties given to, assigned to or benefiting the Lessee or the Properties, regarding the acquisition, construction, design, use, operation, management or maintenance of the Improvements; provided, however, that the Lessor shall not have any obligation or liability of any kind under or with respect to any of the Assigned Rights, either before or after their exercise of any rights hereby granted to either of them, except to the extent such obligations or liabilities arise from work performed or materials provided for the Lessor after the exercise of such Assigned Rights.
- (3) In the event of Lessee's default under this Article, Lessor may exercise its rights to enforce construction documents, utilize construction documents, or complete construction in accordance with applicable law.

Section 18.06. Covenants of Lessee.

Lessee covenants and agrees to:

- (1) Construct the Improvements in a good and workmanlike manner, in substantial accordance with Plans and Specifications, the Construction Budget, Construction Documents, applicable construction schedule, and prevalent industry practices;
- (2) Commence and achieve Substantial Completion in accordance with the relevant Plans and Specifications;
- (3) Complete all punch list items and deliver permanent Certificates of Occupancy, by the Target Final Completion Date;
- (4) Deliver good and marketable title to the Improvements;
- (5) Provide monthly progress reports and updates to Lessor, within ten (10) days after the end of each calendar month during the Construction Period, in reasonable written detail, including: work completed and in progress; upcoming work; percentage completion; updated schedule and delays; costs incurred and projected; change orders; and any claims, liens, or overruns;
- (6) Provide such other information with respect to the Improvements and the construction thereof as Lessor may reasonably request;
- (7) Take reasonable steps to minimize disruption to construction arising from Force Majeure Events; it being understood that any costs associated with such steps shall be included as Construction Costs and shall be reimbursable by Lessor in accordance with this Lease; and
- (8) Permit Lessor, its agents and consultants reasonable access to the Properties upon reasonable notice during construction (which notice may be by telephone or by email) at all reasonable business hours to inspect the Properties (subject to such reasonable safety measures that the Contractor or Lessee may require).
- (9) During construction of the Improvements, Lessee shall reimburse Lessor, as Additional Rent, for all reasonable out-of-pocket costs incurred by Lessor in connection with monitoring, inspection, or verification of construction progress or compliance with the Plans and Specifications, including reasonable travel and related expenses and reasonable fees and expenses of third-party architects, engineers, consultants, or other professionals engaged for such purposes. Any such monitoring, inspection, or verification is for Lessor's benefit only and shall not be deemed to create any duty on the part of Lessor to supervise, control, or direct construction, or to relieve Lessee of any responsibility for the design, construction, or completion of the Improvements.

Section 18.07. Insurance.

During construction, Lessee shall maintain and cause all Contractors, in full force and effect during the term of until the Final Completion Date insurance policies with insurance companies authorized to do business in the state where the construction is commencing with a Standard & Poor's financial strength rating of "A-" or better and a Best Insurance Report financial size category of "VIII" or higher, with limits and coverage provisions as set forth below to maintain the following insurance:

- (a) Commercial general liability insurance on an occurrence basis for Lessee's and Lessor's liability arising out of claims for personal injury (including bodily injury and death) and property damage arising out of Lessee's ongoing and completed operations. Such insurance shall provide coverage with per project limits of \$1,000,000 limit per occurrence for combined bodily injury and property damage with a policy aggregate of \$2,000,000 (other than products-completed operations) and \$2,000,000 for products-completed operations.
- (b) Automobile liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle, whether owned, leased or hired) on an occurrence basis for Lessee's and Lessor's liability arising out of claims for personal injury (including bodily injury and death) and property damage. Such insurance shall provide coverage with a combined single limit of \$1,000,000.
- (c) Workers' compensation coverage will provide statutory worker's compensation benefits applicable to the state and shall be maintained by Lessee and/or Contractor as applicable and operations and employer's liability will be maintained with limits of \$1,000,000 for bodily injury by accident and bodily injury by disease.
- (d) Umbrella or Excess Liability insurance in excess of the insurance coverage required above with a minimum limit of \$10,000,000 per occurrence and in the aggregate. Lessee may allow

Contractor to set subcontractors excess limits to that generally acceptable in the industry for the service being performed.

- (e) Contractor's pollution liability must be maintained by the Contractor or any subcontractors, whose operations could result in a pollution event, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- (f) A single project specific builder's risk insurance policy covering structures, equipment, and improvements with respect to the Improvements on a "special cause of loss" basis insuring Lessee, Lessor, and Lessor's lender(s), if any, all contractors and any other party with an insurable interest, as their interests may appear, including coverage against loss or damage from the perils of earth movement (including but not limited to earthquake, landslide, subsidence and volcanic eruption), flood, strike, riot and civil commotion.
 - (i) The builder's risk insurance shall provide coverage for (i) the structures, machinery, equipment, facilities, fixtures, supplies and other property constituting a part of the Improvements, (ii) property of others in the care, custody or control of Lessee in connection with the Improvements, but not contractor's tools, machinery, plant and equipment including spare parts and accessories not destined to become a permanent part of the Improvements, (iii) all preliminary works, temporary works and interconnection works (i.e., all underground property used to connect to public or private utility feeds, including, but not limited to, telephone, water, cable, natural gas, electricity and sewers) and (iv) all foundations and other property below the surface of the ground.
 - (ii) The builder's risk policy shall insure (i) the cost (including labor) of preventive measures to reduce or prevent further loss, (ii) inland transit with a minimum sublimit of \$500,000, or an amount which amount is sufficient to insure the reasonably expected largest single shipment to or from the Individual Properties site from anywhere within North America, (iii) off-site storage to insure the full replacement value of any property or equipment not stored on the Individual Properties site with a minimum sublimit of \$500,000, (iv) soft cost - with a limit sufficient to cover the insured's actual and necessary business costs in excess of the budgeted amount for the project consisting only of interest on money borrowed to finance construction, advertising expenses, realty taxes and other assessments, and costs resulting from the renegotiation of the construction loan(s), (v) expediting expenses (defined as reasonable extra costs incurred after an insured loss to make temporary repairs and expedite the permanent repair of the damaged property) with a minimum sublimit in the amount of \$50,000, and (vi) coverage for loss resulting from the enforcement of ordinance or Laws that regulate construction, demolition, repair or use of the property, with Coverage A (loss to undamaged portion of the building), Coverage B (cost of demolishing the undamaged portion of the building) and Coverage C (increased cost of reconstruction or repairs to comply with current ordinance or Law) with a combined aggregate limit of not less than \$1,000,000 and which shall include an endorsement to provide coverage for any additional costs associated with repairing the damage from a covered loss over and above the cost that would have been incurred in the absence of such current ordinance or law.
 - (iii) The builder's risk policy shall include (i) a requirement that the insurer pay losses within the time period permitted by law and (ii) an extension clause allowing the policy period to be extended up to sixty (60) days without modification to the terms and conditions of the policy, and upon payment of the premium on a pro-rata basis.
 - (iv) The builder's risk policy shall not contain any (i) coinsurance provisions or (ii) exclusion for ensuing direct physical loss or damage resulting from freezing (subject to the policy terms and conditions).
 - (v) The builder's risk policy shall (i) be on a completed value form, (ii) insure 100% of the completed insurable value of the Improvements constituting a part of the Improvements, (iii) value losses at replacement cost, without deduction for physical depreciation or obsolescence including custom duties, taxes and fees and (iv) insure loss or damage from earth movement and flood with separate sublimits equal to project value.

(vi) The builder's risk insurance may have a deductible not in excess of \$25,000, except for flood and earth movement, which shall have a deductible not in excess of \$100,000. In the event the builder's risk insurance has a deductible in excess of this amount, a zero deductible buy-back policy may be purchased by Lessee to cover the builder's risk deductible amount.

(g) All policies of insurance required to be maintained shall be endorsed as follows:

(i) To name the Lessor as additional insureds and loss payees and Lessor's lender(s), if any, as a mortgagee and loss payee with respect to builder's risk insurance;

(ii) To name Lessor as additional insureds and loss payees and Lessor's lender(s), if any, as an additional insured with respect to all commercial general liability insurance policies utilizing ISO form CG 2010 07 04 for ongoing operations and CG 2037 0704 for completed operations;

(iii) To name Lessor and Lessor's lender(s), if any, as additional insureds under the automobile liability policy;

(iv) Each worker's compensation/employer's liability policy will include a waiver of subrogation in favor of Lessor and Lessor's lender(s), if any;

(v) To name Lessor and Lessor's lender(s), if any, as an additional insured under the contractor's pollution liability policy;

(vi) To provide a severability of interests and cross liability clause; and

(vii) That the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by Lessor and/or Lessor's lender(s). Lessee and their Contractor Entities shall be at all times solely responsible for any deductibles and/or retentions.

(h) Waiver of subrogation in favor of Lessor hereby waiving, and shall require any Contractor Entities to waive, any and every claim for recovery from Lessee, and Lessor hereby waives any and every claim for recovery from Lessee, for any and all loss or damage covered by any of the insurance policies to be maintained under this Agreement. Any deductibles which may apply are the responsibility of Lessee or Contractor Entity. If the foregoing waiver will preclude the assignment of any such claim to the extent of such recovery, by subrogation (or otherwise), to an insurance company (or other person), Lessee (or other appropriate party) shall give written notice of the terms of such waiver to each insurance company which has issued, or which may issue in the future, any such policy of insurance (if such notice is required by the insurance policy) and shall cause each such insurance policy to be properly endorsed by the issuer thereof to, or to otherwise contain one or more provisions that, prevent the invalidation of the insurance coverage provided thereby by reason of such waiver.

Section 18.08. Construction Compliance, Modifications, and Indemnity.

(a) Lessee shall construct and install the Improvements in compliance with all applicable Requirements and insurance requirements.

(b) Lessee shall not revise, amend, or modify the Plans and Specifications or the Construction Budget without Lessor's prior written consent (not to be unreasonably withheld, conditioned, or delayed), if such change would materially reduce the value, change the fundamental nature of the Improvements, or exceed the Construction Budget. Changes required by Law or other Requirements are permitted.

(c) Until the Final Completion Date, Lessee shall indemnify, defend, and hold harmless Lessor from any claims, liabilities, or losses arising out of or relating to:

(i) Construction, design, or completion of the Improvements to the extent within Lessee's control;

- (ii) Fraud, misapplication of funds, illegal acts, or willful misconduct by Lessee;
- (iii) Bankruptcy-related defaults by Lessee; and
- (iv) Release or handling of pollutants or hazardous materials caused by Lessee.

Lessee's indemnity shall not apply claims arising from Lessor's gross negligence or willful misconduct.

Section 18.09. Construction Payments and Completion Deliverables.

(a) Lessor shall reimburse Lessee for all Construction Costs incurred in connection with construction of the Improvements (plus the proportional installment of the Developer Fee), in accordance with the Construction Budget. Reimbursement of Construction Costs and payment of the Developer Fee shall occur periodically, on a monthly basis on the fifth (5th) day of each calendar month (or if the fifth (5th) day of such month is not a business day, then the next business day), provided no default by Lessee has occurred and is then occurring. The total amount disbursed shall not exceed the construction budget without Lessor's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

(b) With respect to each Property, until the Final Completion Date, so long as no construction-related event of default has occurred and is then continuing, on the fifth (5th) day of each calendar month (or if the fifth (5th) day of such month is not a Business Day, then the next Business Day) (the "Funding Date"), Lessor shall fund to Lessee the amount reflected in the draw request submitted to Lessor (each such funding, a "Construction Funding"), so long as Lessee delivers such draw request to Lessor no later than fifteen (15) Business Days prior to the first (1st) Business Day of the month in which such Funding Date will occur. For the avoidance of doubt, Lessee shall submit a single draw request per calendar month. Each draw request shall be accompanied by reasonable supporting documentation, including itemized invoices and such other cost detail, lien waivers (to the extent applicable), and certifications as Lessor may reasonably require to evidence costs incurred or to be incurred, compliance with the Construction Budget, proper application of prior Construction Funding, and proper apportionment of the Developer Fee, and Lessor shall have no obligation to make any Construction Funding unless and until a complete draw request is timely delivered. Any failure to timely deliver a complete draw request shall automatically defer the applicable Construction Funding until the first Funding Date occurring after such complete draw request is delivered. In the event Lessor fails to timely disburse such Construction Funding for which a proper draw request has been submitted by Lessee in accordance with this Section, such undisbursed Construction Funding shall accrue interest at [***]% beginning thirty (30) days following the missed Funding Date until the date such Construction Funding is actually disbursed to Lessee. Lessee shall submit all invoices and draw requests for outstanding Construction Costs not later than ninety (90) days following Final Completion for the applicable Property, and Lessor shall have no obligation to reimburse any Construction Costs not included in a draw request submitted within such ninety (90) day period, except in such cases where the costs to be reimbursed are subject of good-faith disputes between contracting parties.

(c) Upon the Substantial Completion of the Improvements for each Property, Lessee shall deliver to Lessor:

- (i) A Completion Notice to the applicable Commencement Date Memorandum, delivered by Lessee in accordance with Section 2.01(d) and accepted or deemed accepted by Lessor pursuant to Section 2.01(d), certifying that Substantial Completion has been achieved and identifying all Remaining Construction Work (including a punch list of items to be completed and the Target Final Completion Date); and
- (ii) Certificates of Occupancy (temporary, permanent, as applicable) for such Property.

(d) Upon the Final Completion of the Improvements for each Property, Lessee shall deliver to Lessor a close-out certificate in substantially the form attached at Exhibit D to the applicable Commencement Date Memorandum (the "Close-out Certificate"), executed by Lessee, and certifying that: (1) all Remaining Construction Work identified in the Completion Notice has been completed; (2) all punch-list items have been resolved; (3) permanent Certificate of Occupancy have been issued, and (4) a complete set of final Plans and Specifications for the Improvements (collectively, the "Closing Deliverables").

(e) If Substantial Completion is not achieved by the scheduled Substantial Completion date, unless such failure is due to a failure by Lessor to provide or pay Construction Funding when due or other act or omission of Lessor, then from and after such scheduled Substantial Completion Date, all interest (including any default interest), lender-required fees, extension fees, unused commitment fees, lender legal and administrative costs, real estate taxes, and insurance premiums, and any other costs or expenses incurred by Lessor in connection with the failure to achieve Substantial Completion by the scheduled Substantial Completion Date shall be for the sole account of Lessee and shall be payable by Lessee to Lessor as Additional Rent within thirty (30) days after written demand and as such amounts accrue.

Section 18.10. Construction Events of Default.

Subject to the occurrence of a Force Majeure Event, the following shall constitute an event of default for a particular Property with respect to construction obligations under this Lease (each, a "Construction Event of Default"):

- (a) Lessee fails to apply any funds paid by Lessor to Lessee in a matter consistent with the requirements of this Lease for the payment of Construction Costs.
- (b) Lessee fails to commence construction of the Improvements in accordance with the Plans and Specifications, or fails to achieve Substantial Completion for any Property.
- (c) Lessee abandons or permanently discontinues construction of the Improvements, which shall be deemed to occur if no work is undertaken or completed during a continuous period of sixty (60) days or more.
- (d) Lessee materially breaches any representation, warranty, or obligation relating to the design, construction, or installation of the Improvements, and fails to cure such breach for more than thirty (30) days after Lessee has received written notice thereof from Lessor, or if such breach or failure is of such a nature that it cannot reasonably be cured within such thirty (30) days, such period shall be extended for such longer time as is reasonably necessary (not to exceed ninety (90) days), provided that Lessee has commenced to cure such breach or failure within such period of thirty (30) days and is actively, diligently and in good faith proceeding with continuity to remedy such breach or failure. Then, in any such event, Lessor may, in addition to the other rights and remedies provided for in this Lease, (i) continue this Lease with respect to the applicable Property or Properties and pursue one or more claims for the damages incurred by Lessor as a result of such Construction Event of Default; and/or (ii) require Lessee to exercise its rights and remedies under any relevant Construction Contract, including its rights to terminate such Construction Contract and replace the Contractor.

Lessee and Lessor knowingly waive any right to recover punitive, consequential, special, or indirect damages from the other party and any such party's direct and indirect members, shareholders, partners, officers, directors, employees agents, and its successors or assigns with respect to any matter arising out of or in connection with any Construction Event of Default or any document contemplated herein or related hereto. The waiver by Lessee and Lessor of any right they may have to seek punitive, consequential, special and indirect damages has been negotiated by the parties hereto and is an essential aspect of their bargain.

Section 18.11. Construction Period Casualty

(a) This Section 18.11 shall govern exclusively with respect to any Casualty or Condemnation occurring during the Construction Period. Article XI shall not apply during the Construction Period.

From and after the Operating Period, Article XI shall govern and this Section 18.11 shall have no further application.

(b) Upon a Casualty or Condemnation during the Construction Period, Lessee shall promptly notify Lessor pursuant to Section 11.01 and, unless a termination right is exercised under Section 18.11(e) or (f), shall promptly reconstruct the damaged Improvements in substantial accordance with the Plans and Specifications (as reasonably modified to account for the event), using commercially reasonable efforts to minimize schedule delay.

(c) All proceeds from any builder's risk policy shall be paid to Lessor and disbursed to Lessee for reconstruction subject to the draw request procedures of Section 18.09(b). Lessee shall bear any applicable deductible or self-insured retention. Within forty-five (45) days after the Casualty, Lessee shall deliver a revised Construction Budget and schedule. If reconstruction costs exceed builder's risk proceeds: (i) cost increases attributable to labor or material escalation shall be treated as a Construction Budget modification subject to Lessor's consent under Section 18.08 and, if approved, funded as additional Construction Costs under Section 18.09; (ii) costs attributable to underinsurance shall be borne by Lessee; and (iii) all other excess costs shall be allocated by good-faith negotiation.

(d) The construction schedule (including the scheduled Substantial Completion date and Anticipated Base Rent Commencement Date noted in the applicable Commencement Date Memorandum) shall be extended by the period reasonably necessary for reconstruction. Equipment Storage Rent shall continue during such extension, and the Escalation Formula shall apply based on the revised Construction Budget.

(e) Lessee's Termination Right. If (i) the Casualty destroys fifty percent (50%) or more of the Improvements under construction (measured by the percentage of the Construction Budget expended as of the Casualty date), and (ii) Lessee determines in good faith that reconstruction is not feasible within a commercially reasonable timeframe or cost, Lessee may terminate this Lease with respect to the affected Property by notice delivered within sixty (60) days after the Casualty. Upon such termination: (A) Equipment Storage Rent shall cease as of the Casualty date; (B) all Proceeds and the deductible amount shall be paid to Lessor; (C) Lessee shall deliver to Lessor all Assigned Rights for such Property; (D) Lessor shall reimburse Lessee for all unreimbursed Construction Costs and the proportional Developer Fee within thirty (30) days after Lessee's final draw request; and (E) this Lease shall terminate with respect to such Property and shall continue for all remaining Properties.

(f) Lessor's Termination Right. If the conditions in Section 18.11(e)(i) are satisfied and Lessee does not elect to terminate within the sixty (60)-day period, Lessor may terminate with respect to the affected Property by notice delivered within thirty (30) days thereafter, with the consequences of Section 18.11(e)(A) through (E) applying; provided that Lessor shall also reimburse Lessee for documented, reasonable demobilization costs.

(g) Partial Casualty. If a Construction Period Casualty damages less than fifty percent (50%) of the Improvements (measured as in Section 18.11(e)(i)), neither Party shall have a termination right, and Lessee shall reconstruct pursuant to Sections 18.11(b) through (d).

(h) Condemnation. This Section 18.11 applies to Construction Period Condemnations, with the Net Award substituted for builder's risk proceeds. The 50% threshold shall be measured by the portion of the Property (by area) taken or rendered unusable relative to the total area in the Plans and Specifications.

(i) Survival. Lessee's indemnification obligations under Section 18.08 with respect to a Property terminated under this Section 18.11, and all obligations arising from acts or omissions prior to the termination date, shall survive.

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SCHEDULES AND EXHIBITS

Exhibit A: Defined Terms

Exhibit B: Form of Commencement Date Memorandum

Exhibit C: Authorization Agreement – ACH Payments

Exhibit D: Form of Landlord's Waiver

MASTER LEASE AGREEMENT

EXHIBIT A

DEFINED TERMS

The following terms shall have the following meanings for all purposes of this Lease:

“*Access Date*” means the date on which a Property becomes subject to the terms of this Lease, as further defined in that Property’s Commencement Date Memorandum.

“*Additional Rent*” has the meaning set forth in Section 4.03.

“*Adjustment Date*” has the meaning set forth in Section 1.07.

“*Affected Party*” means each direct or indirect participant or investor in a proposed or completed Securitization, including, without limitation, any prospective owner, any rating agency or any party to any agreement executed in connection with the Securitization.

“*Affiliate*” means any Person which directly or indirectly controls, is under common control with or is controlled by any other Person. For purposes of this definition, “controls,” “under common control with,” and “controlled by” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise.

“*Anti-Money Laundering Laws*” means all applicable Laws, regulations and government guidance on the prevention and detection of money laundering, including, without limitation, (a) 18 U.S.C. §§ 1956 and 1957; and (b) the Bank Secrecy Act, 31 U.S.C. §§ 5311 et seq., and its implementing regulations, 31 CFR Part 103.

“*Architect*” means one or more architects of Lessee’s choosing (provided that such architect shall be a reputable architect with experience in projects that are similar in scope and type to the proposed Improvements).

“*Base Annual Rent*” has the meaning set forth in Section 1.05.

“*Base Monthly Rent*” means an amount equal to 1/12 of the applicable Base Annual Rent.

“*Business Day*” means a day on which banks located in Columbia, Missouri are not required or authorized to remain closed.

“*Casualty*” means any loss of or damage to any property included within or related to the Properties or arising from an adjoining property caused by an Act of God, fire, flood or other catastrophe.

“*Close-out Certificate*” has the meaning set forth in Section 18.09(d).

“*Code*” means the Internal Revenue Code of 1986, as the same may be amended from time to time.

“*Completion Notice*” means, with respect to each Property, the notice of Substantial Completion delivered by Lessee to Lessor in substantially the form attached at Exhibit C to the applicable Commencement Date Memorandum, in accordance with Section 2.01(d), certifying the achievement of Substantial Completion and the issuance of a Certificate of Occupancy, and identifying all Remaining Construction Work and the Target Final Completion Date.

“*Condemnation*” means a Taking and/or a Requisition.

"Construction Budget" means, with respect to each Property, the anticipated Construction Costs to be incurred in the construction, and installation of the Improvements and performance of any related services for the Property, including the Developer Fee.

"Construction Costs" means all costs incurred in connection with the design, development, construction and installation of the Improvements on a Property, as well the costs of excavating, grading, landscaping and other work undertaken to prepare a Property for construction of the Improvements, the purchase price of all fixtures to be installed on the Properties and all other fees, costs and expenses incurred in connection with the design, development, construction, and installation of the Improvements, planning, engineering, development, architects', consultants', brokers', attorneys' fees, appraisal costs, survey costs, insurance costs, transaction costs, demolition costs, permitting costs, Construction Period real estate taxes, costs for title insurance and other soft costs related to the Improvements.

"Construction Contract" means with respect to each Property those certain contracts for the construction and installation of the Improvements and performance of any related services that Lessee shall enter into with a contractor(s) of its choosing; provided, however, that each such contractor shall be a reputable contractor, developer or design builder with experience in constructing projects that are similar in scope and type to the portion of the proposed Improvements for which such contractor is contracted.

"Construction Period" has the meaning set forth in Section 3.01.

"Contractor" means one or more contractors of Lessee's choosing (provided that such contractor shall be a reputable contractor with experience in projects that are similar in scope and type to the proposed Improvements).

"Costs" means all reasonable documented, third party costs and expenses incurred by a Person, including, without limitation, reasonable attorneys' fees and expenses, court costs, expert witness fees, costs of tests and analyses, travel and accommodation expenses, deposition and trial transcripts, copies and other similar costs and fees, brokerage fees, escrow fees, title insurance premiums, appraisal fees, stamp taxes, recording fees and transfer taxes or fees, as the circumstances require.

"Default Rate" means 15% per annum or the highest rate permitted by Law, whichever is less.

"Developer Fee" means with respect to each Property, an amount equal to the time and materials expended by Lessee on the construction and installation of the Improvements and performance of any related services pursuant to this Lease, as set forth in the applicable schedule. The Developer Fee shall be paid in proportional installments with each Construction Funding.

"Effective Date" has the meaning set forth in the introductory paragraph of this Lease.

"Environmental Laws" means federal, state and local Laws, ordinances, common law requirements and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees having the effect of Law in effect now or in the future and including all amendments, that relate to Hazardous Materials, Regulated Substances, USTs, and/or the protection of human health or the environment, or relating to liability for or Costs of Remediation or prevention of Releases, and apply to Lessee and/or the Properties.

"Environmental Liens" means any liens and other encumbrances imposed pursuant to any Environmental Law. *"Environmental Reports"* means all environmental, soils or engineering reports, assessments, studies, test results, notices, agreements and other documentation with respect to any Properties that have been provided to Lessor.

"Escalation Formula" has the meaning set forth in the Commencement Date Memorandum.

"Existing Environmental Conditions" means those environmental conditions existing or occurring on or prior to the Effective Date, including without limitation those set forth in the Environmental Reports.

"Event of Default" has the meaning set forth in Section 12.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Extension Option" has the meaning set forth in Section 3.02.

"Extension Term" has the meaning set forth in Section 3.02.

"Final Completion Date" means, with respect to each Property, the date on which Lessee has fully completed the construction and installation of the Improvements for the Property and finished performance of any related services, as evidenced by the Close-out Certificate.

"Force Majeure Event" has the meaning set forth in Section 17.01.

"GAAP" means generally accepted accounting principles, consistently applied from period to period.

"Governmental Authority" means any governmental authority, agency, department, commission, bureau, board, instrumentality, court or quasi-governmental authority of the United States, any state or any political subdivision thereof with authority to adopt, modify, amend, interpret, give effect to or enforce any federal, state and local Laws, statutes, ordinances, rules or regulations, including common law, or to issue court orders.

"Hazardous Materials" includes: (a) oil, petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials, contaminants or pollutants, the presence of which causes any of the Properties to be in violation of any Environmental Law, or are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "contaminants," "pollutants," or words of similar import under any Environmental Law or under the regulations adopted, orders issued, or publications promulgated pursuant thereto, including, but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; (ii) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 5101, et seq.; (iii) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; and (iv) regulations adopted and publications promulgated pursuant to the aforesaid Laws; (b) asbestos in any form whether or not friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; (c) underground storage tanks; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority pursuant to any Environmental Law.

"Indemnified Parties" means Lender, Lessor, their respective members, managers, officers, directors, shareholders, partners, employees, affiliates, subsidiaries, successors and assigns, including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of the assets and business of Lessor.

"Improvements" mean those certain facilities, parking fields, infrastructure, landscaping, and all other constructed improvements on each Property, and any off-site roads, utilities, stormwater sanitary sewer, or other facilities required for the operation of the Properties to be constructed pursuant to this Lease.

"Initial Term" has the meaning set forth in Section 3.01.

"Insolvency Event" means (a) a Person's (i) failure to generally pay its debts as such debts become due; (ii) admitting in writing its inability to pay its debts generally; or (iii) making a general assignment

for the benefit of creditors; (b) any proceeding being instituted by or against any Person (i) seeking to adjudicate it bankrupt or insolvent; (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Law relating to bankruptcy, insolvency, or reorganization or relief of debtors; or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against any Person, either such proceeding shall remain undismissed for a period of one hundred twenty (120) days or any of the actions sought in such proceeding shall occur; or (c) any Person taking any corporate action to authorize any of the actions set forth above in this definition.

"Insurance Premiums" has the meaning in Section 6.03.

"Law(s)" means any constitution, statute, rule of law, code, ordinance, order, judgment, decree, injunction, rule, regulation, policy, requirement or administrative or judicial determination, even if unforeseen or extraordinary, of every duly constituted Governmental Authority, court or agency, now or hereafter enacted or in effect.

"Lease Term" has the meaning described in Section 3.01.

"Legal Requirements" means the requirements of all present and future Laws (including, without limitation, Environmental Laws and Laws relating to accessibility to, usability by, and discrimination against, disabled individuals), all judicial and administrative interpretations thereof, including any judicial order, consent, decree or judgment, and all covenants, restrictions and conditions now or hereafter of record which may be applicable to Lessee or to any of the Properties, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or restoration of any of the Properties, even if compliance therewith necessitates structural changes or improvements or results in interference with the use or enjoyment of any of the Properties.

"Lender" means any lender in connection with any loan secured by Lessor's interest in any or all of the Properties, and any servicer of any loan secured by Lessor's interest in any or all of the Properties.

"Lessee Entity" or *"Lessee Entities"* means individually or collectively, as the context may require, Lessee and all Affiliates thereof.

"Lessee's Information" has the meaning set forth in Section 17.05(b).

"Lessor Entity" or *"Lessor Entities"* means individually or collectively, as the context may require, Lessor and all Affiliates of Lessor.

"Losses" means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, Costs, diminutions in value, fines, penalties, interest, charges, fees, judgments, awards, amounts paid in settlement and damages of whatever kind or nature, inclusive of bodily injury and property damage to third parties (including, without limitation, attorneys' fees and other Costs of defense).

"Material Adverse Effect" means a material adverse effect on (a) any Property, including without limitation, the operation of any Property as a Permitted Facility and/or the value of any Property; (b) the contemplated business, condition, worth or operations of any Lessee Entity; (c) Lessee's ability to perform its obligations under this Lease; or (d) Lessor's interests in any of the Properties, this Lease or the other Transaction Documents.

"Monetary Obligations" means all Rent and all other sums payable or reimbursable by Lessee under this Lease to Lessor, to any third party on behalf of Lessor, or to any Indemnified Party.

"Mortgages" means, collectively, the mortgages, deeds of trust or deeds to secure debt, assignments of rents and leases, security agreements and fixture filings executed by Lessor for the benefit of

Lender with respect to any or all of the Properties, as such instruments may be amended, modified, restated or supplemented from time to time and any and all replacements or substitutions.

"Net Award" means (a) the entire award payable with respect to a Property by reason of a Condemnation whether pursuant to a judgment or by agreement or otherwise; or (b) the entire proceeds of any insurance required under Section 6.03 payable with respect to a Property, as the case may be, and in either case, less any Costs incurred by Lessor in collecting such award or proceeds.

"OFAC Laws" means Executive Order 13224 issued by the President of the United States, and all regulations promulgated thereunder, including, without limitation, the Terrorism Sanctions Regulations (31 CFR Part 595), the Terrorism List Governments Sanctions Regulations (31 CFR Part 596), the Foreign Terrorist Organizations Sanctions Regulations (31 CFR Part 597), and the Cuban Assets Control Regulations (31 CFR Part 515), and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including without limitation, the U.S. Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as supplemented, amended or modified from time to time after the Effective Date, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar Laws, ordinances, regulations, policies or requirements of other states or localities.

"Operating Period" has the meaning set forth in Section 3.01.

"Partial Condemnation" has the meaning set forth in Section 11.03.

"Permitted Amounts" shall mean, with respect to any given level of Hazardous Materials or Regulated Substances, that level or quantity of Hazardous Materials or Regulated Substances in any form or combination of forms which does not constitute a violation of any Environmental Laws and is customarily employed in, or associated with, similar businesses located in the state or states where the Properties are located.

"Permitted Facility" or *"Permitted Facilities"* means an equipment rental, equipment sales, equipment maintenance, telematics sales and operations, and administrative offices facility, all related purposes such as ingress, egress and parking, and uses incidental thereto, and all other lawful uses consistent with Lessee's business as conducted, from time to time.

"Person" means any individual, partnership, corporation, limited liability company, trust, unincorporated organization, Governmental Authority or any other form of entity.

"Personalty" means any and all "goods" (excluding "inventory," and including, without limitation, all "equipment," "fixtures," appliances and furniture (as "goods," "inventory," "equipment" and "fixtures" are defined in the applicable Uniform Commercial Code then in effect in the applicable jurisdiction)) from time to time situated on or used in connection with any of the Properties, whether now owned or held or hereafter arising or acquired, together with all replacements and substitutions therefore and all cash and non-cash proceeds (including insurance proceeds and any title and UCC insurance proceeds) and products thereof, and, in the case of tangible collateral, together with all additions, attachments, accessions, parts, equipment and repairs now or hereafter attached or affixed thereto or used in connection therewith.

"Plans and Specifications" means, with respect to each Property, the plans and specifications for the Improvements prepared by Lessee and the Architect, as such Plans and Specifications may be amended, modified or supplemented from time to time in accordance with the terms of this Agreement. The Plans and Specifications for each Property shall, unless otherwise agreed to by the parties, be provided to Lessor within 10 business days of the execution of this Lease for each Property and for any additional Property, within 10 business days of the inclusion of such additional Property.

"Price Index" means the Consumer Price Index which is designated for the applicable month of determination as the United States City Average for All Urban Consumers, All Items, Not Seasonally Adjusted, with a base period equaling 100 in 1982 - 1984, as published by the United States Department of Labor's Bureau of Labor Statistics or any successor agency. In the event that the Price Index ceases to be published, its successor index measuring cost of living as published by the same Governmental Authority which published the Price Index shall be substituted and any necessary reasonable adjustments shall be made by Lessor and Lessee in order to carry out the intent of Section 4.02. In the event there is no successor index measuring cost of living, Lessor shall reasonably select an alternative price index measuring cost of living that will constitute a reasonable substitute for the Price Index.

"Property" or "Properties" means those parcels of real estate legally described on the applicable Real Property Schedule attached hereto, all rights, privileges, easements and appurtenances associated therewith, and all buildings, fixtures and other improvements now or hereafter located on such real estate (whether or not affixed to such real estate). For the avoidance of doubt, references to Property or Properties shall exclude all personal property, including equipment (regardless of whether the same would be considered a fixture under applicable law).

"Proprietary Information" means the business concept, equipment, operating techniques, marketing methods, financial information, demographic techniques, plans, site renderings, schedules, customer profiles, preference or statistics, itemized costs, territories and development plans and all related trade secrets or confidential or proprietary information treated as such by Lessor or Lessee, whether by course of conduct, by letter or report or by use of any appropriate proprietary stamp of legend designating such information item to be confidential or proprietary, by communication to such effect made prior to or at the time any such Proprietary Information is disclosed to Lessor or Lessee, or otherwise.

"Regulated Substances" means "petroleum" and "petroleum-based substances" or any similar terms described or defined in any of the Environmental Laws and any applicable federal, state, county or local Laws applicable to or regulating USTs.

"Release" means any presence, release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials, Regulated Substances or USTs or any Threatened Release.

"Remaining Construction Work" has the meaning set forth in Section 2.03(b)(ii).

"Remediation" means any response, remedial, removal, or corrective action, any activity required pursuant to Environmental Laws to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Materials, Regulated Substances or USTs, any actions to cure or mitigate any Release, any action to comply with any Environmental Laws or with any permits issued pursuant thereto, any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or any evaluation required under Environmental Laws relating to any Hazardous Materials, Regulated Substances or USTs.

"Rent" means, collectively, the Equipment Storage Rent or Base Annual Rent (as applicable), and the Additional Rent.

"Rent Adjustment" means the amount equal to the product of an adjustment rate percentage (as referenced in the applicable Real Property Schedule) and the Base Annual Rent in effect immediately prior to the applicable Adjustment Date.

"Requirements" mean all applicable statutes, codes, laws, ordinances, rules and regulations, orders, requirements, directives and decrees of Governmental Authorities applicable to the design, development, permitting and Substantial Completion of the Improvements for Property, including without limitation, any additional requirements set forth in the applicable Plans and Specifications for the Property.

"*Requisition*" means any temporary requisition or confiscation of the use or occupancy of any of the Properties by any Governmental Authority, civil or military, whether pursuant to an agreement with such Governmental Authority in settlement of or under threat of any such requisition or confiscation, or otherwise.

"*Securities*" has the meaning set forth in Section 17.09.

"*Securities Act*" means of the Securities Act of 1933, as amended.

"*Securitization*" has the meaning set forth in Section 17.09.

"*SNDA*" means a subordination, nondisturbance and attornment agreement in commercially reasonable form.

"*Substantial Completion*" means, with respect to each Property, substantial completion of the Improvements on the Property has been achieved in accordance with all relevant Plans and Specifications for the Property and this Lease and in compliance with all Requirements and insurance requirements, a Certificate of Occupancy has been issued with respect to the Improvements for such Property to the extent required by Law or Governmental Authorities, and Lessee has received the documents and other items required to be delivered pursuant to Section 18.09.

"*Successor Lessor*" has the meaning set forth in Section 13.03.

"*Taking*" means (a) any taking or damaging of all or a portion of the Properties (i) in or by condemnation or other eminent domain proceedings pursuant to any Law, general or special; (ii) by reason of any agreement with any condemnor in settlement of or under threat of any such condemnation or other eminent domain proceeding; or (iii) by any other means; or (b) any de facto condemnation. The Taking shall be considered to have taken place as of the later of the date actual physical possession is taken by the condemnor, or the date on which the right to compensation and damages accrues under the Law applicable to the Properties.

"*Target Final Completion Date*" means, with respect to each Property, the target date for Final Completion set forth in the Completion Notice for such Property, which date shall not be more than ninety (90) days after the Base Rent Commencement Date for such Property unless extended by mutual written agreement or by reason of Force Majeure.

"*Temporary Taking*" has the meaning set forth in Section 11.04.

"*Threatened Release*" means a substantial likelihood of a Release which requires action to prevent or mitigate damage to the soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air or any other environmental medium comprising or surrounding any Property which may result from such Release.

"*Total Condemnation*" has the meaning set forth in Section 11.02.

"*Transaction Documents*" means this Lease, and all documents related thereto.

"*Transition Period*" has the meaning set forth in Section 3.01.

"*U.S. Publicly Traded Entity*" means an entity whose securities are listed on a national securities exchange or quoted on an automated quotation system in the United States or a wholly-owned subsidiary of such an entity.

"*USTs*" means any one or combination of tanks and associated product piping systems used in connection with storage, dispensing and general use of Regulated Substances.

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jabbok Schlacks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EquipmentShare.com Inc for the period ended March 31, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Reserved;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 14, 2026

/s/ Jabbok Schlacks

Jabbok Schlacks

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Marquardt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EquipmentShare.com Inc for the period ended March 31, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Reserved;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 14, 2026

/s/ David Marquardt

David Marquardt

Chief Financial Officer and Chief Accounting Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of EquipmentShare.com Inc (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission (the "Quarterly Report"), I, Jabbok Schlacks, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 14, 2026

/s/ Jabbok Schlacks

Jabbok Schlacks

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of EquipmentShare.com Inc (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission (the "Quarterly Report"), I, David Marquardt, Chief Financial Officer and Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 14, 2026

/s/ David Marquardt

David Marquardt

Chief Financial Officer and Chief Accounting Officer

(Principal Financial Officer)