Use these links to rapidly review the document
TABLE OF CONTENTS

As filed with the Securities and Exchange Commission on September 13, 2002

No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

H&E EQUIPMENT SERVICES L.L.C.

(Exact name of registrant as specified in its charter)

Louisiana	**7353**	**72-1287046**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

H&E FINANCE CORP.

(Exact name of registrant as specified in its charter)

Delaware	**7353**	**02-0602822**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

John M. Engquist
President and Chief Executive Officer
11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816
(225) 298-5200:

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Joshua N. Korff, Esq.
Kirkland & Ellis
Citigroup Center 153 East 53rd Street
New York, New York 10022-4675

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

If this Form is filed to registered additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)**	**Amount of Registration Fee**
12 1/2% Senior Subordinated Notes due 2013	**$42,408,680**	**$3,902**

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities act of 1933, as amended.

The registrant hereby amends this Registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

GNE INVESTMENTS, INC.

(Exact name of registrant as specified in its charter)

Washington	**7353**	**91-1561043**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

GREAT NORTHERN EQUIPMENT, INC.

(Exact name of registrant as specified in its charter)

Montana	**7353**	**81-0448694**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

The information in this prospectus is not complete and may be changed.

Subject to completion, dated September 13, 2002

PROSPECTUS

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

Offer for all outstanding 12 1/2% Senior Subordinated Notes due 2013 in aggregate principal amount at maturity of $53,000,000 in exchange for up to $53,000,000 aggregate principal amount at maturity of 12 1/2% Senior Subordinated Exchange Notes due 2013.

Terms of the Exchange Offer

- Expires 5:00 p.m., New York City time, , 2002, unless extended.
- Not subject to any condition other than that the exchange offer not violate applicable law or any interpretation of the staff of the Securities and Exchange Commission.
- H&E Equipment Services can amend or terminate the exchange offer.
- H&E Equipment Services will exchange all 12 1/2% Senior Subordinated Notes due 2013 that are validly tendered and not validly withdrawn.
- We will not receive any proceeds from the exchange offer.
- The exchange of notes should not be a taxable exchange for U.S. federal income tax purposes.
- You may withdraw tendered outstanding 12 1/2% Senior Subordinated Notes due 2013 any time before the expiration of the exchange offer.

Terms of the Exchange Notes

- The exchange notes rank junior to all of H&E Equipment Services', H&E Finance's and the guarantors' existing and future senior debt, equally with all of H&E Equipment Services', H&E Finance's and the guarantors' existing and future senior subordinated indebtedness and senior to all subordinated indebtedness.
- The exchange notes mature on June 15, 2013. The Exchange Notes will bear interest, which will be payable semi-annually in arrears, at a rate of 12 1/2% per annum on each June 15 and December 15, commencing December 15, 2002.
- We may redeem the exchange notes at any time on or after June 15, 2007.
- Prior to June 15, 2005, we may redeem up to 35% of the exchange notes with the proceeds of certain equity offerings.
- Upon a change of control, we may be required to offer to repurchase the exchange notes.

- The terms of the exchange notes are identical to our outstanding 12 1/2% Senior Subordinated Notes due 2013 except for transfer restrictions and registration rights.

For a discussion of specific risks that you should consider before tendering your outstanding 12 1/2% Senior Subordinated Notes due 2013 in the exchange offer, see "Risk Factors" beginning on page 21.

There is no public market for our outstanding 12 1/2% Senior Subordinated Notes due 2013 or the exchange notes. However, you may trade our outstanding 12 1/2% Senior Subordinated Notes due 2013 in the Private Offerings Resale and Trading through Automatic Linkages, or PORTAL™, market.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS
INDUSTRY AND MARKET DATA
PROSPECTUS SUMMARY
RISK FACTORS
THE EXCHANGE OFFER
THE TRANSACTIONS
USE OF PROCEEDS
CAPITALIZATION
UNAUDITED PRO FORMA COMBINED FINANCIAL DATA
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
BUSINESS
MANAGEMENT

SECURITY OWNERSHIP AND CERTAIN BENEFICIAL OWNERS
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS
DESCRIPTION OF OWNERSHIP INTERESTS
DESCRIPTION OF SENIOR CREDIT FACILITY
DESCRIPTION OF NOTES
BOOK-ENTRY, DELIVERY AND FORM
CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS
PLAN OF DISTRIBUTION
LEGAL MATTERS
EXPERTS
AVAILABLE INFORMATION
INDEX TO FINANCIAL STATEMENTS

As used in this prospectus and unless the context indicated otherwise, "notes" refers, collectively, to (a) H&E Equipment Services' and H&E Finance's 12 1/2% Senior Subordinated Notes due 2013, also referred to as the "old notes," and (b) H&E Equipment Services' and H&E Finance's 12 1/2% Senior Subordinated Exchange Notes due 2013, also referred to as the "exchange notes."

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. These statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, among other things, those listed above in "Risk Factors" and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined above in "Risk Factors."

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus.

INDUSTRY AND MARKET DATA

Industry and market data used throughout this prospectus were obtained through our research, surveys and studies conducted by third parties and industry and general publications. We have not independently verified market and industry data from third-party sources. While we believe internal company surveys are reliable and market definitions are appropriate, neither these surveys nor these definitions have been verified by any independent sources.

For the purposes of this prospectus, we define the "Gulf Coast" region to include the states of Alabama, Arkansas, Florida, Louisiana, Mississippi, North Carolina and Texas, and we define the "Intermountain" region to include the states of Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Washington.

PROSPECTUS SUMMARY

The following summary contains basic information about H&E Equipment Services L.L.C. ("H&E Equipment Services") and highlights information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read the entire prospectus carefully, including the section entitled "Risk Factors" and the financial statements and the related notes to those statements included in this prospectus.

References in this prospectus to "H&E" refer to Head & Engquist Equipment, L.L.C., which was a wholly-owned subsidiary of Gulf Wide Industries, L.L.C. ("Gulf Wide"), and its subsidiary prior to the combination of H&E and ICM. Gulf Wide was the holding company of H&E and substantially all of the operations and assets of Gulf Wide were recorded at H&E. References to "ICM" refer to ICM Equipment Company L.L.C. and its subsidiaries prior to the combination of H&E and ICM. H&E Holdings L.L.C. ("H&E Holdings") is the parent holding company of H&E Equipment Services. As a holding company, H&E Holdings has no independent operations. Unless the context otherwise suggests, "we," "us," "our," and similar terms, as well as references to the "Company," refer to H&E Equipment Services after giving effect to the formation of H&E Finance Corp. as a subsidiary of H&E Equipment Services and the combination of H&E and ICM. In connection with the combination of H&E and ICM, H&E and ICM were merged with and into Gulf Wide, which was renamed H&E Equipment Services, L.L.C. The operating results discussed herein are adjusted to reflect the pro forma effect of the combination of H&E and ICM.

The Company

We believe we are one of the largest integrated equipment rental, service and sales companies in the United States. Unlike many of our competitors which focus primarily on renting equipment, we also sell new and used equipment and provide extensive parts and service support. This integrated model enables us to effectively manage key aspects of our rental fleet through reduced equipment acquisition costs, efficient maintenance and profitable disposition of rental equipment. Over the past 40 years, we have built an infrastructure that, after the combination of H&E and ICM, will include a network of 47 facilities, most of which have full-service capabilities, and a workforce that includes a highly-skilled group of more than 500 service technicians and a distinct rental and equipment sales force. We generate a significant portion of our gross profit from parts and service, which we believe provides us with a more stable operating profile than companies that focus solely on equipment rental. For the twelve months ended December 31, 2001, we generated pro forma revenues of $511.9 million and pro forma EBITDA of $92.9 million. For the six months ended June 30, 2002, we generated pro forma revenues of $222.5 million and pro forma EBITDA of $39.1 million.

	Pro Forma For the Six Months Ended June 30, 2002				
	Revenues[1]	Gross Profit[1]	% of Gross Profit	% Margin	Capabilities
	(Dollars in millions)				
Equipment rentals	$ 82.0	$ 31.3	51.9%	38.2%	As of June 30, 2002, we had a well-maintained fleet with an aggregate original acquisition cost of $554.4 million. Our fleet is focused on four primary types of equipment: hi-lift, cranes, earthmoving and lift trucks. We have a sales force of over 100 people focused solely on renting equipment.
New equipment sales	48.2	4.9	8.1	10.2	We are a leading distributor for nationally-recognized equipment suppliers including Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. We have a sales force of over 75 people focused solely on new and used equipment sales.
Used equipment sales	34.8	6.1	10.0	17.4	We sell used equipment primarily from our rental fleet by leveraging our new equipment sales distribution platform to sell directly to the end customer generally at retail prices.
Parts and service	48.0	19.4	32.2	40.5	We provide parts and service to our customers and to our own rental fleet. We have over 500 technicians and over 450 field service and delivery trucks.

(1) Our total revenues and total gross profit include revenues and gross profit from our other revenues and expenses, which are related to equipment supporting activities and which are excluded from this table.

	Pro Forma For the Year Ended December 31, 2001				
	Revenues[1]	Gross Profit[1]	% of Gross Profit	% Margin	Capabilities
	(Dollars in millions)				
Equipment rentals	$ 176.8	$ 73.9	56.2%	42.5%	Pro forma for the year ended December 31, 2001, we had a well-maintained fleet with an aggregate original acquisition cost of $543.5 million. Our fleet is focused on four primary types of equipment: hi-lift, cranes, earthmoving and lift trucks. We have a sales force of over 100 people focused solely on renting equipment.
New equipment sales	137.0	13.1	10.0	9.6	We are a leading distributor for nationally-recognized equipment suppliers including Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. We have a sales force of over 75 people focused solely on new and used equipment sales.
Used equipment sales	89.9	14.7	11.2	16.4	We sell used equipment primarily from our rental fleet by leveraging our new equipment sales distribution platform to sell directly to the end customer generally at retail prices.
Parts and	93.7	38.2	29.1	40.8	We provide parts and service to our customers and to

service	our own rental fleet. We have over 500 technicians and over 450 field service and delivery trucks.

(1) Our total revenues and total gross profit include revenues and gross profit from our other revenues and expenses, which are related to equipment supporting activities and which are excluded from this table.

Many of our competitors in the equipment rental market follow a generalist approach, renting a wide variety of equipment. We believe that customers prefer our specialized strategy which focuses our rental activities on and organizes our personnel by four core types of equipment (with their respective percentage of our fleet's original acquisition cost as of June 30, 2002): (i) hi-lift (57.3%); (ii) cranes (21.9%); (iii) earthmoving (9.7%); and (iv) lift trucks (5.9%). We believe this strategy fills an important need for specialized equipment knowledge in the market, improves the effectiveness of our rental sales force and strengthens our customer relationships. As of June 30, 2002, our total rental fleet consisted of 15,768 pieces with an average age of 30.9 months and an aggregate original acquisition cost of $554.4 million.

According to Manfredi & Associates, a leading industry consultant, the United States equipment rental industry has grown from approximately $6.5 billion in annual rental revenues in 1990 to $24.8 billion in 2001, representing a compound annual growth rate of approximately 12.8%. We believe this growth was principally due to increased outsourcing by construction and industrial companies as they realized the economic benefits of renting rather than owning equipment. Manfredi & Associates estimates that in 2001, the equipment rental market was comprised of 13,500 equipment rental locations. We believe that despite recent consolidations in the industry, the market is still highly fragmented and consists mainly of a small number of multi-location regional or national operators and a large number of relatively small, independent businesses serving discrete, local markets. The *Rental Equipment Register*, a leading industry publication, estimates that the 100 largest equipment rental companies combined accounted for less than $8.7 billion in equipment rental revenue in 2001. As a result, we believe that the 100 largest equipment rental companies combined accounted for less than 35% of the industry's total equipment rental revenue.

H&E Equipment Services was formed through the combination of H&E and ICM, two leading, regional, integrated equipment rental, service and sales companies operating in contiguous geographical markets. H&E, founded in 1961, is located in the Gulf Coast region. ICM, founded in 1971, operates in the fast-growing Intermountain region. The combined company has a network of 47 facilities serving more than 26,000 customers across 15 states and has significant market shares in major cities such as

Atlanta, Dallas, Denver, Houston, Las Vegas, Phoenix and Salt Lake City. We believe that the combination of H&E and ICM provides the following benefits: (i) increased profitability through optimal utilization of our rental fleet and combined purchasing power; (ii) cross-selling of used equipment from our rental fleet across our expanded retail network; (iii) cost savings through the elimination of certain administrative expenses; and (iv) greater ability to serve large customers in multiple regions.

Our Competitive Strengths

We believe that we benefit from the following competitive strengths:

Integrated Platform of Products and Services. We believe that our integrated equipment rental, service and sales model provides us with: (i) multiple points of customer contact; (ii) a diversified revenue stream; (iii) an effective method to manage our rental fleet through reduced equipment acquisition costs, efficient maintenance and profitable disposition of used equipment; and (iv) a more consistent performance throughout economic cycles. Key benefits that our integrated product and service offerings provide to our rental activities include:

- *Increasing Purchasing Power Through Complementary New Equipment Sales.* We have significant purchasing power because of our large volume purchases as both a renter and distributor of equipment. As a result, we believe we generally can buy new equipment and related items and parts at prices that are comparable to those paid by our larger competitors. We are one of the leading distributors of new products for nationally-recognized manufacturers, including, among others, Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. Our new equipment distribution infrastructure facilitates a large, high-quality product support operation, creates a higher level of partnering with manufacturers and adds a significant customer base which often leads to revenue from our rental and parts and service operations.
- *Maintaining the High Quality of Our Large Rental Fleet.* We believe that we operate one of the largest rental fleets in the Gulf Coast and Intermountain regions. We maintain a constant and extensive fleet maintenance program through our in-house capabilities and, for the six months ended June 30, 2002 and the year-ended December 31, 2001, we spent more than $11.8 million and $23.0 million, respectively, on non-capitalized fleet maintenance expense. We believe the high quality of our fleet enables us to maximize our fleet utilization, rental rates and resale values.
- *Disposing of Our Used Rental Equipment through Our Retail Sales Network.* We believe we have a strategic advantage by being able to profitably dispose of used equipment from our rental fleet through our own retail sales infrastructure, as compared to selling wholesale or through auctions. On a combined pro forma basis, for the six months ended June 30, 2002 and the year ended December 31, 2001, we sold used equipment primarily from our rental fleet for 121.1% and 119.3%, respectively of book value. In 2001, we sold 98.6% of our used rental equipment through our retail sales network directly to the end customer, with the remaining 1.4% sold through auctions. Our resale capabilities allow us to control the utilization and the age of our fleet, provide customers with a wider range of equipment options and leverage our equipment sales force infrastructure, which includes over 75 specialized sales people.

High-Margin, Stable Parts and Service Business. Our parts and service business is a key component of the integrated offering we provide to both our customers and our own rental fleet and represented 32.2% and 29.1%, respectively, of our gross profit for the six months ended June 30, 2002 and the year ended December 31, 2001, on a pro forma basis. We believe that our aftermarket parts and service operations are less susceptible to economic and business cycles and thus provide a stable, recurring, high-margin stream of revenues. We believe that there are significant barriers to entry into this business due to a shortage of capable, trained technicians and the large investment and infrastructure at the

branch level to establish the operations. We regularly provide parts and services for our pure rental equipment competitors which lack these capabilities.

Well-Developed Infrastructure. Over the past 40 years, we have built an infrastructure that, after the combination of H&E and ICM, includes a network of 47 facilities, most of which have full-service capabilities, and a workforce that includes a highly-skilled group of more than 500 service technicians and a distinct rental and equipment sales force. The breadth of our infrastructure enables us to provide the highest quality products and service, while maximizing rental fleet utilization, cash flow from fleet sales and revenue per customer. In addition, our well-developed infrastructure helps us to better serve large multi-regional customers and provides an advantage when competing for lucrative fleet and project management business.

Diverse Customer Base. We serve more than 26,000 customers in the industrial and commercial markets, including construction and maintenance contractors, manufacturers, public utilities and municipalities. In 2001, no single customer accounted for more than 1.4% of our total revenues and our top ten customers combined accounted for less than 9.0% of our total revenues.

Experienced Management Team with Significant Equity Stake. Senior management, led by Gary W. Bagley, our Chairman, and John M. Engquist, our President and Chief Executive Officer, has an average of 22 years of experience in the industry and an average of 14 years of experience with H&E or ICM, as the case may be. Five management equity holders own in aggregate approximately 35% of the common equity interests of H&E Holdings and approximately 12% of the preferred equity interests of H&E Holdings.

Our Business Strategy

Key components of our business strategy include:

Leveraging the Integrated Equipment Rental Model. Because our customers rarely just rent equipment, we believe that they value our integrated approach to addressing their equipment rental, service and sales needs. In addition to renting equipment, many of our customers purchase new and used equipment from us and utilize our extensive parts and service support. We believe this integrated model helps us to develop and strengthen relationships with our customers.

Specializing in Rental of Core Equipment Types. Many of our competitors in the equipment rental market follow a generalist approach, renting a wide variety of equipment. We believe that customers generally prefer our strategy which focuses our rental activities on and organizes our personnel by our four core types of equipment. We believe the recent consolidation within the equipment rental market has been led by companies that follow the generalist approach. As a result, many specialized rental operations have been acquired and adapted to this approach. We believe that our strategy fills an important need for specialized equipment knowledge in the market, improves the effectiveness of our rental sales force and strengthens our customer relationships.

Leveraging Industry-Leading Parts and Service Operations. Our parts and service business is an important part of our relationships with our suppliers and rental customers. Given their decreased project timelines and reliance on fewer pieces of equipment, we believe our customers increasingly place more importance on effective and timely parts and service support for their own fleet of equipment as well as for equipment that they rent. We believe we have the ability to manage the quality of and minimize downtime on our customers' and our own fleets more effectively than competitors that have limited in-house parts and service capabilities. We stock a wide range of parts and related inventory for all of the product lines that we carry as well as those of certain other manufacturers. We also have over 500 highly-skilled technicians to provide shop and field services and a fleet of over 450 field service and delivery trucks.

Optimizing Economics of Combined Fleet. We believe that there are significant opportunities to optimize our rental fleet economics through the integration of the H&E and ICM fleets. As a result of

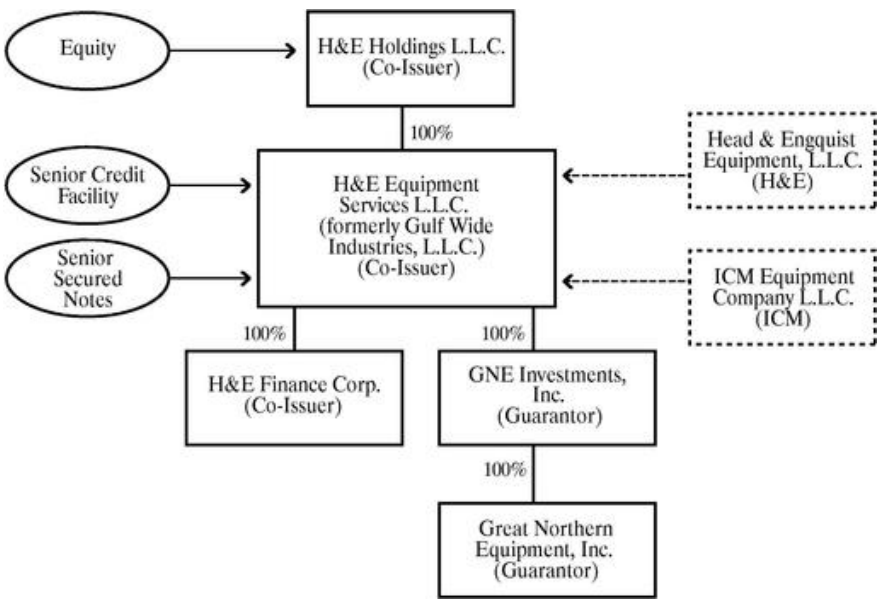
the combination of H&E and ICM, we are able to move rental equipment between H&E and ICM to: (i) more profitably utilize our rental fleet to meet demand in a particular geography; (ii) manage our fleet utilization by cross-selling used equipment from our rental fleet across our expanded retail network; and (iii) improve our ability to service large, multi-regional customers.

Expanding Fleet Management Capabilities and Project Management Operations. We intend to grow our revenues from fleet and project management services by leveraging our broad infrastructure, full-service capabilities and strong reputation for reliable service. End users, particularly industrial accounts (e.g., manufacturing, mining, and distribution) for fleet management and contractors for project management, increasingly outsource equipment management services in order to focus on their core competencies, achieve cost reductions and take advantage of our economies of scale. For example, as a result of the combination of H&E and ICM, we recently have been awarded a contract with a national construction contractor to be the sole provider of its equipment needs, including equipment rental, new equipment, used equipment and related parts and service.

Pursue Complementary Acquisitions. Since 1998, we have been focused primarily on growing our business organically, opening 18 locations in 11 states. Over this period, we have made only one acquisition for $10.6 million, which expanded our presence in the crane rental, service and sales business in the Gulf Coast region. Going forward, we may make strategic acquisitions that complement our existing products and services or strengthen our presence in a particular geographic market.

The Transactions

Each of H&E and ICM was acquired by affiliates of Bruckmann, Rosser, Sherrill & Co., Inc. ("BRS") in 1999, pursuant to separate recapitalizations. H&E Equipment Services was formed through the combination of H&E and ICM. In connection with the combination of H&E and ICM, H&E and ICM were merged with and into Gulf Wide, the parent of H&E, which was renamed H&E Equipment Services L.L.C. The corporate structure of H&E Equipment Services after the consummation of the combination of H&E and ICM is as follows:



PROSPECTUS SUMMARY

The following summary highlights selected information from this prospectus and may not contain all of the information that is important to you. This prospectus contains specific terms of this exchange offer and of the notes we are offering, as well as information regarding our business and detailed financial data. We encourage you to read this entire prospectus and the documents we have referred you to.

The Old Note Offering

Old Notes	We sold our 12 1/2% Senior Subordinated Notes due 2013 to Credit Suisse First Boston on June 17, 2002 in accordance with the terms of a purchase agreement. The old notes were sold as part of a unit, each consisting of one old note and a series of limited liability company interests of H&E Holdings. The initial purchaser subsequently resold the old notes to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933.
Registration Rights Agreement	We and the initial purchaser entered into a registration rights agreement on June 17, 2002, which granted the initial purchaser and any subsequent holders of the old notes certain exchange and registration rights. This exchange offer is intended to satisfy those exchange and registration rights with respect to the old notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your old notes.

The Exchange Offer

Securities Offered	Up to $53,000,000 aggregate principal amount at maturity of 12 1/2% Senior Subordinated Exchange Notes due 2013. The terms of the exchange notes and the old notes are identical in all material respects, except for certain transfer restrictions and registration rights relating to the old notes.
The Exchange Offer	We are offering to exchange the old notes for a like principal amount at maturity of exchange notes. Old notes may be exchanged only in integral principal at maturity multiples of $1,000.

Expiration Date; Withdrawal of Tender	Our exchange offer will expire 5:00 p.m. New York City time, on , 2002, or a later time if we choose to extend this exchange offer. You may withdraw your tender of old notes at any time prior to the expiration date. All outstanding old notes that are validly tendered and not validly withdrawn will be exchanged. Any old notes not accepted by us for exchange for any reason will be returned to you at our expense as promptly as possible after the expiration or termination of the exchange offer.
Resales	We believe that you can offer for resale, resell and otherwise transfer the exchange notes without complying with the registration and prospectus delivery requirements of the Securities Act if: • you acquire the exchange notes in the ordinary course of business; • you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes; and • you are not an "affiliate" of ours, as defined in Rule 405 of the Securities Act. If any of these conditions is not satisfied and you transfer any exchange notes without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We do not assume or indemnify you against this liability. Each broker-dealer acquiring exchange notes issued for its own account in exchange for old notes, which it acquired through market-making activities or other trading activities, must acknowledge that it will deliver a proper prospectus when any exchange notes issued in the exchange offer are transferred. A broker-dealer may use this prospectus for an offer to resell, a resale or other retransfer of the exchange notes issued in the exchange offer.
Conditions to the Exchange Offer	Our obligation to accept for exchange, or to issue the exchange notes in exchange for, any old notes is subject to certain customary conditions relating to compliance with any applicable law, or any applicable interpretation by any staff of the Securities and Exchange Commission, or any order of any governmental agency or court of law. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See "The Exchange Offer—Conditions to the Exchange Offer."

Procedures for Tendering Notes Held in the Form of Book-Entry Interests	Most of the old notes were issued as global securities and were deposited upon issuance with The Bank of New York. The Bank of New York issued certificateless depositary interests in those outstanding old notes, which represent a 100% interest in those old notes, to The Depository Trust Company. Beneficial interests in the outstanding old notes, which are held by direct or indirect participants in the Depository Trust Company, are shown on, and transfers of the old notes can only be made through, records maintained in book-entry form by The Depository Trust Company. You may tender your outstanding old notes: • through a computer-generated message transmitted by The Depository Trust Company's Automated Tender Offer Program system and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or • by sending a properly completed and signed letter of transmittal, which accompanies this prospectus, and other documents required by the letter of transmittal, or a facsimile of the letter of transmittal and other required documents, to the exchange agent at the address on the cover page of the letter of transmittal; And either: • a timely confirmation of book-entry transfer of your outstanding old notes into the exchange agent's account at The Depository Trust Company, under the procedure for book-entry transfers described in this prospectus under the heading "The Exchange Offer—Book Entry Transfers" must be received by the exchange agent on or before the expiration date; or • the documents necessary for compliance with the guaranteed delivery described in "The Exchange Offer—Guaranteed Delivery Procedures" must be received by the exchange agent.
Procedures for Tendering Notes held in the Form of Registered Notes	If you hold registered old notes, you must tender your registered old notes by sending a properly completed and signed letter of transmittal, together with other documents required by it, and your certificates, to the exchange agent, in accordance with the procedures described in this prospectus under the heading "The Exchange Offer—Procedures for Tendering Old Notes."

United Series Federal Income Tax Considerations	The exchange offer should not result in any recognition of income, gain or loss to the holders of old notes or to us for United States Federal Income Tax Purposes. See "Certain U.S. Federal Income Tax Considerations."
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. The proceeds from the offering of the old notes were used to consummate the combination of H&E and ICM, repay the existing indebtedness of H&E and ICM, consummate the BRS purchase and pay related fees and expenses.
Exchange Agent	The Bank of New York is serving as the exchange agent for the exchange offer.
Shelf Registration Statement	In limited circumstances, holders of old notes may require us to register their old notes under a shelf registration statement.

The Exchange Notes

Issuers	H&E Equipment Services L.L.C. and H&E Finance Corp. will issue the notes as joint and several obligors. H&E Finance Corp. is a wholly-owned subsidiary of H&E Equipment Services that was incorporated for the sole purpose of serving as a co-issuer of the notes and in order to facilitate the offering. Certain prospective investors of the notes may be restricted in their ability to purchase debt securities of a limited liability company unless the debt securities are jointly issued by a corporation. H&E Finance Corp. does not have any operations or assets of any kind and will not have any revenues. Prospective investors in the notes should not expect H&E Finance Corp. to have the ability to service obligations on the notes.
Maturity Date of the Notes	June 15, 2013.

Interest on the Notes	$12^1/_2$% per annum, payable semi-annually in arrears on June 15 and December 15, commencing December 15, 2002.

Original Issue Discount	The old notes were issued at a substantial discount to their principal amount. In addition, because the old notes were issued as part of an investment unit for tax purposes, a portion of the purchase price of the securities was allocated to the limited liability company interests. As a result, the exchange notes should be treated as being issued with substantial original issue discount for federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations."
Guarantees of the Notes	The notes will be jointly and severally guaranteed on a senior subordinated basis by all of the existing and future domestic restricted subsidiaries of H&E.
Ranking of the Notes	The notes and the guarantees will rank: • junior to all Senior Debt (as defined) of H&E Equipment Services, H&E Finance and the subsidiary guarantors; • junior to all of the liabilities of the subsidiaries of H&E Equipment Services, H&E Finance that have not guaranteed the notes; • equally with H&E Equipment Services', H&E Finance's and the guarantors' existing and future senior subordinated indebtedness; and • senior to all subordinated indebtedness. At June 30, 2002, the notes and the guarantees ranked junior to the Senior Debt, consisting of: • $76.6 million of senior secured indebtedness under the senior credit facility; • $58.1 million of secured floor plan financing; • $13.7 million of capitalized leases; • $1.4 million of letters of credit outstanding; and • $200.0 million of senior secured notes due 2012. In addition, $72.0 million was available for borrowing on a senior basis under the senior credit facility.

Optional Redemption	The notes may be redeemed at any time on or after June 15, 2007, in whole or in part, in cash at the redemption prices described in this prospectus, plus accrued and unpaid interest to the date of redemption. In addition, on or before June 15, 2005, on one or more occasions, up to an aggregate of 35% of the aggregate principal amount of notes issued under the indenture may be redeemed at a redemption price of 112.500% with the proceeds of certain equity offerings within 60 days of the closing of those equity offerings. That redemption may be made only if, after the redemption, at least 65% of the aggregate principal amount of notes issued under the indenture remains outstanding.
Change of Control	Upon a change of control, H&E Equipment Services and H&E Finance will be required to make an offer to repurchase the notes at a price equal to 101% of the principal amount of the notes on the date of purchase, plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit H&E Equipment Services' and H&E Finance's ability and the ability of the restricted subsidiaries to: • incur additional indebtedness; • create liens; • engage in sale-leaseback transactions; • pay dividends or make other equity distributions; • purchase or redeem capital stock;

- make investments;
- sell assets;
- engage in transactions with affiliates; and
- effect a consolidation or merger.

These limitations are subject to a number of important qualifications and exceptions. For more details, see the section "Description of Notes—Certain Covenants."

Risk Factors

See "Risk Factors" immediately following this summary for a discussion of certain risks relating to the notes.

The BRS Purchase

Concurrently with the closing of the old note offering, BRS was paid $7.2 million by H&E Equipment Services on account of $7.2 million of obligations payable to BRS and its affiliates in connection with the recapitalizations of H&E and ICM and BRS purchased a portion of the securities issued in that offering. Concurrently with the closing of the old note offering, BRS purchased notes having an accreted value of $7.2 million and a corresponding pro rata share of the limited liability company interests offered thereby.

Additional Information

H&E Equipment Services is a limited liability company organized under the laws of the State of Louisiana. H&E Finance Corp. is a Delaware corporation. The executive offices of H&E Equipment Services and H&E Finance Corp. are located at 11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816. The telephone number of H&E Equipment Services and H&E Finance Corp. is (225) 298-5200.

Summary Historical and Pro Forma Combined Financial Data

The summary of our historical and pro forma combined financial data set forth below should be read in conjunction with our unaudited historical and pro forma combined financial data included elsewhere in this prospectus. The summary historical and pro forma combined financial data has been derived from the unaudited historical and pro forma combined financial data and the related notes thereto included elsewhere in this prospectus. See "Unaudited Historical and Pro Forma Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the related notes thereto and other financial data included elsewhere in this prospectus. The summary unaudited historical and pro forma combined financial and operating data do not purport to be indicative of the results of operations or the financial position that would have occurred had the combination of H&E and ICM, the old note offering and the application of the estimated net proceeds from the old note offering occurred on the dates indicated, nor do they purport to be indicative of future results of operations or financial position.

	For the Year Ended December 31, 2001			For the Six Months Ended June 30, 2002	For the Period January 1, 2002 through June 17, 2002	For the Six Months Ended June 30, 2002
	H&E Equipment Services	ICM	Combined Pro Forma	H&E Equipment Services[1]	ICM	Combined Pro Forma
	(Dollars in thousands)					
Statement of operations data:						
Revenues:						
Equipment rentals	$ 99,229	$ 77,538	$ 176,767	$ 49,882	$ 32,081	$ 81,963
New equipment sales	84,137	52,894	137,031	32,457	15,764	48,221
Used equipment sales	59,442	30,719	89,908	22,166	12,653	34,779
Parts sales	36,524	18,968	55,492	20,312	8,156	28,468
Service revenues	19,793	18,459	38,252	11,247	8,235	19,482
Other	7,066	7,351	14,417	6,398	3,172	9,570
Total revenues	306,191	205,929	511,867	142,462	80,061	222,483
Gross profit:						
Equipment rentals	46,071	28,009	73,883	19,935	11,411	31,296
New equipment sales	6,697	6,406	13,103	3,063	1,835	4,898
Used equipment sales	8,062	6,652	14,714	3,280	2,775	6,055
Parts sales	9,447	5,569	15,016	5,153	2,449	7,602
Service revenues	11,687	11,500	23,187	6,558	5,239	11,797
Other	(6,208)	(2,225)	(8,433)	(396)	(950)	(1,346)
Total gross profit	75,756	55,911	131,470	37,593	22,759	60,302
Selling, general and administrative expenses	52,687	47,930	98,203	32,857	19,007	51,844
Gain on sale of property and equipment	46	—	46	29	—	29

Income from operations	23,115	7,981	33,313	4,765	3,752	8,487
Other income (expense):						
Interest expense[2]	(17,995)	(20,293)	(40,179)	(8,494)	(7,828)	(21,780)
Other	156	79	235	93	(294)	(201)
Total other income (expense)	(17,839)	(20,214)	(39,944)	(8,401)	(8,122)	(21,981)
Income (loss) before provision for income taxes	5,276	(12,233)	(6,631)	(3,636)	(4,370)	(13,494)
Provision (benefit) for income taxes	1,648	170	1,818	(1,271)	349	(922)
Net income (loss)	3,628	(12,403)	(8,449)	(2,365)	(4,719)	(12,572)
Other financial data:						
Depreciation and amortization[3]	$ 32,163	$ 29,717	$ 59,663	$ 18,500	$ 12,106	$ 30,661
EBITDA[4]	55,232	37,698	92,930	23,236	15,852	39,119
EBITDA margin[5]	18.0%	18.3%	18.2%	16.3%	19.8%	17.6%
Ratio of EBITDA to cash-pay interest expense	3.6x	3.0x	2.5x	2.8x	4.2x	1.9x
Ratio of total debt to EBITDA	3.5x	4.8x	3.5x	N/A	N/A	8.5x

Statement of Cash Flows:						
Net cash provided by operating activities	$ 30,115	$ 37,355	$ —	$ 545	$ 15,229	$ —
Net cash used in investing activities	(37,846)	(34,168)	—	(8,777)	(10,775)	—
Net cash provided by (used in) in financing activities	10,426	(3,187)	—	12,302	(811)	—
Capital expenditures:						
Rental equipment, gross	78,313	55,553	133,866	16,545	20,199	36,744
Rental equipment, net[6]	42,174	33,361	75,535	6,456	10,321	16,777
Property and equipment, net[7]	3,149	850	3,999	1,633	557	2,190
Total net capital expenditures	45,323	34,211	79,534	8,089	10,878	18,967
Ratio of earnings to fixed charges[8]	1.3x	0.4x	0.8x	0.6x	0.4x	0.6x

	Historical		
	As of December 31, 2001		As of June 30, 2002[1]
	H&E Equipment Services	ICM	H&E Equipment Services
	(Dollars in thousands)		
Balance sheet data:			
Cash and cash equivalents	$ 4,322	$ —	$ 8,392
Rental equipment, net	195,701	131,290	314,748
Intangible assets, net	3,204	78,699	15,955
Total assets	288,451	256,821	480,713
Total debt[9]	192,908	179,642	331,302
Members' interests[10]	31,106	3,310	39,541

(1) ICM merged with and into H&E Equipment Services on June 17, 2002. Accordingly, the historical statement of operations data for H&E Equipment Services for the six months ended June 30, 2002, includes ICM's results of operations from the date of the merger through June 30, 2002.

(2) Interest expense is comprised of cash-pay interest (interest recorded on debt and other obligations requiring periodic cash payments) and noncash-pay interest (interest accrued and also subordinated on the subordinated notes due to members and debt issuance cost amortization). The following table summarizes interest expense for the year ended December 31, 2001 and for the six months ended June 30, 2002, respectively:

	For the Year Ended December 31, 2001			For the Six Months Ended June 30, 2002	For the Period January 1, 2002 through June 17, 2002	For the Six Months Ended June 30, 2002
	H&E Equipment Services	ICM	Combined Pro Forma	H&E Equipment Services[1]	ICM	Combined Pro Forma
	(Dollars in thousands)					
Cash-pay interest expense	$ 15,357	$ 12,694	$ 36,935	$ 8,195	$ 3,802	$ 20,418
Noncash-pay interest expense	2,638	6,479	1,471	223	3,623	520
Noncash-pay debt issuance cost amortization	—	1,120	1,773	76	403	842
Total interest expense	$ 17,995	$ 20,293	$ 40,179	$ 8,494	$ 7,828	$ 21,780

(3) This excludes amortization of debt issuance costs.

(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.

(5) This represents EBITDA as a percentage of revenue for the period presented.

(6) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from the Company's statement of cash flows for the periods presented.

(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from the Company's statement of cash flows for the periods presented.

(8) For the purpose of computing this ratio, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of deferred debt issue costs and one-third of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

(9) Total debt for H&E Equipment Services and ICM represents the amounts outstanding under the existing credit facilities of H&E Equipment Services and ICM plus capital leases and the amount of subordinated notes payable to members. In connection with the old note offering, $6.0 million of subordinated notes were repaid and the remaining subordinated notes to members were converted to equity. As of June 30, 2002, total debt for H&E Equipment Services represents amounts outstanding under the senior credit facility, senior secured notes, senior subordinated notes plus capital leases.

(10) Members' interests consist of total redeemable preferred units classified outside of equity and total members' equity (deficit).

Summary Historical Consolidated Financial Data

The summary of H&E Equipment Services' (formerly Gulf Wide Industries, L.L.C.) consolidated historical financial data set forth below should be read in conjunction with our consolidated financial statements included elsewhere in this prospectus. The summary historical financial data as of and for the fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001 have been derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The summary historical financial data as of and for the six months ended June 30, 2001 and June 30, 2002 have been derived from our unaudited consolidated financial statements and related notes included elsewhere in this prospectus. See "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the related notes thereto and other financial data included elsewhere in this prospectus.

H&E Equipment Services

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	1999	2000	2001	2001	2002[1]
			(Dollars in thousands)		
Statement of operations data:					
Revenues:					
Equipment rentals	$ 53,357	$ 70,625	$ 99,229	$ 48,425	$ 49,882
New equipment sales	76,703	53,345	84,137	27,898	32,457
Used equipment sales	42,797	51,402	59,442	24,629	22,166
Parts sales	30,328	34,435	36,524	18,030	20,312
Service revenues	13,949	16,553	19,793	9,776	11,247
Other	3,532	5,455	7,066	5,318	6,398
Total revenues	220,666	231,815	306,191	134,076	142,462
Gross profit:					
Equipment rentals	20,824	31,080	46,071	22,905	19,935
New equipment sales	8,275	5,436	6,697	2,006	3,063
Used equipment sales	7,959	7,001	8,062	3,604	3,280
Parts sales	8,184	8,589	9,447	4,568	5,153
Service revenues	7,287	9,414	11,687	5,872	6,558
Other	(4,498)	(4,687)	(6,208)	(1,406)	(396)
Total gross profit	48,031	56,833	75,756	37,549	37,593
Selling, general and administrative expenses	34,045	44,567	52,687	28,220	32,857
Gain on sale of property and equipment	952	—	46	10	29
Income from operations	14,938	12,266	23,115	9,339	4,765
Other income (expense):					
Interest expense[2]	(17,711)	(22,909)	(17,995)	(10,119)	(8,494)
Other	277	187	156	128	93
Total other income (expense)	(17,434)	(22,722)	(17,839)	(9,991)	(8,401)
Income (loss) before provision for income taxes	(2,496)	(10,456)	5,276	(652)	(3,636)
Provision (benefit) for income taxes	(153)	(3,123)	1,648	(239)	(1,271)
Net income (loss)	(2,343)	(7,333)	3,628	(413)	(2,365)
Other financial data:					
Depreciation and amortization[3]	$ 28,331	$ 30,541	$ 32,163	$ 15,479	$ 18,500
EBITDA[4]	42,317	42,807	55,232	24,808	23,236
EBITDA margin[5]	19.2%	18.5%	18.0%	18.5%	16.3%
Statement of cash flows:					
Net cash (used in) provided by operating activities	$ (8,417)	$ (14,588)	$ 30,115	$ 14,579	$ 545
Net cash (used in) provided by investing activities	(25,645)	16,252	(37,846)	(16,176)	(8,777)
Net cash provided by (used in) financing activities	34,938	(2,712)	10,426	1,598	12,302

Capital expenditures:					
Rental equipment, gross	$ 53,014	$ 25,639	$ 78,313	$ 32,226	$ 16,545
Rental equipment, net[6]	29,760	(12,870)	42,174	17,605	6,456
Property and equipment, net[7]	738	2,324	3,149	1,465	1,633
Total net capital expenditures	30,498	(10,546)	45,323	19,070	8,089

Ratio of earnings to fixed charges[8]	0.9x	0.6x	1.3x	0.9x	0.6x

(1) ICM merged with and into H&E Equipment Services on June 17, 2002. Accordingly, the historical statement of operations data for H&E Equipment Services for the six months ended June 30, 2002, includes ICM's results of operations from the date of the merger through June 30, 2002.

(2) Interest expense is comprised of cash-pay interest (interest recorded on debt and other obligations requiring periodic cash payments) and noncash-pay interest (interest accrued and also subordinated in the subordinated notes due to members and debt issuance cost amortization). The following table summarizes interest expense for the years ended December 31, 1999, 2000 and 2001 and for the six months ended June 30, 2001 and 2002, respectively:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	1999	2000	2001	2001	2002
	(Dollars in thousands)				
Cash-pay interest expense	15,894	$ 19,170	$ 15,357	$ 8,243	$ 8,195
Noncash-pay interest expense	1,817	3,739	2,638	1,876	223
Noncash-pay debt issuance cost amortization	—	—	—	—	76
Total interest expense	$ 17,711	$ 22,909	$ 17,995	$ 10,119	$ 8,494

(3) This excludes amortization of debt issuance costs.

(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.

(5) This represents EBITDA as a percentage of revenue for the period presented.

(6) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from H&E Equipment Services' statement of cash flows for the periods presented.

(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from H&E Equipment Services' statement of cash flows for the periods presented.

(8) For the purpose of computing this ratio, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of deferred debt issue costs and one-third of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

Summary Historical Consolidated Financial Data

The summary of ICM's consolidated historical financial data set forth below should be read in conjunction with our consolidated financial statements included elsewhere in this prospectus. The summary historical financial data as of and for the fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001 have been derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The summary historical financial data as of and for the three months ended March 31, 2001 and 2002 have been derived from our unaudited consolidated financial statements and related notes included elsewhere in this prospectus. See "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the related notes thereto and other financial data included elsewhere in this prospectus.

ICM

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	1999	2000	2001	2001	2002[1]
	(Dollars in thousands)				
Statement of operations data:					
Revenues:					
Equipment rentals	$ 83,508	$ 80,320	$ 77,538	$ 19,044	$ 16,761
New equipment sales	56,469	46,766	52,894	12,496	6,566
Used equipment sales	32,901	35,091	30,719	9,225	6,864
Parts sales	19,893	19,471	18,968	5,045	4,634
Service revenues	16,580	17,560	18,459	4,873	4,420
Other	7,541	7,992	7,351	2,038	1,669
Total revenues	216,892	207,200	205,929	52,721	40,914
Gross profit:					
Equipment rentals	30,242	28,156	28,009	5,976	5,709

New equipment sales	7,343	5,471	6,406	1,475	869
Used equipment sales	6,870	6,964	6,652	1,938	1,499
Parts sales	5,922	5,966	5,569	1,438	1,388
Service revenues	9,629	10,592	11,500	3,042	2,817
Other	(1,222)	(1,474)	(2,225)	(237)	(510)
Total gross profit	58,784	55,675	55,911	13,632	11,772
Selling, general and administrative expenses	53,378	48,824	47,930	12,105	10,142
Income from operations	5,406	6,851	7,981	1,527	1,630
Other income (expense):					
Interest expense[2]	(20,443)	(23,224)	(20,293)	(5,656)	(4,270)
Other	(92)	47	79	(72)	(138)
Total other income (expense)	(20,535)	(23,177)	(20,214)	(5,728)	(4,408)
Loss before provision for income taxes	(15,129)	(16,326)	(12,233)	(4,201)	(2,778)
Provision for income taxes	154	154	170	—	—
Net income (loss)	(15,283)	(16,480)	(12,403)	(4,201)	(2,778)
Other financial data:					
Depreciation and amortization[3]	$ 29,041	$ 28,850	$ 29,717	$ 7,220	$ 6,489
EBITDA[4]	34,447	35,701	37,698	8,747	8,119
EBITDA margin[5]	15.9%	17.2%	18.3%	16.6%	19.8%
Statement of cash flows:					
Net cash provided by operating activities	$ 33,736	$ 26,837	$ 37,355	$ 8,599	$ 4,057
Net cash used in investing activities	(26,462)	(18,194)	(34,168)	(2,378)	(3,237)
Net cash used in financing activities	(5,216)	(10,701)	(3,187)	(5,295)	(820)

Capital expenditures:					
Rental equipment, gross	$ 49,462	$ 47,213	$ 55,553	$ 8,459	$ 7,610
Rental equipment, net[6]	25,166	17,794	33,361	2,206	3,040
Property and equipment, net[7]	1,272	444	850	173	99
Total net capital expenditures	26,438	18,238	34,211	2,379	3,139
Ratio of earnings to fixed charges[8]	0.3x	0.3x	0.4x	0.3x	0.4x

(1) ICM merged with and into H&E Equipment Services on June 17, 2002. Accordingly we have presented ICM's historical results of operations up through March 31, 2002, the end of ICM's most recent quarter prior to the merger.

(2) Interest expense is comprised of cash-pay interest (interest recorded on debt and other obligations requiring periodic cash payments) and noncash-pay interest (interest accrued and also subordinated on the subordinated notes due to members and debt issuance cost amortization). The following table summarizes interest expense for the years ended December 31, 1999, 2000 and 2001 and for the three months ended March 31, 2001 and 2002, respectively:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	1999	2000	2001	2001	2002
	(Dollars in thousands)				
Cash-pay interest expense	$ 19,031	$ 16,450	$ 12,694	$ 3,860	$ 2,209
Noncash-pay interest expense	424	5,567	6,479	1,478	1,774
Noncash-pay debt issuance cost amortization	988	1,207	1,120	318	287
Total interest expense	$ 20,443	$ 23,224	$ 20,293	$ 5,656	$ 4,270

(3) This excludes amortization of debt issurance costs.

(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.

(5) This represents EBITDA as a percentage of revenue for the period presented.

(6)

Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from ICM's statement of cash flows for the periods presented.

(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from ICM's statement of cash flows for the periods presented.

(8) For the purpose of computing this ratio, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of deferred debt issue costs and one-third of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

RISK FACTORS

You should consider carefully all of the information in this prospectus, including the following risk factors and warnings, before deciding whether to exchange your old notes for the exchange notes to be issued in this exchange offer. Except for the first three risk factors described below, these risk factors apply to both the old notes and the exchange notes.

Risks Related To The Offering

You may have difficulty selling the old notes which you do not exchange, since outstanding old notes will continue to have restrictions on transfer and cannot be sold without registration under securities laws or exemptions from registration.

If a large number of outstanding old notes are exchanged for exchange notes issued in the exchange offer, it may be difficult for holders of outstanding old notes that are not exchanged in the exchange offer to sell their old notes, since those old notes may not be offered or sold unless they are registered or there are exemptions from registration requirements under the Securities Act or state laws that apply to them. In addition, if there are only a small number of old notes outstanding, there may not be a very liquid market in those old notes. There may be few investors that will purchase unregistered securities in which there is not a liquid market. See "The Exchange Offer —You May Suffer Adverse Consequences if You Fail to Exchange Outstanding Notes."

In addition, if you do not tender your outstanding old notes or if we do not accept some outstanding old notes, those old notes will continue to be subject to the transfer and exchange provisions of the indenture and the existing transfer restrictions of the old notes that are described in the legend on the old notes and in the prospectus relating to the old notes.

Resale Restrictions—If you exchange your old notes, you may not be able to resell the exchange notes you receive in the exchange offer without registering them and delivering a prospectus.

You may not be able to resell exchange notes you receive in the exchange offer without registering those exchange notes or delivering a prospectus. Based on interpretations by the Commission in no-action letters, we believe, with respect to exchange notes issued in the exchange offer, that:

1. holders who are not "affiliates" of H&E Equipment Services within the meaning of Rule 405 of the Securities Act;
2. holders who acquire their exchange notes in the ordinary course of business; and
3. holders who do not engage in, intend to engage in, or have arrangements to participate in a distribution (within the meaning of the Securities Act) of the exchange notes;

do not have to comply with the registration and prospectus delivery requirements of the Securities Act.

Holders described in the preceding sentence must tell us in writing at our request that they meet these criteria. Holders that do not meet these criteria could not rely on interpretations of the Commission in no-action letters, and would have to register the exchange notes they receive in the exchange offer and deliver a prospectus for them. In addition, holders that are broker-dealers may be deemed "underwriters" within the meaning of the Securities Act in connection with any resale of exchange notes acquired in the exchange offer. Holders that are broker-dealers must acknowledge that they acquired their outstanding exchange notes in market-making activities or other trading activities and must deliver a prospectus when they resell the exchange notes they acquire in the exchange offer in order not to be deemed an underwriter.

You should review the more detailed discussion in "The Exchange Offer—Procedures for Tendering Old Notes and Consequences of Exchanging Outstanding Old Notes.

We have substantial indebtedness and may be unable to service our debt.

We have a substantial amount of debt. As of June 30, 2002, our total indebtedness includes the following, all of which is senior to the notes: $76.6 million of indebtedness outstanding under the senior credit facility; $1.4 million of letters of credit outstanding under the senior credit facility; approximately $58.1 million outstanding under secured floor plan financing; $13.7 million in capital leases; and $200.0 million in aggregate principal amount of the senior secured notes due 2012 that were offered in the concurrent offering. In addition, subject to restrictions in our senior credit facility and the indenture governing the notes, we may incur additional senior debt under the senior credit facility. Additionally, the notes will be effectively subordinated to all liabilities of those of our subsidiaries that do not guarantee the notes. For the six months ended June 30, 2002, on a pro forma basis after giving effect to the offering of the old notes and the combination of H&E and ICM and the other related financing transactions, our ratio of earnings to fixed charges would have been 0.6x. See "Description of Senior Credit Facility" and "Description of Notes."

The level of our indebtedness could have important consequences to holders of the notes, including:

- a substantial portion of our cash flow from operations will be dedicated to debt service and may not be available for other purposes;
- making it more difficult for us to satisfy our obligations with respect to the notes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- our leveraged position may impede our ability to obtain financing in the future for working capital, capital expenditures and general corporate purposes, including acquisitions, and may impede our ability to secure favorable lease terms;
- our leveraged financial position may make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures; and
- our leveraged financial position may place us at a competitive disadvantage compared to our competitors with less debt.

Despite our current levels of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture and the senior credit facility do not fully prohibit us or our subsidiaries from doing so. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and our subsidiaries' now face could intensify. See "Description of Senior Credit Facility."

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

To service our debt, we will require a significant amount of cash. Our ability to pay interest and principal on our indebtedness (including the notes, obligations under the senior credit facility and the senior secured notes) and to satisfy our other debt obligations will depend upon our future operating performance and the availability of refinancing indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control. Based on our current level of operations and anticipated cost savings and operating improvements, we believe our cash flow from operations, available cash and available borrowing under the senior credit facility will be adequate to meet our future liquidity needs for at least the next twelve months.

We cannot assure you that our future cash flow will be sufficient to meet our obligations and commitments. If we are unable to generate sufficient cash flow from operations in the future to service

our indebtedness and to meet our other commitments, we will be required to adopt one or more alternatives, such as refinancing or restructuring our indebtedness (including the notes), selling material assets or operations or seeking to raise additional debt or equity capital. We cannot assure you that any of these actions could be effected on a timely basis or on satisfactory terms or at all, or that these actions would enable us to continue to satisfy our capital requirements. In addition, our existing or future debt agreements, including the indenture governing the notes and the indenture governing the senior secured notes and the senior credit facility, may contain restrictive covenants prohibiting us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Description of Senior Credit Facility," and "Description of Notes."

Your right to receive payments on the notes is junior to our existing indebtedness and possibly all of our future borrowings. Further, the guarantees of the notes are junior to all of our guarantors' existing indebtedness and possibly to all their future borrowings.

The notes and the subsidiary guarantees rank behind all of our and the subsidiary guarantors' existing indebtedness (other than trade payables) and all of our and their future borrowings (other than trade payables), except any future indebtedness that expressly provides that it ranks equal with, or subordinated in right of payment to, the notes and the guarantees. As a result, upon any distribution to our creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors or their property, the holders of our senior debt and the guarantors will be entitled to be paid in full and in cash before any payment may be made with respect to these notes or the subsidiary guarantees.

In addition, all payments on the notes and the guarantees will be blocked in the event of a payment default on senior debt and may be blocked for up to 179 of 360 consecutive days in the event of certain non-payment defaults on senior debt.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors, holders of the notes will participate with trade creditors and all other holders of our and the guarantor subordinated indebtedness in the assets remaining after we and the subsidiary guarantors have paid all of our senior debt. However, because the indenture requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid to holders of senior debt instead, holders of the notes may receive less, ratably, than holders of trade payables in any such proceeding. In any of these cases, we and the subsidiary guarantors may not have sufficient funds to pay all of our creditors and holders of notes may receive less, ratably, than the holders of our senior debt.

On June 30, 2002, these notes and the subsidiary guarantees were subordinated to $76.6 million of indebtedness outstanding under the senior credit facility, $1.4 million of letters of credit outstanding under the senior credit facility, approximately $58.1 million outstanding under secured floor plan financing, $13.7 million in capital leases and $200.0 million in aggregate principal amount of the senior secured notes due 2012 that were offered in the concurrent offering. In addition, $72.0 million was available for future borrowing on a senior basis under the senior credit facility. We will be permitted to borrow substantial additional indebtedness, including senior debt, in the future under the terms of the indenture.

The notes will be issued at a substantial discount from their principal amount and will therefore trigger certain federal income tax consequences for the holders of the notes.

The old notes were issued at a substantial discount from their principal amount. In addition, because the old notes were issued as part of an investment unit for tax purposes, a portion of the purchase price of the units was allocated to the limited liability company interests. Consequently, the

exchange notes should be treated as having been issued with original issue discount for federal income tax purposes and you should be required to include such original issue discount in your income as it accrues for federal income tax purposes in advance of receipt of any payment on the exchange notes to which the income is attributable. To understand how this may affect you, you should seek advice from your own tax advisor prior to exchanging the old notes for the exchange notes. See "Certain U.S. Federal Income Tax Considerations."

Because the notes will be issued with original issue discount, a noteholder's claim in bankruptcy will be less than the face amount of the notes.

The federal bankruptcy code provides that unsecured creditors are not entitled to interest accruing subsequent to the date of the filing of a petition in bankruptcy. As a result, if H&E Equipment were to file for bankruptcy protection, a noteholder's claim would be reduced to the extent that any original issue discount had not yet been amortized as of the date of such filing.

H&E Finance Corp., the co-issuer of the notes, is not expected to have the ability to satisfy the interest and principal obligations on the notes.

H&E Finance Corp. is a wholly-owned subsidiary of H&E Equipment Services that was incorporated in Delaware for the purpose of serving as a co-issuer of the notes and in order to facilitate the offering. H&E Equipment Services believes that certain prospective investors of the notes may be restricted in their ability to purchase debt securities of a limited liability company unless the debt securities are jointly issued by a corporation. H&E Finance Corp. does not have any operations or assets of any kind and will not have any revenues. Prospective investors in the notes should not expect H&E Finance Corp. to have the ability to service the interest and principal obligations on the notes.

Our senior credit facility and the indenture impose certain restrictions.

The operating and financial restrictions and covenants in our debt agreements, including the senior credit facility and the indenture, may adversely effect our ability to finance future operations or capital needs or to engage in other business activities. Our senior credit facility requires us to maintain specified financial ratios and tests, including interest coverage and total leverage ratios and maximum capital expenditures, which may require that we take action to reduce debt or to act in a manner contrary to our business objectives. In addition, the senior credit facility and the indenture restrict our ability to, among other things:

- incur additional indebtedness;
- dispose of assets;
- incur guarantee obligations;
- repay indebtedness or amend debt instruments;
- pay dividends;
- create liens on assets;
- make investments;
- make acquisitions;
- engage in mergers or consolidations; or
- engage in certain transactions with subsidiaries and affiliates and otherwise restrict corporate activities.

A failure to comply with the restrictions contained in the senior credit facility could lead to an event of default which could result in an acceleration of the indebtedness. Such an acceleration would constitute an event of default under the indenture governing the notes. The indenture will contain some of the

same restrictions and covenants. A failure to comply with the restrictions in the indenture could result in an event of default under the indenture. We cannot assure you that our future operating results will be sufficient to enable compliance with the covenants in the senior credit facility, the indenture or other indebtedness or to remedy any such default. In addition, in the event of an acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments, including those under the notes. See "Description of Senior Credit Facility" and "Description of Notes."

Fraudulent conveyance laws permit courts to void guarantees in specific circumstances.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of a guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the issuance of such guarantee, and was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical information, recent operating history and other factors, we believe that each guarantor, after giving effect to its guarantee of these notes and the transactions, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making such determinations or that a court would agree with our conclusions in this regard.

We may be unable to finance a change of control offer.

If certain change of control events occur, we will be required to make an offer for cash to purchase the notes at 101% of their principal amount, plus accrued and unpaid interest and liquidated damages, if any. However, we cannot assure you that we will have the financial resources necessary to repurchase the notes upon a change of control or that we will have the ability to obtain the necessary funds on satisfactory terms, if at all. A change of control would result in an event of default under our senior credit facility and may result in a default under other of our indebtedness that may be incurred in the future. The senior credit facility prohibits the purchase of outstanding notes prior to repayment of the borrowings under the senior credit facility and any exercise by the holders of the notes of their right to require us to repurchase the notes will cause an event of default under our senior credit facility. See "Description of Notes—Change of Control."

If an active trading market does not develop for these notes you may not be able to resell them.

There is no public market for the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all.

We do not intend to apply for listing of the notes or, if issued, the exchange notes, on any securities exchange or for quotation through the National Association of Securities Dealers Automated Quotation (the "Nasdaq") system. We expect that the notes will be eligible for trading in the Private Offerings, Resales and Trading through Automated Linkages ("Portal") market. The initial purchaser of the old notes has informed us that it currently intends to make a market in the exchange notes. However, the initial purchaser is not obligated to do so and may discontinue any such market making at any time without notice.

The liquidity of any market for the notes will depend upon various factors, including:

- the number of holders of the notes;

- the interest of securities dealers in making a market for the notes;
- the overall market for high yield securities;
- our financial performance or prospects; and
- the prospects for companies in our industry generally.

Accordingly, we cannot assure you that a market or liquidity will develop for the exchange notes.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. We cannot assure you that the market for the notes, if any, will not be subject to similar disruptions. Any such disruptions may adversely affect you as a holder of the notes.

Risk Factors Related to Our Company

The operating companies do not have a combined operating history and we may be unsuccessful in integrating them and our future acquisitions.

We may not have sufficient management, financial and other resources to integrate and consolidate H&E and ICM and any future acquisitions, and we may be unable to operate profitably as a consolidated company. We cannot provide any assurance that our financial, management and other resources will be adequate to accomplish the integration of H&E and ICM or that such integration will not distract management from the operation of the business. Some of the pro forma financial data contained in this prospectus cover periods when H&E and ICM were not under common operating control and may not be indicative of future financial or operating results. We cannot assure you that the combination of H&E and ICM will be successful, or that management will be able to profitably operate our consolidated company following any integration. Any significant diversion of management's attention or any major difficulties encountered in the integration of the businesses could have a material adverse effect on our business, financial condition or results of operation.

We purchase a significant amount of our equipment from a limited number of manufacturers.

Currently, we purchase most of our rental and sales equipment from leading, nationally-known original equipment manufacturers ("OEMs"). In 2001, we purchased 66.5% of our rental and sales equipment from six manufacturers. Although we believe that we have alternative sources of supply for the rental and sales equipment we purchase in each of our principal product categories, termination of one or more of our relationships with any of these major suppliers could have a material adverse effect on our business, financial condition or results of operation.

Our new equipment suppliers may appoint additional distributors, sell directly or unilaterally terminate our distribution agreements.

We are a distributor of new equipment and parts supplied by leading, nationally-known OEMs. Typically under distribution agreements with these OEMs, we have exclusive responsibility for selected markets, although manufacturers retain the right to appoint additional dealers and sell directly to national accounts and governmental agencies and in most instances may unilaterally terminate the distribution agreements at any time without cause. We cannot assure you that any of our new equipment suppliers will not appoint additional dealers or sell directly in regions in which we currently have exclusive responsibility or that any of our new equipment suppliers will not terminate our distribution agreements. Any such actions could have a material adverse effect on our business, financial condition and results of operations. See "Business—Products and Services—New Equipment Sales."

Our business could be hurt by a decline in construction and industrial activities.

Our equipment is principally used in connection with construction and industrial activities. Consequently, a downturn in construction or industrial activity may lead to a decrease in the demand for our equipment or depress rental rates and the sales prices for the equipment we sell. We have identified below certain of the factors which may cause such a downturn, either temporarily or long-term:

- a continuation or a worsening of the recent slow-down of the economy over the long-term;
- an increase in interest rates; or
- adverse weather conditions which may temporarily affect a particular region.

There are risks associated with our growth strategy.

We have accelerated our growth organically by opening new facilities. We periodically engage in evaluations of potential acquisitions and start-up facilities. Currently, there are no definitive agreements or letters of intent with respect to any material acquisition. The success of our growth strategy depends, in part, on selecting strategic acquisition candidates at attractive prices and identifying strategic start-up locations. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We cannot assure you that we will have the financial resources necessary to consummate any acquisitions or to successfully open any new facilities in the future or that we will have the ability to obtain the necessary funds on satisfactory terms. Any future acquisitions or the opening of new facilities may result in significant transaction expenses and risks associated with entering new markets in addition to the integration and consolidation risks described above. We may not have sufficient management, financial and other resources to integrate any such future acquisitions or to successfully operate new locations and we may be unable to profitably operate our consolidated company.

Our business could be hurt if we are unable to obtain additional capital as required.

The cash that we generate from our business, together with cash that we may borrow under our senior credit facility, may not be sufficient to fund our capital requirements. As a result, we may require additional capital for, among other purposes, purchasing equipment, completing acquisitions, establishing new locations and refinancing existing indebtedness. We cannot assure you that we will be able to obtain additional capital on acceptable terms, if at all. If we are unable to obtain sufficient additional capital in the future, our business could be adversely affected.

We are subject to competition.

The equipment rental and retail distribution industries are highly competitive and the equipment rental industry is highly fragmented. Many of the markets in which we operate are served by numerous competitors, ranging from national and multi-regional equipment rental companies to small, independent businesses with a limited number of locations. Some of our principal competitors may be less leveraged than we are, may have greater financial resources, may be more geographically diverse, may have greater name recognition than us and may be better able to withstand market conditions within the industry. We generally compete on the basis of, among other things: (i) quality and breadth of service; (ii) expertise; (iii) reliability; and (iv) price. We may encounter increased competition from existing competitors or new market entrants in

the future, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, existing or future competitors may seek to compete with us for start-up locations or acquisition candidates that may have the effect of increasing acquisition costs or reducing the number of suitable acquisition candidates or expansion locations. See "Business—Competition."

Our revenue and operating results may be subject to fluctuations.

Our revenue and operating results have historically varied from quarter to quarter and we expect our quarterly results to continue to fluctuate in the future due to a number of factors, including:

- seasonal sales and rental patterns of our construction customers, with sales and rental activity tending to be lower in the winter;
- general economic conditions in the markets where we operate;
- the effectiveness of integrating acquired businesses and new locations;
- cyclical nature of our customers' business, particularly our construction customers;
- price changes in response to competitive factors; and
- timing of acquisitions and new location openings and related costs.

In addition, we incur various costs in integrating newly acquired businesses or opening locations, and the profitability of a new location is generally expected to be lower in the initial months of operation.

We could be adversely affected by environmental and safety requirements.

Our operations, like those of other companies engaged in similar businesses, require the handling, use, storage and disposal of certain regulated materials. As a result, we are subject to the requirements of federal, state and local environmental and occupational health and safety laws and regulations. We cannot assure you that we are at all times in complete compliance with all such requirements. We are subject to potentially significant fines or penalties if we fail to comply with any of these requirements. We have made and will continue to make capital and other expenditures in order to comply with these laws and regulations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations. See "Business—Environmental and Safety Regulations."

The nature of our business exposes us to various liability claims.

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent or sell and from injuries caused in motor vehicle accidents in which our delivery and service personnel are involved. We carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims. Although we have not experienced any material losses that were not covered by insurance, our existing or future claims may

exceed the level of our insurance, and such insurance may not continue to be available on economically reasonable terms, or at all.

We are controlled by certain of our equityholders.

Following the consummation of the combination of H&E and ICM, affiliates of BRS own approximately 64% of the voting common limited liability company interests of H&E Holdings and approximately 63% of the voting preferred limited liability company interests of H&E Holdings and have the ability to elect a majority of the board of directors of H&E Holdings and generally to control the affairs and policies of our company. Circumstances may occur in which the interests of these investors, in pursuing acquisitions or otherwise, could be in conflict with the interests of the holders of the notes. See "Security Ownership and Certain Beneficial Owners" and "Certain Relationships and Related Transactions."

We are dependent on key personnel.

We are dependent on the continued services of our senior management team, particularly John M. Engquist, our President and Chief Executive Officer, and Gary W. Bagley, our Chairman. We believe the loss of such key personnel could have a material adverse effect on us and our financial performance. See "Management—Directors and Executive Officers."

THE EXCHANGE OFFER

Terms of the Exchange Offer; Period for Tendering Outstanding Exchange Notes

On June 17, 2002, H&E Equipment Services and H&E Finance sold the old notes to Credit Suisse First Boston Corporation. When we sold the old notes, we entered into a registration rights agreement with Credit Suisse First Boston Corporation. The registration rights agreement requires that we register the old notes sold on June 17, 2002 with the Commission and offer to exchange the new registered exchange notes for the outstanding old notes sold on June 17, 2002.

We will accept any validly tendered old notes that you do not withdraw before 5:00 p.m., New York City time, on the expiration date. We will issue $1,000 of principal amount at maturity of exchange notes in exchange for each $1,000 principal amount at maturity of your outstanding old notes. You may tender some or all of your old notes in the exchange offer.

The form and terms of the exchange notes are the same as the form and terms of the outstanding old notes except that:

(1) the exchange notes being issued in the exchange offer will be registered under the Securities Act and will not have legends restricting their transfer;
(2) the exchange notes being issued in the exchange offer will not contain the registration rights and liquidated damages provisions contained in the outstanding old notes; and
(3) interest on the exchange notes will accrue from the last interest date on which interest was paid on your old notes.

Outstanding old notes that we accept for exchange will not accrue interest after we complete the exchange offer.

The exchange offer will expire at 5:00 p.m., New York City time, on , 2002, unless we extend it. If we extend the exchange offer, we will issue a notice by press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

(1) to extend the exchange offer;
(2) to delay accepting your old notes;
(3) to terminate the exchange offer and not accept any old notes for exchange if any of the conditions have not been satisfied; or
(4) to amend the exchange offer in any manner.

We will promptly give oral or written notice of any extension, delay, non-acceptance, termination or amendment. We will also file a post-effective amendment with the Commission if we amend the terms of the exchange offer.

If we extend the exchange offer, old notes that you have previously tendered will still be subject to the exchange offer and we may accept them. We will promptly return your old notes if we do not accept them for exchange for any reason without expense to you after the exchange offer expires or terminates.

Procedures for Tendering Old Notes

Only you may tender your old notes in the exchange offer.

To tender your old notes in the exchange offer, you must:

(1) complete, sign and date the letter of transmittal which accompanied this prospectus, or a copy of it;

(2) have the signature on the letter of transmittal guaranteed if required by the letter of transmittal; and
(3) mail, fax or otherwise deliver the letter of transmittal or copy to the exchange agent;

OR

if you tender your notes under The Depository Trust Company's book-entry transfer procedures, transmit an agent's message to the exchange agent on or before the expiration date.

In addition, either:

(1) the exchange agent must receive certificates for outstanding old notes and the letter of transmittal; or
(2) the exchange agent must receive a timely confirmation of a book-entry transfer of your old notes into the exchange agent's account at The Depository Trust Company, along with the agent's message; or
(3) you must comply with the guaranteed delivery procedures described below.

An agent's message is a computer-generated message transmitted by The Depository Trust Company through its Automated Tender Offer Program to the exchange agent.

To tender your old notes effectively, you must make sure that the exchange agent receives a letter of transmittal and other required documents before the expiration date.

When you tender your outstanding old notes and we accept them, the tender will be a binding agreement between you and us in accordance with the terms and conditions in this prospectus and in the letter of transmittal.

The method of delivery of outstanding old notes, letters of transmittal and all other required documents to the exchange agent is at your election and risk. We recommend that you use an overnight or hand delivery service instead of mail. If you do deliver by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow enough time to make sure your documents reach the exchange agent before the expiration date. Do not send a letter of transmittal or notes directly to us. You may request your brokers, dealers, commercial banks, trust companies, or nominees to make the exchange on your behalf.

Unless you are a registered holder who requests that the exchange notes to be mailed to you and issued in your name, or unless you are an eligible institution, you must have your signature guaranteed on a letter of transmittal or a notice of withdrawal by an eligible institution. An eligible institution is a firm which is a financial institution that is a member of a registered national securities exchange or a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program.

If the person who signs the letter of transmittal and tenders the old notes is not the registered holder of the old notes, the registered holders must endorse the old notes or sign a written instrument of transfer or exchange that is included with the old notes, with the registered holder's signature guaranteed by an eligible institution. We will decide whether the endorsement or transfer instrument is satisfactory.

We will decide all questions about the validity, form, eligibility, acceptance and withdrawal of tendered old notes, and our determination will be final and binding on you. We reserve the absolute right to:

(1) reject any and all tenders of any particular note not properly tendered;
(2) refuse to accept any old note if, in our judgment or the judgment of our counsel, the acceptance would be unlawful; and

(3) waive any defects or irregularities or conditions of the exchange offer as to any particular old note either before or after the expiration date. This includes the right to waive the ineligibility of any holder who seeks to tender old notes in the exchange offer.

Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. You must cure any defects or irregularities in connection with tenders of old notes as we will determine. Neither we, the exchange agent nor any other person will incur any

liability for failure to notify you of any defect or irregularity with respect to your tender of old notes.

If the letter of transmittal is signed by a person or persons other than the registered holder or holders of outstanding old notes, the outstanding old notes must be endorsed or accompanied by powers of attorney, in either case signed exactly as the name or names of the registered holder or holders that appear on the outstanding old notes.

If trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity sign the letter of transmittal or any notes or power of attorney on your behalf, those persons must indicate their capacity when signing, and submit satisfactory evidence to us with the letter of transmittal demonstrating their authority to act on your behalf.

To participate in the exchange offer, we require that you represent to us that:

(1) you or any other person acquiring exchange notes for your outstanding old notes in the exchange offer is acquiring them in the ordinary course of business;
(2) neither you nor any other person acquiring exchange notes in exchange for your outstanding old notes is engaging in or intends to engage in a distribution of the exchange notes issued in the exchange offer;
(3) neither you nor any other person acquiring exchange notes in exchange for your outstanding old notes has an arrangement or understanding with any person to participate in the distribution of exchange notes issued in the exchange offer;
(4) neither you nor any other person acquiring exchange notes in exchange for your outstanding old notes is our "affiliate" as defined under Rule 405 of the Securities Act; and
(5) if you or another person acquiring exchange notes for your outstanding old notes is a broker-dealer, you will receive exchange notes for your own account, you acquired exchange notes as a result of market-making activities or other trading activities, and you acknowledge that you will deliver a prospectus in connection with any resale of your exchange notes.

Broker-dealers who cannot make the representations in item (5) of the paragraph above cannot use this exchange offer prospectus in connection with resales of the exchange notes issued in the exchange offer.

If you are our "affiliate," as defined under Rule 405 of the Securities Act, you are a broker-dealer who acquired your outstanding old notes in the initial offering and not as a result of market-making or trading activities, or if you are engaged in or intend to engage in or have an arrangement or understanding with any person to participate in a distribution of exchange notes acquired in the exchange offer, you or that person:

(1) may not rely on the applicable interpretations of the staff of the Commission; and
(2) must comply with the registration and prospectus delivery requirements of the Securities Act when reselling the exchange notes.

Acceptance of Outstanding Old Notes for Exchange; Delivery of Exchange Notes Issued in the Exchange Offer

We will accept validly tendered old notes when the conditions to the exchange offer have been satisfied or we have waived them. We will have accepted your validly tendered old notes when we have given oral or written notice to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us. If we do not accept any tendered old notes for exchange because of an invalid tender or other valid reason, the exchange agent will return the certificates, without expense, to the tendering holder. If a holder has tendered old notes by book-entry transfer, we will credit the notes to an account maintained with The Depository Trust Company. We will return certificates or credit the account at The Depository Trust Company as promptly as practicable after the exchange offer terminates or expires.

Book-Entry Transfers

The exchange agent will make a request to establish an account at The Depository Trust Company for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in The Depository Trust Company's systems must make book-entry delivery of outstanding old notes by causing The Depository Trust Company to transfer those outstanding old notes into the exchange agent's account at The Depository Trust Company in accordance with The Depository Trust Company's Automated Tender Offer Procedures. The participant should transmit its acceptance to The Depository Trust Company on or before the expiration date or comply with the guaranteed delivery procedures described below. The Depository Trust Company will verify acceptance, execute a book-entry transfer of the tendered outstanding old notes into the exchange agent's account at The Depository Trust Company and then send to the exchange agent confirmation of the book-entry transfer. The confirmation of the book-entry transfer will include an agent's message confirming that The Depository Trust Company has received an express acknowledgment from the participant that the participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against the participant. Delivery of exchange notes issued in the exchange offer may be effected through book-entry transfer at The Depository Trust Company. However, the letter of transmittal or facsimile of it or an agent's message, with any required signature guarantees and any other required documents, must:

(1) be transmitted to and received by the exchange agent at the address listed below under "Exchange Agent" on or before the expiration date; or
(2) the guaranteed delivery procedures described below must be complied with.

Guaranteed Delivery Procedures

If you are a registered holder of outstanding old notes who desires to tender old notes but your old notes are not immediately available, or time will not permit your old notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may effect a tender if:

(1) you tender the old notes through an eligible institution;
(2) before the expiration date, the exchange agent received from the eligible institution a notice of guaranteed delivery in the form we have provided. The notice of guaranteed delivery will state the name and address of the holder of the old notes being tendered and the amount of old notes being tendered, that the tender is being made and guarantee that within three New York Stock Exchange trading days after the notice of guaranteed delivery is signed, the certificates for all physically tendered old notes, in proper form for transfer, or a book-entry confirmation, together with a properly completed and signed letter of transmittal with any required signature guarantees and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

(3)

the certificates for all physically tendered outstanding old notes, in proper form for transfer, or a book-entry confirmation, together with a properly completed and signed letter of transmittal with any required signature guarantees and all other documents required by the letter of transmittal, are received by the exchange agent within five New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery.

Withdrawal Rights

You may withdraw your tender of outstanding notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you must make sure that, before 5:00 p.m., New York City time, on the expiration date, the exchange agent receives a written notice of withdrawal at one of the addresses below or, if you are a participant of The Depository Trust Company, an electronic message using The Depository Trust Company's Automated Tender Offer Program.

A notice of withdrawal must:

(1) specify the name of the person that tendered the old notes to be withdrawn;
(2) identify the old notes to be withdrawn, including the principal amount at maturity of the old notes;
(3) be signed by the holder in the same manner as the original signature on the letter of transmittal by which the old notes were tendered or be accompanied by documents of transfer; and
(4) if you have transmitted certificates for outstanding old notes, specify the name in which the old notes are registered, if different from that of the withdrawing holder, and identify the serial numbers of the certificates.

If you have tendered old notes under the book-entry transfer procedure, your notice of withdrawal must also specify the name and number of an account at The Depository Trust Company to which your withdrawn old notes can be credited.

We will decide all questions as to the validity, form and eligibility of the notices and our determination will be final and binding on all parties. Any tendered old notes that you withdraw will be not be considered to have been validly tendered. We will return any outstanding old notes that have been tendered but not exchanged, or credit them to The Depository Trust Company account, as soon as practicable after withdrawal, rejection of tender, or termination of the exchange offer. You may retender properly withdrawn old notes by following one of the procedures described above before the expiration date.

Conditions to the Exchange Offer

We are not required to accept for exchange, or to issue exchange notes in exchange for, any outstanding old notes. We may terminate or amend the exchange offer, if at any time before the acceptance of outstanding notes:

(1) any federal law, statute, rule or regulation has been adopted or enacted which, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer;
(2) if any stop order is threatened or in effect with respect to the registration statement which this prospectus is a part of or the qualification of the indenture under the Trust Indenture Act of 1939; or
(3) there is a change in the current interpretation by the staff of the Commission which permits holders who have made the required representations to us to resell, offer for resale, or

otherwise transfer exchange notes issued in the exchange offer without registration of the exchange notes and delivery of a prospectus, as discussed above.

These conditions are for our sole benefit and we may assert or waive them at any time and for any reason. However, the exchange offer will remain open for at least five business days following any waiver of the preceding conditions. Our failure to exercise any of the foregoing rights will not be a waiver of our rights.

Exchange Agent

You should direct all signed letters of transmittal to the exchange agent, The Bank of New York. You should direct questions, requests for assistance, and requests for additional copies of this prospectus, the letter of transmittal and the notice of guaranteed delivery to the exchange agent addressed as follows:

By Registered or Certified Mail or Overnight Courier:
The Bank of New York,
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, East
New York, New York 10286

By Hand:
The Bank of New York,
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, Lobby Window
New York, New York 10286

By Facsimile:
(212) 298-1915
Attn: Customer Service

Confirm by telephone:
(800) 548-5075

Delivery or fax of the letter of transmittal to an address or number other than those above is not a valid delivery of the letter of transmittal.

Fees and Expenses

We will not make any payment to brokers, dealers, or others soliciting acceptances of the exchange offer except for reimbursement of mailing expenses.

We will pay the estimated cash expenses connected with the exchange offer. We estimate that these expenses will be approximately $250,000.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the existing old notes, as reflected in our accounting records on the date of exchange. Accordingly, we will recognize no gain or loss for accounting purposes. The expenses of the exchange offer will be expensed over the term of the exchange notes.

Transfer Taxes

If you tender outstanding old notes for exchange you will not be obligated to pay any transfer taxes. However, if you instruct us to register exchange notes in the name of, or request that your old notes not tendered or not accepted in the exchange offer be returned to, a person other than you, you will be responsible for paying any transfer tax owed.

You May Suffer Adverse Consequences if You Fail to Exchange Outstanding Exchange Notes

If you do not tender your outstanding old notes, you will not have any further registration rights, except for the rights described in the registration rights agreements and described above, and your old notes will continue to be subject to restrictions on transfer when we complete the exchange offer. Accordingly, if you do not tender your notes in the exchange offer, your ability to sell your old notes could be adversely affected. Once we have completed the exchange offer, holders who have not tendered notes will not continue to be entitled to any increase in interest rate that the indenture provides for if we do not complete the exchange offer.

Holders of the exchange notes issued in the exchange offer and old notes that are not tendered in the exchange offer will vote together as a single class under the indenture governing the Notes.

Consequences of Exchanging Outstanding Old Notes

If you make the representations that we discuss above, we believe that you may offer, sell or otherwise transfer the exchange notes to another party without registration of your notes or delivery of a prospectus.

We base our belief on interpretations by the staff of the Commission in no-action letters issued to third parties. If you cannot make these representations, you cannot rely on this interpretation by the Commission's staff and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the old notes. A broker-dealer that receives exchange notes for its own account in exchange for its outstanding old notes must acknowledge that it acquired as a result of market making activities or other trading activities and that it will deliver a prospectus in connection with any resale of the exchange notes. Broker-dealers who can make these representations may use this exchange offer prospectus, as supplemented or amended, in connection with resales of exchange notes issued in the exchange offer.

However, because the Commission has not issued a no-action letter in connection with this exchange offer, we cannot be sure that the staff of the Commission would make a similar determination regarding the exchange offer as it has made in similar circumstances.

Shelf Registration

The registration rights agreement also requires that we file a shelf registration statement if:

(1) we cannot file a registration statement for the exchange offer because the exchange offer is not permitted by law;
(2) law or Commission policy prohibits a holder from participating in the exchange offer;
(3) a holder cannot resell the exchange notes it acquires in the exchange offer without delivering a prospectus and this prospectus is not appropriate or available for resales by the holder; or
(4) a holder is a broker-dealer and holds notes acquired directly from us or one of our affiliates.

We will also register the exchange notes under the securities laws of jurisdictions that holders may request before offering or selling notes in a public offering. We do not intend to register exchange notes in any jurisdiction unless a holder requests that we do so.

Old notes will be subject to restrictions on transfer until:

(1) a person other than a broker-dealer has exchanged the old notes in the exchange offer;
(2) a broker-dealer has exchanged the old notes in the exchange offer and sells them to a purchaser that receives a prospectus from the broker, dealer on or before the sale;
(3) the old notes are sold under an effective shelf registration statement that we have filed; or
(4) the old notes are sold to the public under Rule 144 of the Securities Act.

THE TRANSACTIONS

The Combination

H&E Holdings, BRSEC Co-Investment II, LLC ("BRSEC Co-Investment II"), BRS Equipment Company, Inc. ("BRS Equipment Company"), Gulf Wide, ICM and the equity holders of each of Gulf Wide and ICM have entered into a Contribution Agreement and Plan of Reorganization pursuant to which:

1. The equity holders of Gulf Wide and ICM formed H&E Holdings by (i) executing the Limited Liability Company Agreement of H&E Holdings, (ii) contributing all of the outstanding equity securities of Gulf Wide and ICM to H&E Holdings in exchange for certain equity securities of H&E Holdings and (iii) contributing certain outstanding subordinated debt of ICM to H&E Holdings in exchange for certain equity securities of H&E Holdings;

2. H&E Holdings contributed all of the outstanding equity securities of ICM to Gulf Wide and, upon Gulf Wide's receipt of such contribution, ICM became a wholly-owned subsidiary of Gulf Wide; and

3. ICM merged with and into Gulf Wide and H&E merged with and into Gulf Wide, in each instance, with Gulf Wide as the surviving entity with the name "H&E Equipment Services L.L.C."

We refer to these events collectively as the "Contribution."

The consummation of the Contribution was subject to certain conditions, including the consummation of the old note offering, the execution of and borrowing under the senior credit facility, and the consummation of the offering of the senior secured notes. The old note offering was conditioned upon the consummation of the Contribution.

The ownership of H&E Holdings' voting limited liability company interests are presented in the table below. These limited liability company interests constituted 5% of each class or series of the total outstanding limited liability company interests in H&E Holdings as of the closing of the old note offering.

Common Units

	Class A Common Units	Class B Common Units	Percentage of Combined Voting Power[1]
BRS Equipment Company[2]	785,000	—	24.7%
BRSEC Co-Investment II	1,245,000	—	39.2
Subtotal	2,030,000	—	63.9
Other Gulf Wide equityholders and their affiliates	—	1,245,000	17.6
Other ICM equityholders and their affiliates	—	725,000	11.5
Total	2,030,000	1,970,000	95.0%

Voting Preferred Units

	Series A Preferred Units	Series B Preferred Units	Series C Preferred Units	Series D Preferred Units	Percentage of Combined Voting Power[3]
BRS Equipment Company[2]	10,500	9,200	20,815	—	22.8%
BRSEC Co-Investment II	—	10,882	42,485	17,200	39.7
Subtotal	10,500	20,082	63,300	17,200	62.5
Other Gulf Wide equityholders and their affiliates	—	1,756	3,500	16,536	12.3
Other ICM equityholders and their affiliates	—	6,200	13,742	10,390	17.1
Total	10,500	27,882	80,542	44,126	92.0%

(1) Each Class A Common Unit holder is entitled to two votes per Class A Common Unit held and each Class B Common Unit holder is entitled to one vote per Class B Common Unit held.

(2) Immediately transferred to BRSEC Co-Investment, LLC ("BRS Co-Investment") pursuant to the Contribution Agreement and Plan of Reorganization.

(3) Each Voting Preferred Unit holder is entitled to one vote per Voting Preferred Unit held.

Senior Credit Facility

In connection with the combination of H&E and ICM, H&E Equipment Services and Great Northern Equipment, Inc., one of H&E Equipment Services' subsidiaries, entered into the senior credit facility with a syndicate of financial institutions for which General Electric Capital Corporation ("GE Capital") acted as administrative agent and arranger.

The senior credit facility consists of a five-year senior secured credit facility in an aggregate principal amount not to exceed $150.0 million, $76.6 million of which had been drawn and under which $1.4 million of letters of credit were outstanding as of June 30, 2002. Subject to compliance with customary conditions precedent and to the extent of availability under a collateral borrowing base, revolving loans and swing loans are available at any time prior to the final maturity of the senior credit facility. Our obligations under the senior credit facility are unconditionally guaranteed by each of our existing and each subsequently acquired or organized domestic subsidiaries. All borrowings under the senior credit facility are secured by a first-priority lien on all of our present and future assets and all present and future assets of our domestic subsidiaries, subject to certain exclusions for inventory subject to purchase money liens. The borrowings under the senior credit facility, together with the aggregate proceeds from the offering of the old notes and the senior secured notes, were used to consummate the transactions and pay fees and expenses related thereto. In addition, the senior credit facility will provide financing for future working capital, capital expenditures and other general corporate purposes. See "Description of Senior Credit Facility."

Payment of Obligations and Redemption of Notes

In connection with the combination of H&E and ICM, we (i) paid $7.2 million to BRS on account of $7.2 million of obligations payable to BRS and its affiliates that were incurred in connection with the recapitalizations of H&E and ICM and BRS purchased a portion of the notes and limited liability company interests issued in the old note offering, (ii) redeemed a $4.0 million note (plus any accrued and unpaid interest thereon) held by Don M. Wheeler, a securityholder, the proceeds from which were used to make a scheduled reduction to ICM's existing credit facility and (iii) redeemed a $2.0 million note (plus any accrued and unpaid interest thereon) held by John M. Engquist, our Chief Executive Officer and President, the proceeds from which were used to make a scheduled repayment to ICM's existing credit facility.

Senior Secured Notes

Concurrently with the closing of the old note offering, H&E Equipment Services and H&E Finance issued $200.0 million in aggregate principal of their 11 1/8% senior secured notes due 2012. The covenants, events of default and registration rights of the senior secured notes are substantially identical to those of the old notes. The senior secured notes are secured on a second-priority basis by substantially all of the collateral securing H&E Equipment Services' and H&E Finance's senior credit facility, excluding certain assets. The old notes are contractually subordinated to the senior secured notes.

USE OF PROCEEDS

The old notes were issued as part of units that were sold to the initial purchaser on June 17, 2002. Each unit consisted of one old note and a series of limited liability company interests of H&E Holdings. The proceeds from the offering of the units and the offering of the senior secured notes were $253 million less discounts and commissions to the initial purchaser. The net proceeds from the offering of the units and the offering of the senior secured notes were used to consummate the combination of H&E and ICM, repay the existing indebtedness of H&E and ICM and pay related fees and expenses.

We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive existing old notes in equal principal amount at maturity, the terms of which are the same in all material respects to the exchange notes. The old notes surrendered in exchange for the exchange notes will be retired or cancelled and not reissued. Accordingly, the issuance of the exchange notes will not result in any increase or decrease in our debt.

CAPITALIZATION

The following table sets forth the unaudited capitalization of H&E Equipment Services at June 30, 2002. This table should be read in conjunction with the financial statements, and the related notes, included elsewhere in this prospectus. See "Use of Proceeds," "Selected Historical Consolidated Financial Data" and "Security Ownership and Certain Beneficial Owners."

	As of June 30, 2002 (Dollars in millions)
Cash and cash equivalents	$ 8.4
Debt and obligations (including current installments):	
Borrowings under our senior credit facility(1)	$ 76.6
Capitalized leases	13.7
Senior secured notes, net of discount	198.5
Senior subordinated notes, net of discount(2)	42.4
Total debt	331.2
Member's equity	39.5
Total capitalization	$ 370.7

(1) Our senior credit facility consists of a five-year senior secured credit facility in an aggregate principal amount not to exceed $150.0 million. Subject to compliance with customary conditions precedent and to the extent of availability under a collateral borrowing base, revolving loans and swing line loans are available at any time prior to the final maturity of the senior credit facility. See "Description of Senior Credit Facility."

(2) We offered $53.0 million of senior subordinated notes due 2013 and limited liability company interests for net cash proceeds of $42.8 million. In addition, notes having an accreted value of $7.2 million and a corresponding pro rata share of limited liability company interests were purchased by BRS and H&E Equipment Services paid BRS $7.2 million on account of $7.2 million of currently outstanding obligations payable to BRS and its affiliates in connection with the recapitalizations of H&E and ICM. The total principal amount of notes being issued was $53.0 million. The $42.4 million represents the amount of notes offered allocated to debt for accounting purposes. The remaining allocation of $7.6 million represents the estimated fair value of the ownership interests in H&E Holdings issued in conjunction with the Securities offered. See "The Transaction—The Combination" and "Description of Notes."

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

Set forth in the following tables are certain unaudited pro forma combined financial information for H&E Equipment Services for the six months ended June 30, 2002 and the year ended December 31, 2001.

The unaudited pro forma combined financial information gives effect to a series of transactions, which includes:

- consummating the Contribution;
- entering into the senior credit facility;
- offering the senior secured notes;
- offering of the securities; and
- repaying certain subordinated notes and payment of certain obligations to members.

We refer to these events collectively as the "Transactions." Concurrently with the closing of the old note offering, we issued senior secured notes due 2012 for net cash proceeds of $198.5 milion.

The unaudited pro forma combined statements of operations for the six months ended June 30, 2002 and the year ended December 31, 2001 give effect to the transactions as if they had occurred at the beginning of the periods presented. H&E Equipment Services' historical statement of operations for the six months ended June 30, 2002 includes ICM's results of operations from the date of the merger (June 17, 2002) through June 30, 2002. The pro forma financial information does not give effect to any cost savings.

The Contribution was accounted for as a purchase business combination, where Gulf Wide was the accounting acquirer. As part of the Contribution, Gulf Wide and ICM exchanged equity interests and formed H&E Equipment Services. This fair value was allocated to the assets and liabilities of ICM based on their fair values. An independent third party appraisal company conducted a preliminary valuation of ICM's intangible assets. In connection with the Contributions, Gulf Wide changed its name to H&E Equipment Services.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (dollars in thousands):

Total assets acquired	$ 184,633
Total liabilities assumed	(178,000)
Fair value of equity interest issued	$ 6,633

Preparation of the pro forma combined financial information was based on assumptions deemed appropriate by our management. The pro forma combined information is unaudited and is not necessarily indicative of the results which actually would have occurred if the Transactions has been consummated at the beginning of the period presented, nor does it purport to represent the future financial position and results of operations for future periods. The unaudited pro forma combined financial information should be read in conjunction with "Use of Proceeds," "Capitalization," "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the related notes included elsewhere in this prospectus.

UNAUDITED PRO FORMA COMBINING STATEMENT OF OPERATIONS

	For the Six Months Ended June 30, 2002	For the Period January 1, 2002 through June 17, 2002		For the Six Months Ended June 30, 2002
	H&E Equipment Services	ICM	Adjustments	Combined Pro Forma
	(Dollars in thousands)			
Revenues:				
Equipment rentals	$ 49,882	$ 32,081	$ —	$ 81,963
New equipment sales	32,457	15,764	—	48,221
Used equipment sales	22,166	12,653	(40)[a]	34,779
Parts sales	20,312	8,156	—	28,468
Service revenues	11,247	8,235	—	19,482
Other	6,398	3,172	—	9,570
Total revenues	142,462	80,061	(40)	222,483
Gross profit:				
Equipment rentals	19,935	11,411	(50)[b]	31,296
New equipment sales	3,063	1,835	—	4,898
Used equipment sales	3,280	2,775	—	6,055
Parts sales	5,153	2,449	—	7,602
Service revenues	6,558	5,239	—	11,797
Other	(396)	(950)	—	(1,346)
Total gross profit	37,593	22,759	(50)	60,302
Selling, general and administrative expenses	32,857	19,007	(20)[b]	51,844
Gain on sale of property and equipment	29	—	—	29
Income from operations	4,765	3,752	(30)	8,487
Other income (expense):				
Interest expense	(8,494)	(7,828)	(5,458)[c]	(21,780)
Other	93	(294)	—	(201)
Total other income (expense)	(8,401)	(8,122)	(5,458)	(21,981)
Loss before income taxes	(3,636)	(4,370)	(5,488)	(13,494)
Provision (benefit) for income taxes	(1,271)	349	—[d]	(922)
Net loss	$ (2,365)	$ (4,719)	$ (5,488)	$ (12,572)

See notes to unaudited pro forma combined financial statements.

UNAUDITED PRO FORMA COMBINING STATEMENT OF OPERATIONS

	For the Year Ended December 31, 2001			
	H&E Equipment Services	ICM	Adjustments	Combined Pro Forma
	(Dollars in thousands)			
Revenues:				
Equipment rentals	$ 99,229	$ 77,538	$ —	$ 176,767
New equipment sales	84,137	52,894	—	137,031
Used equipment sales	59,442	30,719	(253)(a)	89,908
Parts sales	36,524	18,968	—	55,492
Service revenues	19,793	18,459	—	38,252
Other	7,066	7,351	—	14,417
Total revenues	306,191	205,929	(253)	511,867
Gross profit:				
Equipment rentals	46,071	28,009	(197)(b)	73,883
New equipment sales	6,697	6,406	—	13,103
Used equipment sales	8,062	6,652	—	14,714
Parts sales	9,447	5,569	—	15,016
Service revenues	11,687	11,500	—	23,187
Other	(6,208)	(2,225)	—	(8,433)
Total gross profit	75,756	55,911	(197)	131,470
Selling, general and administrative expenses	52,687	47,930	(2,414)(e)	98,203
Gain on sale of property and equipment	46	—	—	46
Income from operations	23,115	7,981	2,217	33,313
Other income (expense):				
Interest expense	(17,995)	(20,293)	(1,891)(f)	(40,179)
Other	156	79	—	235
Total other income (expense)	(17,839)	(20,214)	(1,891)	(39,944)
Income (loss) before provision for income taxes	5,276	(12,233)	326	(6,631)
Provision for income taxes	1,648	170	—(d)	1,818
Net income (loss)	$ 3,628	$ (12,403)	$ 326	$ (8,449)

See notes to unaudited pro forma combined financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(a) The adjustment reverses sales and the associated cost of sales between H&E and ICM. The sales were recorded at historical cost.

(b) As a result of H&E Equipment Services' purchase of ICM, the rental equipment and the property and equipment depreciation is adjusted to reflect their respective fair market values.

(c) This adjustment reflects the recording of six months' interest expense associated with the $11^1/_8$% senior secured notes ($11.1 million), interest expense associated with the $12^1/_2$% senior subordinated notes offered hereby ($3.3 million), amortization of deferred loan costs ($0.8 million), amortization of discounts related to the senior secured notes and the notes offered hereby ($0.3 million), and the interest expense related to the borrowings outstanding under the senior credit facility ($2.1 million). The adjustment also includes the reversal of (i) the interest expense related to the existing H&E credit facility ($4.6 million), (ii) the interest expense related to the existing ICM credit facility ($2.6 million) and (iii) the interest expense related to the subordinated debt to members ($4.9 million).

(d) In accordance with *Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes,"* the tax effect of the pro forma adjustments have been calculated using the statutory rates, net of any required valuation allowance.

(e) This adjustment primarily relates to the reduction of the goodwill amortization ($2.3 million).

(f) This adjustment reflects the recording annual interest expense associated with the $11^1/_8$% senior secured notes ($22.3 million), interest expense associated with the $12^1/_2$% senior subordinated notes offered hereby ($6.2 million), amortization of deferred loan costs ($1.8 million), amortization of discounts related to the senior secured notes and the notes offered hereby ($1.1 million), and the interest expense related to the borrowings outstanding under the senior credit facility ($4.1 million). The adjustment also includes the reversal of (i) the interest expense related to the existing H&E credit facility ($12.4 million), (ii) the interest expense related to the existing ICM credit facility ($8.8 million) and (iii) the interest expense related to the subordinated debt to members ($12.4 million).

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The selected historical data and other financial data set forth below, should be read in conjunction with our audited financial statements and the related notes included elsewhere in this prospectus. The selected historical financial data as of and for the fiscal years ended December 31, 1997, December 31, 1998, December 31, 1999, December 31, 2000 and December 31, 2001 have been derived from our audited consolidated financial statements. The selected historical financial data as of and for the six months ended June 30, 2001 and June 30, 2002 have been derived from our unaudited consolidated financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and the related notes thereto included elsewhere in this prospectus.

H&E Equipment Services

	For the Year Ended December 31,					For the Six Months Ended June 30,	
	1997	1998	1999	2000	2001	2001	2002[1]
	(Dollars in thousands)						
Statement of operations data:							
Revenues:							
Equipment rentals	$ 30,891	$ 44,595	$ 53,357	$ 70,625	$ 99,229	$ 48,425	$ 49,882
New equipment sales	31,669	38,191	76,703	53,345	84,137	27,898	32,457
Used equipment sales	51,977	55,408	42,797	51,402	59,442	24,629	22,166
Parts sales	20,370	22,012	30,328	34,435	36,524	18,030	20,312
Service revenues	10,209	11,211	13,949	16,553	19,793	9,776	11,247
Other	1,896	2,626	3,532	5,455	7,066	5,318	6,398
Total revenues	147,012	174,043	220,666	231,815	306,191	134,076	142,462
Cost of revenues:							
Equipment rentals	21,937	27,492	32,533	39,545	53,158	25,520	29,947
New equipment sales	28,382	34,156	68,428	47,910	77,441	25,892	29,394
Used equipment sales	39,104	44,079	34,838	44,401	51,379	21,025	18,886
Parts sales	15,620	16,808	22,144	25,846	27,076	13,462	15,159
Service revenues	4,206	4,583	6,662	7,139	8,106	3,904	4,689
Other	3,733	5,115	8,030	10,141	13,275	6,724	6,794
Total cost of revenues	112,982	132,233	172,635	174,982	230,435	96,527	104,869
Gross profit:							
Equipment rentals	8,954	17,103	20,824	31,080	46,071	22,905	19,935
New equipment sales	3,287	4,035	8,275	5,436	6,697	2,006	3,063
Used equipment sales	12,873	11,329	7,959	7,001	8,062	3,604	3,280
Parts sales	4,750	5,204	8,184	8,589	9,447	4,568	5,153
Service revenues	6,003	6,627	7,287	9,414	11,687	5,872	6,558
Other	(1,837)	(2,488)	(4,498)	(4,687)	(6,208)	(1,406)	(396)
Total gross profit	34,030	41,810	48,031	56,833	75,756	37,549	37,593
Selling, general and administrative expenses	20,923	25,820	34,045	44,567	52,687	28,220	32,857
Gain (loss) on sale of property and equipment	(47)	5	952	—	46	10	29
Income from operations	13,060	15,995	14,938	12,266	23,115	9,339	4,765
Other income (expense):							
Interest expense[2]	(7,206)	(10,754)	(17,711)	(22,909)	(17,995)	(10,119)	(8,494)
Other	448	1,052	277	187	156	128	93
Total other income (expense)	(6,758)	(9,702)	(17,434)	(22,722)	(17,839)	(9,991)	(8,401)
Income (loss) before provision for income taxes	6,302	6,293	(2,496)	(10,456)	5,276	(652)	(3,636)
Provision (benefit) for income taxes	2,636	2,638	(153)	(3,123)	1,648	(239)	(1,271)
Net income (loss)	3,666	3,655	(2,343)	(7,333)	3,628	(413)	(2,365)

	For the Year Ended December 31,					For the Six Months Ended June 30,	
	1997	1998	1999	2000	2001	2001	2002[1]
	(Dollars in thousands)						
Other financial data:							
Depreciation and amortization[3]	$ 20,163	$ 25,268	$ 28,331	$ 30,541	$ 32,163	$ 15,479	$ 18,500
EBITDA[4]	33,271	41,259	42,317	42,807	55,232	24,808	23,236
EBITDA margin[5]	22.6%	23.7%	19.2%	18.5%	18.0%	18.5%	16.3%
Statement of cash flows:							
Net cash (used in) provided by operating activities	19,372	60,980	(8,417)	(14,588)	30,115	14,579	545

Net cash (used in) provided by investing activities	42,628	34,665	(25,645)	16,252	(37,846)	(16,176)	(8,777)
Net cash provided by (used in) financial activities	(61,943)	(94,540)	34,938	(2,712)	10,426	1,598	12,302
Capital expenditures:							
Rental equipment, gross	60,369	95,820	53,014	25,639	78,313	32,226	16,545
Rental equipment, net[6]	26,978	60,033	29,760	(12,870)	42,174	17,605	6,456
Property and equipment, net[7]	2,082	3,905	738	2,324	3,149	1,465	1,633
Total net capital expenditures	29,060	63,938	30,498	(10,546)	45,323	19,070	8,089
Ratio of earnings to fixed charges[8]	1.8x	1.6x	0.9x	0.6x	1.3x	0.9x	0.6x

	As of December 31,					As of June 30,
	1997	1998	1999	2000	2001	2002[1]
	(Dollars in thousands)					
Balance sheet data:						
Cash and cash equivalents	$ 694	$ 1,799	$ 2,675	$ 1,627	$ 4,322	$ 8,392
Rental equipment, net	95,836	144,623	168,018	147,228	195,701	314,748
Intangible assets, net	—	2,556	3,442	3,454	3,204	15,955
Total assets	173,350	220,578	261,110	246,744	288,451	480,713
Total debt[9]	98,090	141,117	205,171	204,597	192,908	331,302
Members' interests[10]	15,094	18,749	(7,690)	(15,023)	31,106	39,541

(1) Includes the results of operations of ICM from June 18, 2002 through June 30, 2002. Accordingly we have presented ICM's historical results of operations up through March 31, 2002, the end of ICM's most recent quarter prior to the merger.

(2) Interest expense is comprised of cash-pay interest (interest recorded on debt and other obligations requiring periodic cash payments) and noncash-pay interest (interest accrued and also subordinated in the subordinated notes due to members and debt issuance cost amortization). The following table summarizes interest expense for the periods indicated:

	For the Year Ended December 31,					For the Six Months Ended June 30,	
	1997	1998	1999	2000	2001	2001	2002
	(Dollars in thousands)						
Cash-pay interest expense	$ 7,206	$ 10,754	$ 15,894	$ 19,170	$ 15,357	$ 8,243	$ 8,195
Noncash-pay interest expense	—	—	1,817	3,739	2,638	1,876	223
Noncash-pay debt issuance cost amortization	—	—	—	—	—	—	76
Total interest expense	$ 7,206	$ 10,754	$ 17,711	$ 22,909	$ 17,995	$ 10,119	$ 8,494

(3) This excludes amortization of debt issuance costs.

(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.

(5) This represents EBITDA as a percentage of revenue for the period presented.

(6) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from H&E Equipment Services' statement of cash flows for the periods presented.

(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from H&E Equipment Services' statement of cash flows for the periods presented.

(8) For the purpose of computing this ratio, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of deferred debt issue costs and one-third of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

(9) Total debt represents the amount outstanding under the existing credit facility plus capital leases and the amount of subordinated notes payable to members. As of June 30, 2002, total debt represents the amounts outstanding under the senior credit facility, senior secured notes, senior subordinated notes, plus capital leases.

(10) Members' interests consist of total redeemable preferred units classified outside equity and total members' equity (deficit).

ICM

	For the Year Ended December 31,					For the Three Months Ended March 31,	
	1997[1]	1998[2]	1999	2000	2001	2001	2002[3]
	(Dollars in thousands)						
Statement of operations data:							
Revenues:							
Equipment rentals	$ 47,581	$ 79,286	$ 83,508	$ 80,320	$ 77,538	$ 19,044	$ 16,761
New equipment sales	39,242	56,846	56,469	46,766	52,894	12,496	6,566
Used equipment sales	26,367	26,829	32,901	35,091	30,719	9,225	6,864
Parts sales	12,022	16,924	19,893	19,471	18,968	5,045	4,634
Service revenues	10,481	13,112	16,580	17,560	18,459	4,873	4,420
Other	2,133	5,480	7,541	7,992	7,351	2,038	1,669
Total revenues	137,826	198,477	216,892	207,200	205,929	52,721	40,914
Cost of revenues:							
Equipment rentals	29,086	43,855	53,266	52,164	49,529	13,068	11,052
New equipment sales	34,776	49,834	49,126	41,295	46,488	11,021	5,697
Used equipment sales	21,945	21,817	26,031	28,127	24,067	7,287	5,365
Parts sales	8,745	11,839	13,971	13,505	13,399	3,607	3,246
Service revenues	5,266	6,541	6,951	6,968	6,959	1,831	1,603
Other	1,663	6,216	8,763	9,466	9,576	2,275	2,179
Total cost of revenues	101,481	140,102	158,108	151,525	150,018	39,089	29,142
Gross profit:							
Equipment rentals	18,495	35,431	30,242	28,156	28,009	5,976	5,709

New equipment sales	4,466	7,012	7,343	5,471	6,406	1,475	869
Used equipment sales	4,422	5,012	6,870	6,964	6,652	1,938	1,499
Parts sales	3,277	5,085	5,922	5,966	5,569	1,438	1,388
Service revenues	5,215	6,571	9,629	10,592	11,500	3,042	2,817
Other	470	(736)	(1,222)	(1,474)	(2,225)	(237)	(510)
Total gross profit	36,345	58,375	58,784	55,675	55,911	13,632	11,772
Selling, general and administrative expenses	28,399	41,447	53,378	48,824	47,930	12,105	10,142
Income from operations	7,946	16,928	5,406	6,851	7,981	1,527	1,630
Other income (expense):							
Interest expense[4]	(5,530)	(14,824)	(20,443)	(23,224)	(20,293)	(5,656)	(4,270)
Other	(24)	412	(92)	47	79	(72)	(138)
Total other income (expense)	(5,554)	(14,412)	(20,535)	(23,177)	(20,214)	(5,728)	(4,408)
Income (loss) before provision for income taxes	2,392	2,516	(15,129)	(16,326)	(12,233)	(4,201)	(2,778)
Provision (benefit) for income taxes	—	316	154	154	170	—	—
Net income (loss)	2,392	2,200	(15,283)	(16,480)	(12,403)	(4,201)	(2,778)
Other financial data:							
Depreciation and amortization[5]	$ 15,396	$ 23,300	$ 29,041	$ 28,850	$ 29,717	$ 7,220	$ 6,489
EBITDA[6]	23,342	40,228	34,447	35,701	37,698	8,747	8,119
EBITDA margin[7]	16.9%	20.3%	15.9%	17.2%	18.3%	16.6%	19.8%
Statement of cash flows:							
Net cash provided by operating activities	4,392	15,773	33,736	26,837	37,355	8,599	4,057
Net cash used in investing activities	(34,267)	(223,739)	(26,462)	(18,194)	(34,168)	(2,378)	(3,237)
Net cash used in financing activities	30,779	207,966	(5,216)	(10,701)	(3,187)	(5,295)	(820)
Capital expenditures:							
Rental equipment, gross	$ 42,403	$ 46,677	$ 49,462	$ 47,213	$ 55,553	$ 8,459	$ 7,610
Rental equipment, net[8]	20,458	26,543	25,166	17,794	33,361	2,206	3,040
Property and equipment, net[9]	2,140	2,290	1,272	444	850	173	99
Total net capital expenditures	22,598	28,833	26,438	18,238	34,211	2,379	3,139
Ratio of earnings to fixed charges[10]	1.4x	1.2x	0.3x	0.3x	0.4x	0.3x	0.4x

	As of December 31,					As of March 31,
	1997[1]	1998[2]	1999	2000	2001	2002[3]
	(Dollars in thousands)					
Balance sheet data:						
Cash and cash equivalents	$ 1,290	$ —	$ 2,058	$ —	$ —	$ —
Rental equipment, net	70,960	131,061	130,575	123,404	131,290	128,266
Intangible assets	3,023	87,053	84,994	81,996	78,699	78,465
Total assets	123,788	289,124	278,628	267,758	256,821	252,320
Total debt[11]	78,289	194,326	193,004	183,790	179,642	175,676
Members' interests[12]	17,797	52,135	32,506	15,713	3,310	532

(1) The consolidated financial statements for the year ended December 31, 1997 include financial information of ICM Equipment Company and ACM Equipment Rental and Sales Co., the predecessor of ICM, only. The 1997 results do not include the financial information of Southern Nevada Equipment Company, Great Northern Equipment, Inc. or American High Reach, which were acquired after 1997, and therefore are included in the 1998 through 2001 figures.

(2) As ICM was organized as a limited liability company in February 1998, the results of operations for the 11 months ended 1998 are shown.

(3) ICM merged with and into H&E Equipment Services on June 17, 2002. Accordingly we have presented ICM's historical results of operations up through March 31, 2002, the end of ICM's most recent quarter prior to the merger.

(4) Interest expense is comprised of cash-pay interest (interest recorded on debt and other obligations requiring periodic cash payments) and noncash-pay interest (interest accrued and also subordinated in the subordinated notes due to members and debt issuance cost amortization). The following table summarizes interest expense for the periods indicated:

	For the Year Ended December 31,					For the Three Months Ended March 31,	
	1997	1998	1999	2000	2001	2001	2002
	(Dollars in thousands)						
Cash-pay interest expense	$ 5,130	$ 12,447	$ 19,031	$ 16,450	$ 12,694	$ 3,860	$ 2,209
Noncash-pay interest expense	400	2,377	424	5,567	6,490	1,478	1,774
Noncash-pay debt issuance cost amortization	—	—	988	1,207	1,109	318	287
Total interest expense	$ 5,530	$ 14,824	$ 20,443	$ 23,224	$ 20,293	$ 5,656	$ 4,270

(5) This excludes amortization of debt issuance costs.

(6) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.

(7) This represents EBITDA as a percentage of revenue for the period presented.

(8) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from ICM's statement of cash flows for the periods presented.

(9) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from ICM's statement of cash flows for the periods presented.

(10) For the purpose of computing this ratio, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense, amortization of deferred debt issue costs and one-third of rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

(11) Total debt represents the amount outstanding under the existing senior credit facility plus capital leases and the amount of subordinated notes payable to members.

(12) Members' interests consist of total redeemable preferred units classified outside equity and total members' equity (deficit).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the "Selected Historical Consolidated Financial Data," and our consolidated financial statements and the related notes included elsewhere in this prospectus. This prospectus contains, in addition to historical information, forward-looking statements that include risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. The following discussion makes reference to EBITDA which is defined as income from operations less gains on sale of property and equipment plus depreciation and amortization. Investors should be aware that the items excluded from the calculation of EBITDA, such as depreciation and amortization, are significant components in an accurate assessment of our financial performance. EBITDA is presented because we believe it provides useful information regarding our ability to incur and/or service debt. EBITDA should not be considered in isolation or as a substitute for net income, cash flows, or other consolidated income or cash flow data prepared in accordance with GAAP or as a measure of a company's profitability or liquidity. Additionally, investors should be aware that EBITDA may not be comparable to similarly titled measures presented by other companies.

Company Overview

We believe we are one of the largest integrated equipment rental, services and sales companies in the United States, serving more than 26,000 customers across 15 states in major cities including Atlanta, Dallas, Denver, Houston, Las Vegas, Phoenix and Salt Lake City. In addition to renting equipment, we also sell new and used equipment and provide extensive aftermarket parts and services support.

We derive our revenues from the following sources: (i) rental of equipment; (ii) new equipment sales and distribution; (iii) used equipment sales and distribution; and (iv) parts and service. Equipment rental, as well as new and used equipment sales, includes products such as hi-lift equipment, cranes, earthmoving equipment and industrial lift trucks. Used equipment sales are primarily derived from our rental fleet. Our integrated approach leads to revenue for each source being partially driven by the activities of the other sources. Our revenues are dependent on several factors, including the demand for rental equipment, rental fleet availability, rental rates, the demand for new and used equipment, the level of industrial and construction activity and general economic conditions.

Cost of revenues include cost of equipment sold, depreciation and maintenance costs of rental equipment and cost of parts and service. Cost of equipment sold consists of (i) the net book value of rental equipment at the time of sale for used equipment and (ii) the cost for new equipment sales. Depreciation of rental equipment represents the depreciation costs attributable to rental equipment and is generally calculated on a straight-line basis over the estimated service life of the asset (generally three to ten years with a 0% to 25% residual value). Maintenance of rental equipment represents the costs of servicing and maintaining rental equipment on an ongoing basis. Cost of parts and service represents costs attributable to the sale of parts directly to customers and service provided for the maintenance and repair of customer owned equipment.

Selling, general and administrative expenses include sales and marketing expenses, payroll and related costs, professional fees, property, other taxes and administrative overhead, depreciation associated with property and equipment (other than rental equipment) and the amortization of goodwill and intangible assets.

Critical Accounting Policies and Estimates

We prepare our financial statements in accordance with accounting principles generally accepted in the United States. A summary of our significant accounting policies is in the notes to our consolidated financial statements included elsewhere in this prospectus. In applying many accounting principles, we need to make assumptions, estimates and/or judgments. These assumptions, estimates and judgments are often subjective and may change based on changing circumstances or changes in our analysis. Material changes in these assumptions, estimates and judgments have the potential to materially alter our results of operations. We have identified below those of our accounting policies that we believe could potentially produce materially different results were we to change underlying assumptions, estimates and judgments.

Revenue Recognition. Rental revenue is recognized in the period in which it is earned over the contract term. Revenue from the sale of equipment and parts is recognized at the time of delivery to, or pick-up by, the customer and when all obligations under the sales contract have been fulfilled. Service revenues are recognized at the time the services are rendered. Other revenues consist of billings to customers for rental equipment delivery and damage waiver charges.

Allowance for Doubtful Accounts. We maintain allowances for doubtful accounts. This allowance reflects our estimate of the amount of our receivables that we will be unable to collect. Our estimate could require change based on changing circumstances, including changes in the economy or in the particular circumstances of individual customers. Accordingly, we may be required to increase or decrease our allowance.

Useful Lives of Rental Equipment and Property and Equipment. We depreciate rental equipment and property and equipment over their estimated useful lives, after giving effect to an estimated salvage value of 0% to 25% of cost. The useful life of an asset is determined based on our estimate of the period the asset will generate revenues, and the salvage value is determined based on our estimate of the minimum value we could realize from the asset after such period. We may be required to change these estimates based on changes in our industry or other changing circumstances. If these estimates change in the future, we may be required to recognize increased or decreased depreciation expense for these assets.

Impairment of Goodwill. We must periodically determine whether the fair value of our goodwill is at least equal to the recorded value shown on our balance sheet. See "—Recent Accounting Pronouncements." We must make estimates and assumptions in evaluating the fair value of goodwill. We may be required to change these estimates and assumptions based on changes in our business prospects or other changing circumstances. If these estimates change in the future, we may be required to record impairment charges for goodwill not previously recorded.

Combination of H&E and ICM

H&E Equipment Services was formed through the combination of H&E and ICM, which are two leading, regional, integrated equipment rental, service and sales companies operating in contiguous geographical markets. In connection with the combination of H&E and ICM, H&E and ICM were merged with and into Gulf Wide, the parent of H&E, which was renamed H&E Equipment Services L.L.C. H&E, founded in 1961, is located in the Gulf Coast region and operates 28 facilities, most of which are full-service, in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina and Texas. ICM, founded in 1971, operates in the fast-growing Intermountain region, and operates 19 facilities, most of which are full-service, in Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Texas and Utah.

The following is a discussion of the financial condition and results of operations of H&E Equipment Services, and ICM for the years ended December 31, 2001, 2000 and 1999. The financial condition and results of operations for H&E Equipment Services are discussed for the six months ended June 30, 2001 and 2002. The financial condition and results of operations for ICM are discussed for the three months ended March 31, 2001 and 2002.

Discussion of the Results of H&E Equipment Services

The following table sets forth, for the periods indicated, certain information relating to the operations of H&E Equipment Services.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	1999	2000	2001	2001	2002[1]
	(Dollars in thousands)				
Statement of operations data:					
Revenues[2]:					
Equipment rentals	$ 53,357	$ 70,625	$ 99,229	$ 48,425	$ 49,882
New equipment sales	76,703	53,345	84,137	27,898	32,457
Used equipment sales	42,797	51,402	59,442	24,629	22,166
Parts sales	30,328	34,435	36,524	18,030	20,312
Service revenues	13,949	16,553	19,793	9,776	11,247
Other	3,532	5,455	7,066	5,318	6,398
Total revenues	220,666	231,815	306,191	134,076	142,462
Cost of revenues:					
Equipment rentals	32,533	39,545	53,158	25,520	29,947
New equipment sales	68,428	47,910	77,441	25,892	29,394
Used equipment sales	34,838	44,401	51,379	21,025	18,886
Parts sales	22,144	25,846	27,076	13,462	15,159
Service revenues	6,662	7,139	8,106	3,904	4,689
Other	8,030	10,141	13,275	6,724	6,794
Total cost of revenues	172,635	174,982	230,435	96,527	104,869
Gross profit:					
Equipment rentals	20,824	31,080	46,071	22,905	19,935
New equipment sales	8,275	5,436	6,697	2,006	3,063
Used equipment sales	7,959	7,001	8,062	3,604	3,280
Parts sales	8,184	8,589	9,447	4,568	5,153
Service revenues	7,287	9,414	11,687	5,872	6,558
Other	(4,498)	(4,687)	(6,208)	(1,406)	(396)
Total gross profit	48,031	56,833	75,756	37,549	37,593
Selling, general and administrative expenses	34,045	44,567	52,687	28,220	32,857
Gain on sale of property and equipment	952	—	46	10	29
Income from operations	14,938	12,266	23,115	9,339	4,765
Other income (expense)	(17,434)	(22,722)	(17,839)	(9,991)	(8,401)
Income tax expense (benefit)	(153)	(3,123)	1,648	(239)	(1,271)
Net income (loss)	$ (2,343)	$ (7,333)	$ 3,628	$ (413)	$ (2,365)
Supplemental information:					
Depreciation and amortization[3]	$ 28,331	$ 30,541	$ 32,163	$ 15,479	$ 18,500
EBITDA[4]	42,317	42,807	55,232	24,808	23,236
EBITDA margin[5]	19.2%	18.5%	18.0%	18.5%	16.3%
Statement of cash flows:					
Net cash (used in) provided by operating activities	(8,417)	(14,588)	30,115	14,579	545
Net cash (used in) provided by investing activities	(25,645)	16,252	(37,846)	(16,176)	(8,777)
Net cash provided by (used in) financing activities	34,938	(2,712)	10,426	1,598	12,302
Capital expenditures:					
Rental equipment, gross	$ 53,014	$ 25,639	$ 78,313	$ 32,226	$ 16,545
Rental equipment, net[6]	29,760	(12,870)	42,174	17,605	6,465
Property and equipment, net[7]	738	2,324	3,149	1,465	1,633
Total net capital expenditures	30,498	(10,546)	45,323	19,070	8,089
Balance sheet data (at end of period):					
Net book value of rental fleet	$ 168,018	$ 147,228	$ 195,701	$ 175,511	$ 314,748
Total assets	261,110	246,744	288,451	297,628	480,713

(1) Includes the results of operations of ICM from June 18, 2002 through June 30, 2002.
(2) Revenues from fleet management and project management operations are reflected in each of the revenue categories set forth in the table above as appropriate.
(3) This excludes amortization of debt issuance costs.
(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.
(5) This represents EBITDA as a percentage of revenue for the period presented.
(6) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from H&E Equipment Services' statement of cash flows for the periods presented.
(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from the H&E Equipment Services' statement of cash flows for the periods presented.

Six months ended June 30, 2002 compared to six months ended June 30, 2001

Total Revenues. Total revenues for the six months ended June 30, 2002 increased 6.3% or $8.4 million to $142.5 million, from $134.1 million for the six months ended June 30, 2001. Our revenues during these periods were attributable to the following sources:

Equipment Rental Revenues. Total revenues from equipment rentals increased $1.5 million, or 3.0%, to $49.9 million for the six months ended June 30, 2002 from $48.4 million for the six months ended June 30, 2001. The 3.0% increase reflected increased rental revenues of $2.6 million generated by new rental locations acquired through the ICM acquisition, offset by a $1.1 million decline in same store rental revenues. The decline in same store rental revenue is attributable to a $2.7 million decline in crane rental revenues, offset primarily by an increase in aerial equipment rental and other rental volume of $1.6 million.

Equipment Sales Revenues. Revenues from new equipment sales increased $4.6 million, or 16.3% to $32.5 million for the six months ended June 30, 2002 from $27.9 million in the six months ended June 30, 2001. The change is attributable to a $2.9 million increase in new equipment sales from the locations acquired through the ICM acquisition and a $1.7 million increase primarily from sales of aerial equipment to be used by contractors in the building of power plants.

Revenues from used equipment sales decreased $2.5 million, or 10%, to $22.2 million for the six months ended June 30, 2002 from $24.6 million in the six months ended June 30, 2001. Total used sales attributable to the acquisition of ICM were $1.9 million. The overall decrease was attributable primarily to lower crane sales, which declined by $3.2 million due to lower demand, earthmoving and other equipment sales also decreased by $1.4 million due to lower demand and the completion of the fleet rationalization program which took place during the six months ended June 30, 2002. The decline in used equipment sales was affected by customers' unwillingness to purchase equipment in light of the current weak economy.

Parts Sales and Service Revenues. Revenues from parts sales and service revenues increased $3.8 million or 13.5% to $31.6 million in the six months ended June 30, 2002 from $27.8 million during the six months ended June 30, 2001. Total parts sales and service revenues attributable to the acquisition of ICM were $1.9 million. The remainder of the increase was attributable to growth in revenues from parts sales, which increased $1.1 million or 6.3%, due to increased parts sales related to the hi-lift operations, as well as growth in service revenues, which increased $0.8 million, or 7.7%, as a result of an increase in the number of transactions and an increase in charge out rates.

Other Revenues. Other revenues consisted primarily of billings to customers for equipment support activities including transportation, hauling, parts freight and damage-waiver charges. Other revenues for the six months ended June 30, 2002 increased $1.1 million, or 20.3% to $6.4 million. Subsequent to the acquisition, ICM accounted for $0.3 million of the increase and the balance of the remaining increase was primarily attributable to rental related growth in billing transportation activities and damage waiver charges and overall service related volume growth.

Total Gross Profit. Total gross profit for the six months ended June 30, 2002 was $37.6 million compared to the total gross profit of $37.5 million for the six months ended June 30, 2001. Total gross profit attributable to the acquisition of ICM was $2.3 million. Gross profit from parts sales and service revenues is stable year over year. Gross profit contribution by segment as a percentage of total gross profit was 53.0% for equipment rentals, 8.2% for new equipment sales, 8.7%, for used equipment sales and 31.2% for parts sales and service revenues and (1.1%) for other revenues.

Equipment Rentals Gross Profit. Gross profit from equipment rentals decreased $3.0 million to $19.9 million in the six months ended June 30, 2002 from $22.9 million in the six months ended June 30, 2001 period. Total gross profit from equipment rentals for ICM subsequent to the acquisition

was $1.0 million. Same store gross profit declined $3.9 million, or 17.1% in the six months ended June 30, 2002 to $19.0 million from $22.9 million during the first six months of 2001. The decline in equipment rental gross margin is primarily a result of downward pressures on aerial rental rates, slower economic activity and higher total cost of rental operations in support of the growth in the hi-lift operations.

Total same store rental cost of operations increased $4.4 million to $17.5 million for the first six months ended June 30, 2002 from $13.1 million for the first six months ended June 30, 2001. The increase is attributable to a $3.0 million increase in depreciation due to the increase in hi-lift rental fleet equipment and a $1.7 million increase in fleet repair costs. Certain hi-lift equipment began to age, exceeding the one-year manufacturer warranty period and are now incurring repair and maintenance costs. These increases were offset by a $0.3 million reduction in operating lease payments and other miscellaneous expenses.

Equipment Sales Gross Profit. Gross profit from new equipment sales increased $1.1 million to $3.1 million for the six months ended June 30, 2002 from $2.0 million for the six months ended June 30, 2001. Total new equipment gross profit for the six months ended June 30, 2002 included $0.3 million associated with the acquisition of ICM. Gross margin on new equipment sales increased to 9.4% for the six months ended June 30, 2002 from 7.2% for the six months ended June 30, 2001. The new equipment gross profit increase was primarily due to an increase in the margin achieved on the sale of earth moving equipment.

The gross profit from used equipment sales decreased $0.3 million to $3.3 million for the six months ended June 30, 2002 from $3.6 million for the six months ended June 30, 2001. Total used equipment gross profit for the six months ended June 30, 2002 included $0.3 million associated with the acquisition of ICM. Gross margin on used equipment sales remained consistent despite the decline in used equipment sales.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service revenues increased $1.3 million to $11.7 million for the six months ended June 30, 2002 from $10.4 million for the six months ended June 30, 2001. Total parts sales and service revenue gross profit for the six months ended June 30, 2002 included $0.8 million associated with the acquisition of ICM. The gross margin from parts sales and service revenues during the six months ended June 30, 2002 decreased slightly to 37.1% compared to 37.5% for the six months ended June 30, 2001. Gross profit from parts sales increased $0.6 million and gross margin remained constant at 25.3%. Gross profit on service revenues increased $0.7 million and gross margin from service revenues decreased to 58.2% from 60.1%, due to increased costs of external labor and material related to external service repair orders.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses were $32.8 million, or 23.0% of total revenues, for the six months ended June 30, 2002 and $28.2 million, or 21.0% of total revenues for the six months ended June 30, 2001. Included in SG&A expense is $1.7 million relating to the operations of ICM for the period subsequent to the acquisition. The increase in SG&A year over year and as a percentage of total revenues is primarily due to the increased costs to support the expansion of the hi-lift operations.

Income from Operations. Based on the foregoing, income from operations decreased to $4.8 million for the six months ended June 30, 2002 from $9.3 million for the six months ended June 30, 2001. The $4.5 million decrease was net of $0.6 million of income from operations for ICM for the period subsequent to the acquisition.

Other Income (Expense). Other expense decreased by $1.6 million to $8.4 million for the six months ended June 30, 2002 from $10.0 million for the six months ended June 30, 2001. Total expense for the six months ended June 30, 2002 associated with the acquisition of ICM is $0.5 million. The reduction was due to lower interest costs from the elimination of convertible subordinated notes which

reduced interest expense by $1.9 million for the six months ended June 30, 2002 compared to the six months ended June 30, 2001. Additionally, annual interest rates on the revolving credit facility averaged 5.1% for the six months ended June 30, 2002 compared to 7.2% for the six months ended June 30, 2001.

Income Tax Expense (Benefit). H&E Equipment Services is a limited liability company that has elected to be treated as a C corporation for income tax purposes. Income tax benefit increased by $1.0 million in the six months ended June 30, 2002 from a benefit of $0.2 million for the six months ended June 30, 2001 to a benefit of $1.2 million for the six months ended June 30, 2002.

Year ended December 31, 2001 compared to year ended December 31, 2000

Total Revenues. Total revenues in fiscal year 2001 were $306.2 million, representing an increase of 32.1% over total revenues in fiscal year 2000 of $231.8 million. The increase was attributable to the growth in equipment rentals, new and used equipment sales, parts sales and service revenues.

Equipment Rental Revenues. Revenues from equipment rentals increased $28.6 million, or 40.5%, to $99.2 million in fiscal year 2001 from $70.6 million in fiscal year 2000. The increase was attributable to the growth in the rentals in the hi-lift operations, consisting of aerial work platform equipment. Hi-lift rentals increased by $30.8 million, or 130.0%, to $54.5 million in fiscal year 2001 from $23.7 million in fiscal year 2000. Fiscal year 2001 was the first full year of operations for the hi-lift operations. Revenues from other equipment rentals decreased slightly to $44.7 million in fiscal year 2001 from $46.9 million in fiscal year 2000, due to the decrease in net capital expenditures in the previous year as a result of management's initiative to eliminate under-performing assets in order to improve utilization.

Equipment Sales Revenues. Revenues from new equipment sales increased $30.8 million, or 57.7%, to $84.1 million in fiscal year 2001 from $53.3 million in fiscal year 2000. The increase was due primarily to a $29.6 million increase in crane sales.

Revenues from used equipment sales increased $8.0 million, or 15.6%, to $59.4 million in fiscal year 2001 from $51.4 million in fiscal year 2000. The increase was attributable in part to a $13.3 million increase in crane sales, resulting from sales of under-performing assets from the rental fleet, partially offset by a $3.0 million decrease in earthmoving equipment and a $2.5 million decrease in aerial work platforms.

Parts Sales and Service Revenues. Revenues from parts sales and service revenues increased by $5.3 million, or 10.5%, to $56.3 million in fiscal year 2001 from $51.0 million in fiscal year 2000. The increase was attributable to growth in parts revenues of $2.1 million, or 6.1%, resulting from increased volume of parts sales transactions. The increase was also attributable to growth in service revenues which increased by $3.2 million, or 19.6%, as a result of an increase in the number of service transactions to support the growth of the hi-lift and core divisions, as well as an increase from average service charge-out rates.

Other Revenues. Revenues from other sales activities consisted primarily of billings to customers for equipment support activities including transportation, hauling, parts freight and damage-waiver charges. Other revenues increased $1.6 million, or 29.5%, to $7.1 million in fiscal year 2001 as compared to $5.5 million in fiscal year 2000. The increase was primarily attributable to growth in the transportation and hauling activities to support the growth of the hi-lift rental operations.

Total Gross Profit. Total gross profit in fiscal year 2001 was $75.8 million, representing an increase of 33.3% over total gross profit in fiscal year 2000 of $56.8 million. Total gross margin increased to 24.7% in fiscal year 2001 from 24.5% in fiscal year 2000.

Equipment Rentals Gross Profit. Gross profit from equipment rentals increased $15.0 million to $46.1 million in fiscal year 2001 from $31.1 million in fiscal year 2000. Gross margin on equipment rentals increased to 46.4% in fiscal year 2001 from 44.0% in fiscal year 2000. The increase in gross profit was primarily attributable to the growth in the hi-lift rental operations in 2001. The increase in gross margin was attributable to a more favorable mix of rental equipment following the elimination of lower performing assets in 2000.

Equipment Sales Gross Profit. Gross profit from new equipment sales increased $1.3 million to $6.7 million in fiscal year 2001 from $5.4 million in fiscal year 2000. Gross margin on new equipment sales declined to 8.0% in fiscal year 2001 from 10.2% in fiscal year 2000. The increase in gross profit reflected the growth in new crane sales in 2001. The decline in gross margin was primarily attributable to lower margins from crane sales containing volume-based discounts in 2001.

Gross profit from used equipment sales increased $1.1 million to $8.1 million in fiscal year 2001 from $7.0 million in fiscal year 2000. Gross margin on used equipment sales remained relatively unchanged at 13.6% in fiscal year 2001 compared to 13.6% in fiscal year 2000. The increase in gross profit reflected the increase in crane sales, offset by decreases in earthmoving and aerial work platform equipment sales.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service revenues increased $3.1 million to $21.1 million in fiscal year 2001 from $18.0 million in fiscal year 2000. Gross margin on parts sales and service revenues increased to 37.5% in fiscal year 2001 from 35.3% in fiscal year 2000. Gross profit from parts sales increased by $0.9 million and gross margin from parts sales increased to 25.9% from 24.9%. The increase was due to increased pricing on outsourced parts. Gross profit for service revenues increased by $2.3 million and gross margin from service revenues increased to 59.1% from 56.9%. The increase was due to growth in the hi-lift operations in 2001 and also reflected the growth in service charge-out rates during 2001 over 2000 levels. The increase in gross margin was attributable to the increase in higher margin service revenues in 2001.

Depreciation and Amortization. Depreciation and amortization was $32.2 million and $30.5 million for fiscal years 2001 and 2000, respectively. The increase in depreciation and amortization expense was primarily attributable to the growth in rental fleet assets for the hi-lift operations.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses were $52.7 million, or 17.2% of total revenues, during fiscal year 2001 and $44.6 million, or 19.2% of total revenues, in fiscal year 2000. The increase in SG&A expenses was attributable to fiscal year 2001 being the first full year of hi-lift operations. The decrease in SG&A expenses as a percentage of total revenues was due to volume growth in crane equipment sales revenues.

Income from Operations. Based on the foregoing, income from operations increased 88.4% to $23.1 million in fiscal year 2001 from $12.3 million in fiscal year 2000.

Other Income (Expense). Other expense decreased by $4.9 million to $17.8 million in fiscal year 2001 from $22.7 million in fiscal year 2000. The decrease was due to a $4.9 million decrease in interest expense from fiscal year 2000 to 2001. Fiscal year 2000 included $1.3 million of interest expense related to a beneficial conversion future recorded in 1999 in connection with the 12% Convertible Subordinated Notes due 2005. These notes were converted to equity as part of the recapitalization of H&E in August 2001.

Income Tax Expense (Benefit). H&E Equipment Services is a limited liability company that has elected to be treated as a C corporation for income tax purposes. Income tax expense increased from a tax benefit of $3.1 million in fiscal year 2000 to a $1.6 million tax expense in fiscal year 2001. The effective tax rate was relatively unchanged between the fiscal years.

Year ended December 31, 2000 compared to year ended December 31, 1999

Total Revenues. Total revenues in fiscal year 2000 were $231.8 million, representing an increase of 5.1% over total revenues in fiscal year 1999 of $220.7 million. This increase was attributable to the growth in equipment rentals, used equipment sales, parts sales and service revenues, partially offset by a decline in new equipment sales.

Equipment Rental Revenues. Revenues from equipment rentals increased $17.3 million, or 32.4%, to $70.6 million in fiscal year 2000 from $53.4 million in fiscal year 1999. The increase was primarily attributable to management's decision to expand its rental operations by creating a hi-lift division which began operations in the first quarter of fiscal year 2000 and which increased rental revenues by $23.7 million. Revenues from other equipment rentals decreased to $46.9 million in 2000 from $53.4 million in 1999 due to fleet rationalization.

Equipment Sales Revenues. Revenues from new equipment sales declined $23.4 million, or 30.5% to $53.3 million for fiscal year 2000 from $76.7 million for fiscal year 1999. The decline was due primarily to a decrease in the level of crane sales which decreased by $18.1 from 1999 to 2000, as well as a $4.9 million decrease in earthmoving equipment sales and a $1.4 million decrease in other equipment sales due to lower market demand for new equipment sales.

Revenues from used equipment sales increased $8.6 million, or 20.1%, to $51.4 million for fiscal year 2000 from $42.8 million in fiscal year 1999. The increase was attributable mainly to the growth in lattice boom crane sales of $4.8 million. Used equipment revenues also increased due to growth in sales for used earthmoving equipment, which increased by $4.4 million, as well as management's initiative to eliminate certain poor performing assets from the rental fleet. As a result of this initiative, $4.1 million of aerial work platforms which existed prior to the creation of the specialty hi-lift rental division were sold and were replaced with other lines of hi-lift equipment. The growth was offset by a $5.5 million decrease in hydraulic cranes sales.

Parts Sales and Service Revenues. Revenues from parts sales and service revenues increased by $6.7 million, or 15.2%, to $51.0 million for fiscal year 2000 from $44.3 million in fiscal year 1999. Revenue from parts sales increased by $4.1 million, or 13.5%, to $34.4 million from $30.3 million. The increase was attributable to growth in the sale of lattice boom crane related parts which increased by $5.5 million, or 83.9%, over the prior year levels, offset by decreases in earthmoving and other parts sales. Service revenues also increased by $2.6 million, or 18.7%, to $16.6 million from $13.9 million, as a result of volume growth in service labor billings as well as growth in the average service charge-out rates over 1999 levels.

Other Revenues. Revenues from other sales activities increased by $2.0 million, or 54.4%, to $5.5 million from $3.5 million in fiscal year 1999. The increase was attributable primarily to growth in the equipment transportation and hauling activities to support the expanding rental operations.

Total Gross Profit. Total gross profit in fiscal year 2000 was $56.8 million, representing an increase of 18.3% over total gross profit of $48.0 million in fiscal year 1999. Total gross margin increased to 24.5% in fiscal year 2000 from 21.8% in 1999.

Equipment Rentals Gross Profit. Gross profit from equipment rentals increased $10.3 million to $31.1 million in fiscal year 2000 from $20.8 million in fiscal year 1999. Gross margin for equipment rentals increased to 44.0% in fiscal year 2000 from 39.0% in fiscal year 1999. The increase in gross profit was primarily attributable to the growth in the hi-lift rental operations which were commenced in the first quarter of 2000. The increase in gross margin was attributable to lower depreciation, lease and maintenance expense for the new hi-lift operations division, partially offset by decreased rental rates on other equipment rentals due to excess capacity in the equipment rental industry in 2000.

Equipment Sales Gross Profit. Gross profit from new equipment sales declined $2.8 million to $5.4 million in fiscal year 2000 from $8.3 million in fiscal year 1999. Gross margin on new equipment sales declined slightly to 10.2% in fiscal year 2000 from 10.8% in fiscal year 1999. The decline in gross profit for new equipment in fiscal year 2000 reflected the decline in new crane sales. The decline in gross margin for new equipment sales was attributable to overall market softness on new equipment prices as customer preference for equipment rentals increased.

Gross profit from used equipment sales decreased $1.0 million to $7.0 million in fiscal year 2000 from $8.0 million in fiscal year 1999. Gross margin on used equipment sales declined to 13.6% in fiscal year 2000 from 18.6% in fiscal year 1999. The decrease in gross profit and margin was attributable to the lower margins received on the disposal of poor-performing rental assets during 2000.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service revenues increased $2.5 million to $18.0 million in fiscal year 2000 from $15.5 million in fiscal year 1999. Gross margin on parts sales and service revenues increased slightly to 35.3% during fiscal year 2000 from 34.9% in 1999. Gross profit from parts sales increased by $0.4 million and gross margin from parts sales decreased to 24.9% from 27.0%. The decrease in gross margin was due to increased competitive market conditions caused by non-OEM parts distributors. Gross profit from service revenues increased by $2.1 million and gross margin from service revenues increased to 56.9% from 52.2%. The increase in gross profit and gross margin was due to increased volume of service labor billings as well as increased average service charge-out rates which increased 2.9% over 1999 levels.

Depreciation and Amortization. Depreciation and amortization was $30.5 million and $28.3 million for fiscal years 2000 and 1999, respectively. The increase in depreciation and amortization was attributable to growth in rental fleet assets for the hi-lift rental operations.

Selling, General and Administrative Expenses. SG&A expenses were $44.6 million, or 19.2% of total revenues, during fiscal year 2000 and $34.0 million, or 15.4% of total revenues, in fiscal year 1999. The increase in SG&A was attributable to the additional support cost required to develop the specialty hi-lift rental operation, which commenced during fiscal year 2000. SG&A expenses also increased in the core operations in order to support the growth in product support activities.

Income from Operations. Based on the foregoing, income from operations decreased 17.9% to $12.3 million in fiscal year 2000 from $14.9 million in fiscal year 1999.

Other Income (Expense). Other expense increased by $5.3 million to $22.7 million in fiscal year 2000 from $17.4 million in fiscal year 1999. The increase was due to interest on the Convertible Subordinated Notes issued in May 1999.

Income Tax Expense (Benefit). H&E Equipment Services is a limited liability company that has elected to be treated as a C corporation for income tax purposes. Income tax benefit increased from $0.2 million in fiscal year 1999 to $3.1 million in fiscal year 2000. The effective tax rate increased to 29.9% in fiscal year 2000 from 6.1% in fiscal year 1999 due to the size of the effect of the permanent item created by the non-deductibility of the beneficial conversion feature in relation to overall net operating loss.

Discussion of the Results of ICM

The following table sets forth, for the periods indicated, certain information relating to the operations of ICM.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	1999	2000	2001	2001	2002[1]
	(Dollars in thousands)				
Statement of operations data:					
Revenues[2]:					
Equipment rentals	$ 83,508	$ 80,320	$ 77,538	$ 19,044	$ 16,761
New equipment sales	56,469	46,766	52,894	12,496	6,566
Used equipment sales	32,901	35,091	30,719	9,225	6,864
Parts sales	19,893	19,471	18,968	5,045	4,634
Service revenues	16,580	17,560	18,459	4,873	4,420
Other	7,541	7,992	7,351	2,038	1,669
Total revenues	216,892	207,200	205,929	52,721	40,914
Cost of revenues:					
Equipment rentals	53,266	52,164	49,529	13,068	11,052
New equipment sales	49,126	41,295	46,488	11,021	5,697
Used equipment sales	26,031	28,127	24,067	7,287	5,365
Parts sales	13,971	13,505	13,399	3,607	3,246
Service revenues	6,951	6,968	6,959	1,831	1,603
Other	8,763	9,466	9,576	2,275	2,179
Total cost of revenues	158,108	151,525	150,018	39,089	29,142
Gross profit:					
Equipment rentals	30,242	28,156	28,009	5,976	5,709
New equipment sales	7,343	5,471	6,406	1,475	869
Used equipment sales	6,870	6,964	6,652	1,938	1,499
Parts sales	5,922	5,966	5,569	1,438	1,388
Service revenues	9,629	10,592	11,500	3,042	2,817
Other	(1,222)	(1,474)	(2,225)	(237)	(510)
Total gross profit	58,784	55,675	55,911	13,632	11,772
Selling, general and administrative expenses	53,378	48,824	47,930	12,105	10,142
Income from operations	5,406	6,851	7,981	1,527	1,630
Other income (expense)	(20,535)	(23,177)	(20,214)	(5,728)	(4,408)
Income tax expense	154	154	170	—	—
Net loss	$ (15,283)	$ (16,480)	$ (12,403)	$ (4,201)	$ (2,778)
Supplemental information:					
Depreciation and amortization[3]	$ 29,041	$ 28,850	$ 29,717	$ 7,220	$ 6,489
EBITDA[4]	34,447	35,701	37,698	8,747	8,119
EBITDA margin[5]	15.9%	17.2%	18.3%	16.6%	19.8%
Statement of cash flows:					
Net cash provided by operating activities	33,736	26,837	37,355	8,599	4,057
Net cash used in investing activities	(26,462)	(18,194)	(34,168)	(2,378)	(3,237)
Net cash used in financing activities	(5,216)	(10,701)	(3,187)	(5,295)	(820)
Capital expenditures:					
Rental equipment, gross	$ 49,462	$ 47,213	$ 55,553	$ 8,459	$ 7,610
Rental equipment, net[6]	25,166	17,794	33,361	2,206	3,040
Property and equipment, net[7]	1,272	444	850	173	99
Total net capital expenditures	26,438	18,238	34,211	2,379	3,139
Balance sheet data (at end of period):					
Net book value of rental fleet	$ 130,575	$ 123,404	$ 131,290	$ 119,432	$ 128,266
Total assets	278,628	267,758	256,821	261,162	252,320

(1) ICM merged with and into H&E Equipment Services on June 17, 2002.
(2) Revenues from fleet management and project management operations are reflected in each of the revenue categories set forth in the table above as appropriate.
(3) This excludes amortization of debt issuance costs.
(4) EBITDA is income from operations less gain on sale of property and equipment plus depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA should not be construed as an alternative to income from operations or cash flows from operating activities, as determined in accordance with generally accepted accounting principles. We believe that EBITDA is a useful supplement to net income and other statement of operations data in understanding cash flows generated from operations that are available for taxes, debt service and capital expenditures. However, our method of computation may or may not be comparable to other similarly titled measures of other companies.
(5) This represents EBITDA as a percentage of revenue for the period presented.
(6) Capital expenditures for rental equipment, net is defined as purchases of rental equipment less the net book value of the equipment sold from the rental fleet assets as derived from ICM's statement of cash flows for the periods presented.
(7) Capital expenditures for property and equipment, net is defined as purchases of property and equipment less the net book value of the property and equipment sold as derived from ICM's statement of cash flows for the periods presented.

Three months ended March 31, 2002 compared to three months ended March 31, 2001

Total Revenues. Total revenues for the three months ended March 31, 2002 were $40.9 million, representing a decline of 22.4% over total revenues for the three months ended March 31, 2001. The decrease was primarily attributable to a decline in equipment rentals and new and used equipment sales.

Equipment Rental Revenues. Revenues from equipment rentals declined $2.2 million, or 12.0%, to $16.8 million for the three months ended March 31, 2002 from $19.0 million for the three months ended March 31, 2001. The decline was primarily attributable to a decline in construction activity in the northern Utah region, which resulted in a decrease in the number of equipment rental transactions. During the later part of 2001, several large construction projects associated with the preparation of the February 2002 Winter Olympics were completed. Such projects included, but were not limited to, road construction, hotels, and Olympic venue sites. No new large projects were begun in 2002 because of the Olympics.

Equipment Sales Revenues. Revenues from new equipment sales decreased $5.9 million, or 47.5%, to $6.6 million for the three months ended March 31, 2002 from $12.5 million for the three months ended March 31, 2001. The decrease was due a $1.7 million decrease in sales of cranes ranging in size from small truck-mounted cranes and rough-terrain cranes to large, crawler cranes, as well as a decrease in sales of lift trucks and other equipment as customers slowed their purchases of new replacement equipment in response to a slowing economy.

Revenues from used equipment sales decreased $2.3 million, or 25.6%, to $6.9 million for the three months ended March 31, 2002 from $9.2 million for the three months ended March 31, 2001. As with new equipment sales, the slowing economy impacted the used equipment market.

Parts Sales and Service Revenues. Revenues from parts sales and service revenues decreased $0.8 million, or 8.7%, to $9.1 million for the three months ended March 31, 2002 from $9.9 million for the three months ended March 31, 2001. Parts sales decreased by $0.4 million, or 8.1%. Service revenues decreased by $0.5 million, or 9.3%. The decreases were caused by the slowing economy which resulted in lower usage of equipment.

Other Revenues. Revenues from other sales activities consisted primarily of billings to customers for equipment support activities including transportation, hauling, parts freight, environmental fees and damage waiver charges. Other revenue decreased $0.3 million, or 18.1%, to $1.7 million for the three months ended March 31, 2002 from $2.0 million for the three months ended March 31, 2001. The decrease was due primarily to the reduction in rental volume and to customers providing their own damage loss coverage.

Total Gross Profit. Total gross profit decreased $1.8 million to $11.8 million for the three months ended March 31, 2002 from $13.6 million for the three months ended March 31, 2001. Total gross margin increased to 28.8% for the three months ended March 31, 2002 from 25.9% for the three months ended March 31, 2001.

Equipment Rentals Gross Profit. Gross profit from equipment rentals decreased $0.3 million to $5.7 million for the three months ended March 31, 2002 from $6.0 million for the three months ended March 31, 2001. Gross margin on equipment rentals increased to 34.1% for the three months ended March 31, 2002 from 31.4% for the six months ended June 30, 2001. The gross margin improvement was due to managing overall rental costs, including repair and maintenance costs, which decreased by $0.5 million from 2001.

Equipment Sales Gross Profit. Gross profit from new equipment sales decreased $0.6 million to $0.9 million for the three months ended March 31, 2002 from $1.5 million for the three months ended

March 31, 2001. Gross margin on new equipment sales increased to 13.2% for the three months ended March 31, 2002 from 11.8% for the three months ended March 31, 2001. The decrease in gross profit is the result of the decreased sales volume. The increase in gross margin is due to the mix of new equipment sold.

Gross profit from used equipment sales decreased $0.4 million to $1.5 million for the three months ended March 31, 2002 from $1.9 million for the three months ended March 31, 2001. Gross margin on used equipment sales increased to 21.8% for the three months ended March 31, 2002 from 21.0% for the three months ended March 31, 2001. During the three months ended March 31, 2002 ICM used manufacturer-marketing credits to implement a "zero percent" financing sales program.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service revenues decreased $0.3 million to $4.2 million for the three months ended March 31, 2002 from $4.5 million for three months ended March 31, 2001. Gross margin increased to 46.4% for the three months ended March 31, 2002 from 45.2% for the three month ended March 31, 2001. Gross profit from parts sales declined by $0.1 million as a result of the decline in the overall economy. Gross margin from parts sales increased to 30.0% from 28.5% as a result of price increases and controlled costs. Gross profit from service revenues decreased by $0.2 million and gross margin from service revenues increased to 63.7% from 62.4%. The decrease in gross profit was attributable to the decline in the overall economy and the increase in gross margin was attributable to increases in the charge-out rates and a reduction of overtime expense.

Depreciation and Amortization. Depreciation and amortization was $6.5 million and $7.2 million for the three months ended March 31, 2002 and 2001, respectively. The decrease in depreciation and amortization was attributable to the adoption of *Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets*, which eliminates the amortization of goodwill and intangible assets with indefinite lives. During the three months ended March 31, 2001, $0.6 million of amortization was recognized.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses were $10.1 million, or 24.8% of total revenues, during the three months ended March 31, 2002 and $12.1 million, or 23.0% of total revenues, during the three months ended March 31, 2001. The decline in SG&A expenses reflected lower employee, benefit and warranty costs from the prior year. The increase in SG&A expenses as a percent of total revenues was due to the decline in revenues.

Income (Loss) from Operations. Based on the foregoing, income from operations increased 6.7% to $1.6 million for the three months ended March 31, 2002 from $1.5 million for the three months ended March 31, 2001.

Other Income (Expense). Other income or expense consists primarily of interest expense on the revolving line of credit and on subordinated notes to members. Interest expense on the revolving line of credit decreased by $1.7 million to $1.4 million for the three months ended March 31, 2002 from $3.1 million for the three months ended March 31, 2001. The decrease is primarily the result of fewer borrowings on the revolving line of credit and a decrease in the average interest rate.

Income Tax Expense (Benefit). ICM (excluding Great Northern Equipment, Inc, a wholly-owned subsidiary) is a limited liability company that has elected to be treated as a partnership for income tax purposes. No estimated tax provision was recorded in the three months ended March 31, 2002 and 2001, respectively.

Year ended December 31, 2001 compared to year ended December 31, 2000

Total Revenues. Total revenues for fiscal year 2001 were $205.9 million, representing a decline of 0.6% over total revenues in fiscal year 2000 of $207.2 million. The decrease was attributable to the decline in equipment rentals, used equipment sales and parts sales, partially offset by an increase in new equipment sales and in service

revenues.

Equipment Rental Revenues. Revenues from equipment rentals declined $2.8 million, or 3.5%, to $77.5 million in fiscal year 2001 from $80.3 million in fiscal year 2000. The decline was primarily attributable to a decline in construction activity specifically in and around the State of Utah, which resulted in a decrease in the number of equipment rental transactions. During 2001, several large construction projects associated with preparation for the February 2002 Winter Olympics and which began in prior years were completed. Such projects included, but were not limited to, road construction, hotels and Olympic venue sites. In anticipation of the Winter Olympics, no new large construction projects were begun in 2001. In addition, the volume of equipment rentals to the mining industries (the gold, copper and silver mines) in eastern Wyoming and western Nevada declined due primarily to the slowing economy.

Equipment Sales Revenues. Revenues from new equipment sales increased $6.1 million, or 13.1%, to $52.9 million for fiscal year 2001 from $46.8 million for fiscal year 2000. The increase was due primarily to an $11.9 million increase in sales of cranes ranging in size from small truck-mounted cranes and rough-terrain cranes to large, crawler cranes. The increase was offset in part by a decrease in sales of lift trucks and other equipment as customers slowed their purchases of replacement equipment in response to a slowing economy.

Revenues from used equipment sales decreased $4.4 million, or 12.5%, to $30.7 million in fiscal year 2001 from $35.1 million in fiscal year 2000. The decrease was attributable mainly to a weakening economy and declining customer demand, particularly as it related to used crane sales, which declined by $3.5 million. The decline was also attributable to a one-time sale of scanclimbing equipment in 2000 for $1.7 million, but was partially offset by increases in sales of other equipment types.

Parts Sales and Service Revenues. Revenues from parts sales and service revenues remained relatively flat at $37.4 million in fiscal year 2001 compared to $37.0 million in fiscal year 2000. Parts sales decreased slightly by $0.5 million, or 2.6%. The decrease was caused by the slowing economy which resulted in lower usage of equipment partially offset by the trend by equipment owners to retain and use their existing equipment longer. Service revenues increased $0.9 million, or 5.1%, as a result of an increase in service charge-out rates, as well as from increased volume of service transactions.

Other Revenues. Revenues from other sales activities consisted primarily of billings to customers for equipment support activities including transportation, hauling, parts freight and damage-waiver charges. Other revenues decreased $0.6 million, or 8.0%, to $7.4 million in fiscal year 2001 from $8.0 million in fiscal year 2000. The decrease was due primarily to the reduction in rental volume and to customers providing their own damage loss coverage.

Total Gross Profit. Total gross profit remained relatively flat at $55.9 million in fiscal year 2001 compared to $55.7 million in fiscal year 2000. Total gross margin increased to 27.2% in fiscal year 2001 from 26.9% in fiscal year 2000.

Equipment Rentals Gross Profit. Gross profit from equipment rentals remained relatively flat at $28.0 million in fiscal year 2001 compared to $28.2 million in fiscal year 2000. Gross margin on equipment rentals increased to 36.1% in fiscal year 2001 from 35.1% in fiscal year 2000. Gross profit remained relatively constant while gross margin improved due to an improvement in managing overall

rental costs, including repair and maintenance costs, which decreased by $2.7 million from the prior year.

Equipment Sales Gross Profit. Gross profit from new equipment sales increased $0.9 million to $6.4 million in fiscal year 2001 from $5.5 million in fiscal year 2000. Gross margin on new equipment sales increased to 12.1% in fiscal year 2001 from 11.7% in fiscal year 2000. The improvement in gross profit was due to the increased sales volume of a wide variety of cranes. The improvement in gross margin was attributable to a more favorable mix of product sales.

Gross profit from used equipment sales declined $0.3 million to $6.7 million in fiscal year 2001 from $7.0 million in fiscal year 2000. Gross margin on used equipment sales increased to 21.7% for fiscal year 2001 from 19.8% in fiscal year 2000. While gross profit declined slightly as a result of lower crane sales, gross margin improved due to management's continued emphasis on selling equipment directly to retail customers.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service fees increased $0.5 million to $17.1 million in fiscal year 2001 from $16.6 million in fiscal year 2000. Gross margin increased to 45.6% in fiscal year 2001 from 44.7% in fiscal year 2000. Gross profit from parts sales declined by $0.4 million as a result of the decline in the overall economy in late 2001. Gross margin from part sales declined to 29.4% from 30.6% as a result of a greater contribution from lower margin parts. Gross profit from service revenues increased by $0.9 million and gross margin from service revenues increased to 62.3% in 2001 from 60.3%. The increase in gross margin was attributable to a 3.1% increase in service charge-out rates as well as an increase in service transactions.

Depreciation and Amortization. Depreciation and amortization was $30.8 million and $30.1 million for fiscal years 2001 and 2000, respectively. The increase in depreciation and amortization expense was attributable to an increase in the average rental fleet assets and additions to property, plant and equipment.

Selling, General and Administrative Expenses. SG&A expenses were $47.9 million, or 23.3% of total revenues, during fiscal year 2001 and $48.8 million, or 23.6% of total revenues, in fiscal year 2000. The decline in SG&A expenses reflected lower employee, benefit and warranty costs partially offset by higher insurance and advertising costs.

Income (Loss) from Operations. Based on the foregoing, income from operations increased 16.5% to $8.0 million in fiscal year 2001 from $6.9 million in fiscal year 2000.

Other Income (Expense). Other income or expense consisted primarily of interest expense on the revolving line of credit and on subordinated notes to members. Interest expense on the revolving line of credit and other decreased by $4.7 million, to $11.2 million in fiscal year 2001 from $15.9 million in fiscal year 2000. The decrease was a result of fewer borrowings on the revolving line of credit and a decline in the LIBOR interest rate. The weighted average rate on the borrowings outstanding decreased 2.7%, to 7.3% for fiscal year 2001 from 10.0% for fiscal year 2000. Interest expense on the subordinated notes to members increased due to the fact (i) ICM issued an additional $12 million in subordinated notes to members in February 2001 (the proceeds were used to reduce the borrowings outstanding on the revolving line of credit) and (ii) interest was accrued but not paid and compounded semi-annually.

Income Tax Expense (Benefit). ICM (excluding Great Northern Equipment, Inc., a wholly-owned subsidiary) is a limited liability company that elected to be treated as a partnership for income tax purposes. Provision for income tax expense of $0.2 million was consistent between 2001 and 2000. The effective tax rate was consistent between the fiscal years.

Year ended December 31, 2000 compared to year ended December 31, 1999

Total Revenues. Total revenues for fiscal year 2000 were $207.2 million, representing a decline of 4.5% over total revenues in fiscal year 1999 of $216.9 million. The decline was attributable to the decline in equipment rentals, new equipment sales and parts revenues, partially offset by growth in used equipment sales and service revenues.

Equipment Rental Revenues. Revenues from equipment rentals declined $3.2 million, or 3.8%, to $80.3 million in fiscal year 2000 as compared to $83.5 million in fiscal year 1999. The decline was primarily attributable to a decline in construction activity throughout the Intermountain region which resulted in a decline in the volume of rental transactions, as well as the completion of some hotel projects in Las Vegas which were commenced in 1998 and 1999. The decline in revenues was also caused by lower rental rates, increased regional competition and management's decision to discontinue renting scanclimber equipment.

Equipment Sales Revenues. Revenues from new equipment sales decreased $9.7 million, or 17.2%, to $46.8 million in the fiscal year 2000 from $56.5 million in fiscal year 1999. The decrease was attributable to a $5.7 million decline in crane sales as well as a decrease in sales from other equipment. Equipment sales, particularly cranes, declined due to a general uncertainty about the economy, as customers chose to rent equipment rather than make a capital investment, especially since rental rates had declined and financing costs associated with purchasing equipment had increased.

Revenues from used equipment sales increased $2.2 million, or 6.7%, to $35.1 million in fiscal year 2000 from $32.9 million in fiscal year 1999. The increase was attributable to an increase in sales of hi-lift equipment, crane sales and lift trucks, as well as the sale of the scanclimber equipment, partially offset by a decrease in sales of small equipment.

Parts Sales and Service Revenues. Revenues from parts and service remained relatively flat at $37.0 million in fiscal year 2000 compared to $36.5 million in fiscal year 1999. Parts sales declined by $0.4 million. The decrease was caused by the slowing economy which resulted in lower usage of equipment, partially offset by the trend by equipment owners to retain and use their existing equipment longer. Service revenues increased $1.0 million as a result of an increase in service charge-out rates, as well as from increased volume of service transactions.

Other Revenues. Total revenues from other sales activities increased by $0.5 million, or 6.0%, to $8.0 million in fiscal year 2000 from $7.5 million in fiscal year 1999. This increase was attributable primarily to management's increased focus on charging damage waiver fees, partially offset by a decline in the volume of equipment rentals.

Total Gross Profit. Total gross profit in fiscal year 2000 was $55.7 million, representing a decline of 5.3% over total gross profit of $58.8 million in fiscal year 1999. Total gross margin decreased to 26.9% in fiscal year 2000 from 27.1% in fiscal year 1999.

Equipment Rental Gross Profit. Gross profit from equipment rentals decreased $2.1 million to $28.2 million in fiscal 2000 from $30.2 million for fiscal year 1999. Gross margin on equipment rentals declined to 35.1% of equipment rental revenue in fiscal year 2000 from 36.2% of equipment rental revenue in fiscal year 1999. The decline in gross margin was a result of declining rental revenues with short-term fixed costs associated with the rental fleet, offset by a decrease in rental repair and maintenance costs attributable to management's cost savings initiatives.

Equipment Sales Gross Profit. Gross profit from new equipment sales declined $1.9 million to $5.5 million in fiscal year 2000 from $7.3 million in fiscal year 1999. Gross margin on new equipment sales declined to 11.7% in fiscal year 2000 compared to 13.0% in fiscal year 1999. The decline in gross

profit was due to the decreased sales volume (as previously discussed) and the decline in gross margin was due to manufacturer price increases in the forklift product lines.

Gross profit from used equipment sales increased $0.1 million to $7.0 million for fiscal year 2000 from $6.9 million for fiscal year 1999. Gross margin on used equipment sales declined to 19.8% in fiscal year 2000 from 20.9% in fiscal year 1999. The decrease in gross margin was attributable to the sale of the scanclimber equipment at a lower gross margin.

Parts Sales and Service Revenues Gross Profit. Gross profit from parts sales and service revenues increased $1.0 million to $16.6 million for fiscal year 2000 from $15.6 million for fiscal year 1999. Gross margin increased to 44.7% in fiscal year 2000 from 42.6% in fiscal year 1999. Gross profit from parts sales remained relatively flat at $6.0 million in fiscal year 2000 from $5.9 million in fiscal year 1999. Gross margin from parts sales increased to 30.6% in fiscal year 2000 from 29.8% fiscal year 1999. The increase in gross margin was due to an increase in parts prices. Gross profit from service revenues increased to $10.6 million in fiscal year 2000 from $9.6 million in fiscal year 1999. The increase in gross margin from service revenues was due to an increase in average service charge-out rates, as well as an 8.2% increase as a result of management's ability to control costs associated with the service work.

Depreciation and Amortization. Depreciation and amortization was $30.1 million and $30.0 million for fiscal years 2000 and 1999, respectively. The increase in depreciation and amortization was attributable to an increase in the average rental fleet assets and additions to property and equipment.

Selling, General and Administrative Expenses. SG&A expenses were $48.8 million, or 23.6% of total revenues, during fiscal year 2000 and $53.4 million, or 24.6% of total revenues, in fiscal year 1999. The decrease in SG&A expenses reflected management's emphasis on controlling and reducing all operating costs, which resulted in lower employee, benefit, warranty and rent expenses.

Income from Operations. Based on the foregoing, income from operations increased 26.7% to $6.9 million in fiscal year 2000 from $5.4 million in fiscal year 1999.

Other Income (Expense). Other income or expense consisted primarily of interest expense on the revolving line of credit and on subordinated notes to members. Interest expense on the revolving line of credit and other decreased by $2.4 million, to $15.9 million in fiscal year 2000 from $18.3 million in fiscal year 1999. The decrease was a result of fewer borrowings on the revolving line of credit. In February 2000, ICM issued an additional $18.3 million in subordinated notes to members (the proceeds were used to reduce the borrowings outstanding on the revolving line of credit). The weighted average rate on the borrowings outstanding remained relatively unchanged for 2000 and 1999.

Income Tax Expense (Benefit). ICM (excluding Great Northern Equipment, Inc., a wholly-owned subsidiary) is a limited liability company that elected to be treated as a partnership for income tax purposes. Provision for income tax expense of $0.2 million was consistent between 2000 and 1999. The effective tax rate was consistent between the fiscal years.

Liquidity and Capital Resources

H&E Equipment Services

Cash Flow from Operating Activities

For the six months ended June 30, 2002 cash provided by operations for H&E Equipment Services was $0.5 million. The significant components of operating activities that provided cash were total fixed asset and rental fleet depreciation expense of $18.5 million and an increase in accounts payable and accrued expenses of $3.5 million. Significant components of operating activities that used cash consisted of $0.9 million provision for deferred taxes, gain on sale of both rental fleet and non-rental fleet assets of $2.3 million, an increase in accounts receivable of $4.1 million, and an increase in inventories of

$10.6 million. The remaining $1.1 million use of cash by operating activities related to the change in other assets and other liabilities.

Cash provided by operating activities for H&E Equipment Services in 2001 was $30.1 million, $44.7 million higher than the $14.6 million used in 2000. This increase in cash flows was due primarily to an increase cash flow from accounts receivable of $13.9 million, lower cash outflows for equipment inventory purchases of $13.3 million and the improved profitability of the company by $10.9 million during 2001.

Cash Flow from Investing Activities

For the six months ended June 30, 2002 cash used in investing activities for H&E Equipment Services was $8.8 million. This is a result of purchasing $18.2 million in rental fleet and non-rental fleet assets. The proceeds from the sale of rental and non-rental fleet assets was $12.4 million. Cash paid for assets acquired, net of any cash acquired is $3.0 million.

Cash used for investing activities for H&E Equipment Services totaled $37.8 million for 2001. Uses of cash included $78.3 million for rental fleet purchases and $3.3 million for purchases of property and equipment. Cash provided from investing activities consisted primarily of the proceeds from the sale of rental fleet equipment of $43.6 million. In 2000, cash flow provided by investing activities totaled $16.3 million and gross capital spending was $27.9 million.

For fiscal year 2002, H&E Equipment Services is budgeting approximately $60.0 million for capital expenditures, the majority of which is expected to be discretionary capital expenditures. Of that amount, approximately $10.0 million is committed to purchasing assets currently under operating leases. For fiscal year 2003, we expect the level of capital expenditures to be consistent with the amount budgeted in fiscal year 2002. We expect to finance all of our capital expenditures with operating cash flows and to cover any short falls with borrowings under the senior credit facility.

Cash Flow from Financing Activities

For the six months ended June 30, 2002 cash provided by financing activities for H&E Equipment Services was $12.3 million. This is a result of the $304.4 million repayment on the balance outstanding on both the ICM Equipment and H&E Equipment Service's lines of credit. Total transaction costs paid in cash for the refinancing was $11.5 million. Proceeds from the issuance of the senior secured notes were $198.5 million and proceeds from the issuance of the senior subordinated notes were $50.0 million. The net borrowings under the line of credit were $81.9 million. Payments on capital leases and other notes were $2.2 million.

Cash provided by financing activities for H&E Equipment Services was $10.4 million for 2001 compared to cash used of $2.7 million in 2000. The increase was due to the proceeds of the sale of $10.0 million in Senior Exchangeable Preferred Units to affiliates of BRS during 2001.

ICM

Cash Flow from Operating Activities

Cash provided by operating activities for ICM was $4.1 million for the three months ended March 31, 2002 compared to $8.6 million for the three months ended March 31, 2001. The decrease was primarily the result of decreases in accounts receivables, accrued liabilities and inventories and the net loss.

Cash provided by operating activities for ICM was $37.4 million for fiscal year 2001 compared to $26.8 million for 2000. The improvement was primarily a result of a decrease in the net loss and accounts receivable and an increase in depreciation and accounts payable.

Cash Flow from Investing Activities

Cash used for investing activities for ICM totaled $3.2 million for the three months ended March 31, 2002. Cash was used primarily during this period to purchase rental equipment (approximately $7.6 million). Cash used for investing activities totaled $2.4 million for the three months ended March 31, 2001. Cash was used primarily during this period to purchase rental equipment (approximately $8.5 million).

Cash used for investing activities for ICM totaled $34.2 million for fiscal year 2001. Cash was used during this period principally to (i) purchase rental equipment (approximately $55.6 million) and (ii) to purchase company-owned assets used in operating the business (approximately $1.0 million). Cash used for investing activities totaled $18.2 million for fiscal year 2000. Cash was used during this period principally to (i) purchase rental equipment (approximately $47.2 million) and (ii) to purchase company-owned assets used in operating the business (approximately $0.8 million).

Cash Flow from Financing Activities

Cash used for financing activities for ICM was $0.8 million for the three months ended March 31, 2002. During this period, cash was used to pay down the revolving line of credit and capital lease obligations. Cash used for financing activities was $5.3 million for the three months ended March 31, 2001. During this period, the Company issued $12.0 million in subordinated notes to members. The proceeds from the notes were used to pay-down the balance outstanding on the revolving line of credit.

Cash used for financing activities for ICM was $3.2 million for fiscal year 2001. During this period, ICM issued $12.0 million in subordinated notes to members. The proceeds from the notes were used to pay-down the balance outstanding on the revolving line of credit. ICM reduced its capital lease obligation by $0.3 million in that fiscal year. Cash used for financing activities was $10.7 million for fiscal year 2000. During this period, ICM issued $18.3 million in subordinated notes to members. The proceeds from the notes were used to pay-down the balance outstanding on the revolving line of credit. ICM reduced its capital lease obligation by $0.2 million in that fiscal year.

Liquidity

Our operating cash requirements consist principally of working capital requirements, scheduled payments of principal and interest on outstanding indebtedness and capital expenditures. Following the completion of this offering, we believe that cash flow from our operating activities, cash on hand and periodic borrowings of revolving loans under our senior credit facility will be adequate to meet our liquidity requirements for the next twelve months. Our ability to make distributions to our investors is restricted by the terms of our financing agreements.

We used the net proceeds from the old note offering, the offering of senior secured notes and borrowings under the senior credit facility to consummate the combination of H&E and ICM, repay the existing indebtedness of H&E and ICM, pay certain obligations and pay related fees and expenses. See "Use of Proceeds." The senior credit facility provides for borrowings in an aggregate principal amount not to exceed $150.0 million, consisting of revolving loans and swing line loans. We estimate that we have approximately $76.6 million in indebtedness outstanding under the senior credit facility and $72.0 million of borrowing availability. We also have $1.4 million of outstanding letters of credit at closing. See "Description of Senior Credit Facility" and "Description of Notes."

To service our debt, we will require a significant amount of cash. Our ability to pay interest and principal on our indebtedness (including the notes, obligations under the senior credit facility and the senior secured notes) and to satisfy our other debt obligations will depend upon our future operating performance and the availability of refinancing indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control. Based on our current level of operations and anticipated cost savings and operating improvements, we believe our cash flow from operations, available cash and available borrowing under the senior credit facility will be adequate to meet our future liquidity needs for at least the next twelve months.

We cannot assure you that our future cash flow will be sufficient to meet our obligations and commitments. If we are unable to generate sufficient cash flow from operations in the future to service our indebtedness and to meet our other commitments, we will be required to adopt one or more alternatives, such as refinancing or restructuring our indebtedness (including the notes), selling material assets or operations or seeking to raise additional debt or equity capital. We cannot assure you that any of these actions could be effected on a timely basis or on satisfactory terms or at all, or that these actions would enable us to continue to satisfy our capital requirements. In addition, our existing or future debt agreements, including the indenture and the senior credit facility, may contain restrictive covenants prohibiting us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Description of Senior Credit Facility" and "Description of Notes."

Off-Balance Sheet Arrangements

At June 30, 2002 and at December 31, 2001 and 2000, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Contractual and Commercial Commitments Summary

The following summarizes our contractual obligations at June 30, 2002, and the effect such obligations are expected to have on our liquidity and cash flow in future periods.

Contractual Obligations

	Payments Due by Year				
Contractual Obligations	**Total**	**2002[1]**	**2003-2004**	**2005-2006**	**Thereafter**
			(Dollars in thousands)		
Long-term debt (including subordinated notes payable and amounts due to members)	$ 244,090	$ 1,410	$ 368	$ 164	$ 242,148
Revolving credit facility	76,617	—	—	—	76,617
Capital lease obligations	13,735	4,058	9,677	—	—
Operating leases[2]	97,381	21,667	40,603	26,095	9,016
Other long-term obligations[3]	67,502	26,689	30,080	8,034	2,699
Total contractual cash obligations	$ 499,325	$ 53,824	$ 80,728	$ 34,293	$ 330,480

(1) This represents payments due during the six months ending December 31, 2002.

(2) This includes total operating lease rental payments (including interest)having initial or remaining non-cancelable lease terms longer than one year.

(3) This includes: (i) BRS annual management fees through 2006 (based upon the lesser of 1.75% of estimated EBITDA excluding operating lease expense or $2.0 million per year) for $7.4 million; (ii) Thomas R. Engquist management fees (7 years) for $2.0 million; (iii) Coastal Equipment management consulting fee (2 years) for $0.3 million; (iv) payments for secured floor plan financing for $57.9 million, of which substantially all will be due during 2002 and 2003. The remainder of the payments will be due during 2004 through 2006.

A summary of our other commercial commitments appears below.

	Commercial Commitments				
Other commercial commitments	**Total Amounts Committed**	**2002**	**2003-2004**	**2005-2006**	**Thereafter**

	(Dollars in thousands)				
Standby letters of credit	$ 1,450	$ 1,450	$ —	$ —	$ —
Other commercial commitments	1,112	770	342	—	—
Total commercial commitments	$ 2,562	$ 2,220	$ 342	$ —	$ —

Recent Accounting Pronouncements

We adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. The provisions of SFAS No. 142 eliminate the amortization of goodwill and certain intangible assets that are deemed to have indefinite lives and require such assets to be tested for impairment and to be written down to fair value, if necessary. Accordingly, we do not have goodwill amortization subsequent to December 31, 2001.

In connection with the adoption of SFAS No. 142, we made a preliminary assessment of our goodwill for impairment based upon the new rules during the quarter ended June 30, 2002. Based on the preliminary assessment, it does not appear that we will be required to adjust the carrying value of our goodwill. As of June 30, 2002, we had net unamortized goodwill of approximately $3.2 million.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This standard addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". We adopted SFAS No. 144 on January 1, 2002. The adoption of SFAS No. 144 did not have a material effect on our consolidated financial position or results of operations.

Quantitative and Qualitative Disclosures about Market Risk

The Company's earnings are effected by changes in interest rates due to the fact that interest on the revolving line of credit is calculated based upon LIBOR plus 300 basis points. The Company is also required to pay the lenders a commitment fee equal to 0.5% per annum in respect of undrawn commitments under the revolving credit facility. At June 30, 2002, and as a result of the refinancing the Company had variable rate debt representing 22.9% of total debt. The Company does not have significant exposure to the changing interest rates on its fixed-rate senior secured notes, senior subordinated notes or the capital lease obligations, which represented 77.1% of total debt.

Seasonality

Our business is seasonal with demand for our rental equipment tending to be lower in the winter months. The equipment rental activities are directly related to commercial and industrial construction and maintenance activities. Therefore, equipment rental will be correlated to the levels of active construction activities. The severity of weather conditions can have a temporary impact on the level of construction activities.

Equipment sales cycles are also subject to seasonality with peak selling period during spring season and expending through summer. Parts and service activities are less affected by changes in demand caused by seasonality.

Inflation

Although we cannot accurately anticipate the effect of inflation on our operations, we believe that inflation has not had, and is not likely in the foreseeable future to have, a material impact on our results of operations.

BUSINESS

The Company

We believe we are one of the largest integrated equipment rental, service and sales companies in the United States. Unlike many of our competitors which focus primarily on renting equipment, we also sell new and used equipment and provide extensive parts and service support. This integrated model enables us to effectively manage key aspects of our rental fleet through reduced equipment acquisition costs, efficient maintenance and profitable disposition of rental equipment. Over the past 40 years, we have built an infrastructure that, after the combination of H&E and ICM, will include a network of 47 facilities, most of which have full-service capabilities, and a workforce that includes a highly-skilled group of more than 500 service technicians and a distinct rental and equipment sales force. We generate a significant portion of our gross profit from parts and service, which we believe provides us with a more stable operating profile than companies that focus solely on equipment rental. For the twelve months ended December 31, 2001, we generated pro forma revenues of $511.9 million and pro forma EBITDA of $92.9 million. For the six months ended June 30, 2002, we generated pro forma revenues of $222.5 million and pro forma EBITDA of $39.1 million.

	Pro Forma For the Six Months Ended June 30, 2002				
	Revenues[1]	Gross Profit[1]	% of Gross Profit	% Margin	Capabilities
	(Dollars in millions)				
Equipment rentals	$ 82.0	$ 31.3	51.9%	38.2%	As of June 30, 2002, we had a well-maintained fleet with an aggregate original acquisition cost of $554.4 million. Our fleet is focused on four primary types of equipment: hi-lift, cranes, earthmoving and lift trucks. We have a sales force of over 100 people focused solely on renting equipment.
New equipment sales	48.2	4.9	8.1	10.2	We are a leading distributor for nationally-recognized equipment suppliers including Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. We have a sales force of

					over 75 people focused solely on new and used equipment sales.
Used equipment sales	34.8	6.1	10.0	17.4	We sell used equipment primarily from our rental fleet by leveraging our new equipment sales distribution platform to sell directly to the end customer generally at retail prices.
Parts and service	48.0	19.4	32.2	40.5	We provide parts and service to our customers and to our own rental fleet. We have over 500 technicians and over 450 field service and delivery trucks.

(1) Our total revenues and total gross profit include revenues and gross profit from our other revenues and expenses, which are related to equipment supporting activities and which are excluded from this table.

	Pro Forma For the Year Ended December 31, 2001				
	Revenues[1]	Gross Profit[1]	% of Gross Profit	% Margin	Capabilities
	(Dollars in millions)				
Equipment rentals	$ 176.8	$ 73.9	56.2%	42.5%	Pro forma for the year ended December 31, 2001, we had a well-maintained fleet with an aggregate original acquisition cost of $543.5 million. Our fleet is focused on four primary types of equipment: hi-lift, cranes, earthmoving and lift trucks. We have a sales force of over 100 people focused solely on renting equipment.
New equipment sales	137.0	13.1	10.0	9.6	We are a leading distributor for nationally-recognized equipment suppliers including Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. We have a sales force of over 75 people focused solely on new and used equipment sales.
Used equipment sales	89.9	14.7	11.2	16.4	We sell used equipment primarily from our rental fleet by leveraging our new equipment sales distribution platform to sell directly to the end customer generally at retail prices.
Parts and service	93.7	38.2	29.1	40.8	We provide parts and service to our customers and to our own rental fleet. We have over 500 technicians and over 450 field service and delivery trucks.

(1) Our total revenues and total gross profit include revenues and gross profit from our other revenues and expenses, which are related to equipment supporting activities and which are excluded from this table.

Many of our competitors in the equipment rental market follow a generalist approach, renting a wide variety of equipment. We believe that customers prefer our specialized strategy which focuses our rental activities on and organizes our personnel by four core types of equipment (with their respective percentage of our fleet's original acquisition cost as of June 30, 2002): (i) hi-lift (57.3%); (ii) cranes (21.9%); (iii) earthmoving (9.7%); and (iv) lift trucks (5.9%). We believe this strategy fills an important need for specialized equipment knowledge in the market, improves the effectiveness of our rental sales force and strengthens our customer relationships. As of June 30, 2002, our total rental fleet consisted of 15,768 pieces with an average age of 30.9 months and an aggregate original acquisition cost of $554.4 million.

According to Manfredi & Associates, a leading industry consultant, the United States equipment rental industry has grown from approximately $6.5 billion in annual rental revenues in 1990 to $24.8 billion in 2001, representing a compound annual growth rate of approximately 12.8%. We believe this growth was principally due to increased outsourcing by construction and industrial companies as they realized the economic benefits of renting rather than owning equipment. Manfredi & Associates estimates that in 2001 the equipment rental market was comprised of 13,500 equipment rental locations. We believe that despite recent consolidations in the industry, the market is still highly fragmented and consists mainly of a small number of multi-location regional or national operators and a large number of relatively small, independent businesses serving discrete, local markets. The *Rental Equipment Register*, a leading industry publication, estimates that the 100 largest equipment rental companies combined accounted for less than $8.7 billion in equipment rental revenue in 2001. As a result, we believe that the 100 largest equipment rental companies combined accounted for less than 35% of the industry's total equipment rental revenue.

H&E Equipment Services was formed through the combination of H&E and ICM, two leading, regional, integrated equipment rental, service and sales companies operating in contiguous geographical markets. H&E, founded in 1961, is located in the Gulf Coast region. ICM, founded in 1971, operates in the fast-growing Intermountain region. The combined company has a network of 47 facilities serving

more than 26,000 customers across 15 states and has significant market shares in major cities such as Atlanta, Dallas, Denver, Houston, Las Vegas, Phoenix and Salt Lake City. We believe that the combination of H&E and ICM provides the following benefits: (i) increased profitability through optimal utilization of our rental fleet and

combined purchasing power; (ii) cross-selling of used equipment from our rental fleet across our expanded retail network; (iii) cost savings through the elimination of certain administrative expenses; and (iv) greater ability to serve large customers in multiple regions.

Our Competitive Strengths

We believe that we benefit from the following competitive strengths:

Integrated Platform of Products and Services. We believe that our integrated equipment rental, service and sales model provides us with: (i) multiple points of customer contact; (ii) a diversified revenue stream; (iii) an effective method to manage our rental fleet through reduced equipment acquisition costs, efficient maintenance and profitable disposition of used equipment; and (iv) a more consistent performance throughout economic cycles. Key benefits that our integrated product and service offerings provide to our rental activities include:

- *Increasing Purchasing Power Through Complementary New Equipment Sales.* We have significant purchasing power because of our large volume purchases as both a renter and distributor of equipment. As a result, we believe we can generally buy new equipment and related items and parts at prices that are comparable to those paid by our larger competitors. We are one of the leading distributors of new products for nationally-recognized manufacturers, including, among others, Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. Our new equipment distribution infrastructure facilitates a large, high-quality product support operation, creates a higher level of partnering with manufacturers and adds a significant customer base which often leads to revenue from our rental and parts and service operations.

- *Maintaining the High Quality of Our Large Rental Fleet.* We believe that we operate one of the largest rental fleets in the Gulf Coast and Intermountain regions. We maintain a constant and extensive fleet maintenance program through our in-house capabilities and, for the six months ended June 30, 2002 and the year-ended December 31, 2001, we spent more than $11.8 million and $23.0 million, respectively, on non-capitalized fleet maintenance expense. We believe the high quality of our fleet enables us to maximize our fleet utilization, rental rates and resale values.

- *Disposing of Our Used Rental Equipment through Our Retail Sales Network.* We believe we have a strategic advantage by being able to profitably dispose of used equipment from our rental fleet through our own retail sales infrastructure, as compared to selling wholesale or through auctions. For the six months ended June 30, 2002 and the year ended December 31, 2001, we sold used equipment primarily from our rental fleet for 121.1% and 119.3%, respectively, of book value, on a pro forma basis. During 2001, we sold 98.6% of our used rental equipment through our retail sales network directly to the end customer, with the remaining 1.4% sold through auctions. Our resale capabilities allow us to control the utilization and the age of our fleet, provide customers with a wider range of equipment options and leverage our equipment sales force infrastructure, which includes over 75 specialized sales people.

High-Margin, Stable Parts and Service Business. Our parts and service business is a key component of the integrated offering we provide to both our customers and our own rental fleet and represented 32.2% and 29.1%, respectively, of our gross profit during the six months ended June 30, 2002 and the year ended December 31, 2001, on a pro forma basis. We believe that our aftermarket parts and service operations are less susceptible to economic and business cycles and thus provide a stable, recurring,

high-margin stream of revenues. We believe that there are significant barriers to entry into this business due a shortage of capable, trained technicians and the large investment and infrastructure needed at the branch level to establish the operations. We regularly provide parts and services for our pure rental equipment competitors which lack these capabilities.

Well-Developed Infrastructure. Over the past 40 years, we have built an infrastructure that, after the combination of H&E and ICM, includes a network of 47 facilities, most of which have full-service capabilities, and a workforce that includes a highly-skilled group of more than 500 service technicians and a distinct rental and equipment sales force. The breadth of our infrastructure enables us to provide the highest quality products and service, while maximizing rental fleet utilization, cash flow from fleet sales and revenue per customer. In addition, our well-developed infrastructure helps us to better serve large multi-regional customers and provides an advantage when competing for lucrative fleet and project management business.

Diverse Customer Base. We serve more than 26,000 customers in the industrial and commercial markets, including construction and maintenance contractors, manufacturers, public utilities and municipalities. In 2001, no single customer accounted for more than 1.4% of our total revenues and our top ten customers combined accounted for less than 9.0% of our total revenues.

Experienced Management Team with Significant Equity Stake. Senior management, led by Gary W. Bagley, our Chairman, and John M. Engquist, our President and Chief Executive Officer, has an average of 22 years of experience in the industry and an average of 14 years of experience with H&E or ICM, as the case may be. Five management equity holders own in aggregate approximately 35% of our common equity interests and approximately 12% of our preferred equity interests.

Our Business Strategy

Key components of our business strategy include:

Leveraging the Integrated Equipment Rental Model. Because our customers rarely just rent equipment, we believe that they value our integrated approach to addressing their equipment rental, service and sales needs. In addition to renting equipment, many of our customers purchase new and used equipment from us and utilize our extensive parts and service support. We believe this integrated model helps us to develop and strengthen relationships with our customers.

Specializing in Rental of Core Equipment Types. Many of our competitors in the equipment rental market follow a generalist approach, renting a wide variety of equipment. We believe that customers generally prefer our strategy which focuses our rental activities on and organizes our personnel by our four core types of equipment. We believe the recent consolidation within the equipment rental market has been led by companies that follow the generalist approach. As a result, many specialized rental operations have been acquired and adapted to this approach. We believe that our strategy fills an important need for specialized equipment knowledge in the market, improves the effectiveness of our rental sales force and strengthens our customer relationships.

Leveraging Industry-Leading Parts and Service Operations. Our parts and service business is an important part of our relationships with our suppliers and rental customers. Given their decreased project timelines and reliance on fewer pieces of equipment, we believe our customers increasingly place more importance on effective and timely parts and service support for their own fleet of equipment as well as for equipment that they rent. We believe we have the ability to manage the quality of and minimize downtime on our customers' and our own fleets more effectively than competitors that have limited in-house parts and service capabilities. We stock a wide range of parts and related inventory for all of the product lines that we carry as well as those of certain other

manufacturers. We also have over 500 highly-skilled technicians to provide shop and field services and a fleet of over 450 field service and delivery trucks.

Optimizing Economics of Combined Fleet. We believe that there are significant opportunities to optimize our rental fleet economics through the integration of the H&E and ICM fleets. As a result of the combination of H&E and ICM, we are able to move rental equipment between H&E and ICM to: (i) more profitably utilize our rental fleet to meet demand in a particular geography; (ii) manage our fleet utilization by cross-selling used equipment from our rental fleet across our expanded retail network; and (iii) improve our ability to service large, multi-regional customers.

Expanding Fleet Management Capabilities and Project Management Operations. We intend to grow our revenues from fleet and project management services by leveraging our broad infrastructure, full-service capabilities and strong reputation for reliable service. End users, particularly industrial accounts (e.g., manufacturing, mining, and distribution) for fleet management services and contractors for project management, increasingly outsource equipment management in order to focus on their core competencies, achieve cost reductions and take advantage of our economies of scale. For example, as a result of the combination of H&E and ICM, we recently have been awarded a contract with a national construction contractor to be the sole provider of its equipment needs, including equipment rental, new equipment, used equipment and related parts and service.

Pursue Complementary Acquisitions. Since 1998, we have been focused primarily on growing our business organically, opening 18 locations in 11 states. Over this period, we have made only one acquisition for $10.6 million, which expanded our presence in the crane rental, service and sales business in the Gulf Coast region. Going forward, we may make strategic acquisitions that complement our existing products and services or strengthen our presence in a particular geographic market.

Products and Services

Equipment Rental

We focus our rental activities on, and organize our personnel by, four core types of equipment (with their respective percentage of our fleet's original acquisition cost as of June 30, 2002): (i) hi-lift equipment (57.3%); (ii) cranes (21.9%); (iii) earthmoving equipment (9.7%); and (iv) lift trucks (5.9%). We offer flexible rental terms, including hourly, daily, weekly and monthly rentals, with the periodic cost declining as the rental term increases. In 2001, the average value per rental transaction was $2,780. We vary our equipment mix between our four core types of equipment from branch to branch in response to local market conditions and customer requirements.

We believe that we operate one of the largest rental fleets in the Gulf Coast and Intermountain regions. We maintain a constant and extensive fleet maintenance program through our in-house capabilities, and for the six months ended June 30, 2002 and the year-ended December 31, 2001, we spent more than $11.8 million and $23.0 million, respectively, on non-capitalized fleet maintenance expense. We believe the high quality of our fleet enables us to maximize our fleet utilization, rental rates and resale values. As of June 30, 2002, our total rental fleet consisted of 15,768 pieces with an average age of 30.9 months and an aggregate original acquisition cost of $554.4 million. For the six months ended June 30, 2002, pro forma revenue from the rental of equipment totaled $82.0 million and accounted for approximately 36.9% of our total revenue. For the year ended December 31, 2001, pro forma revenue from the rental of equipment totaled $176.8 million and accounted for approximately 34.5% of our total revenue. We estimate that (i) hi-lift equipment accounted for approximately 59% of our equipment rental revenues in 2001, (ii) cranes accounted for approximately 17% of such revenues, (iii) earthmoving equipment accounted for approximately 9% of such revenues

and (iv) lift trucks accounted for approximately 8% of such revenues. The details of our rental fleet as of June 30, 2002 are as follows:

		(Dollars in thousands)	
	Units	Original Acquisition Cost	Average Age (Months)
Owned equipment:			
Hi-lift	7,984	$ 238,581,584	32.6
Cranes	500	101,639,111	39.6
Earthmoving	500	53,893,448	25.1
Lift trucks	1,546	32,680,410	33.8
Other	2,593	27,988,662	30.2
Total	13,123	454,783,215	32.2
Equipment under operating leases:			
Hi-lift	2,544	79,313,684	24.3
Cranes	76	19,563,542	32.6
Lift trucks	12	281,466	39.2
Other	13	456,222	33.8
Total	2,645	99,614,914	24.6
Grand total	15,768	$ 554,398,129	30.9

New Equipment Sales

We are one of the leading distributors of new products for nationally-recognized manufacturers, including among others, Manitowoc, Grove Worldwide, JLG Industries, Genie Industries, Komatsu and Yale Material Handling. Typically under distribution agreements with these original equipment manufacturers, we have exclusive responsibility for particular products in selected markets, although manufacturers retain the right to appoint additional dealers and sell directly to national accounts and governmental agencies and can usually terminate the distribution agreements at any time upon written notice.

We maintain an experienced equipment sales force of over 75 people. Our new equipment distribution infrastructure facilitates a large, high-quality product support operation, creates a higher level of partnering with manufacturers and adds a significant customer base which often leads to revenue from our rental and parts and service

operations. The type of new equipment we sell varies by location. For the six months ended June 30, 2002, pro forma revenue from the sale of new equipment totaled $48.2 million and accounted for approximately 21.7% of our total revenue. For the year ended December 31, 2001, pro forma revenue from the sale of new equipment totaled $137.0 million and accounted for approximately 26.8% of our total revenue.

Used Equipment Sales

We routinely sell used rental equipment in order to adjust the size and composition of our rental fleet to changing market conditions and to maintain a modern, high-quality fleet. We believe we have a strategic advantage by being able to profitably dispose of used equipment from our rental fleet through our own retail sales infrastructure, as compared to selling wholesale or through auctions. Our resale capabilities allow us to control the utilization and the age of our fleet, provide customers with a wider range of equipment options and leverage our equipment sales force infrastructure.

During 2001, we sold used equipment from our rental fleet for 120.4% of book value. In 2001, we sold 98.6% of our used rental equipment through our retail sales network, with the remaining 1.4% sold through auctions. For the six months ended June 30, 2002, pro forma revenue from the sale of used equipment totaled $34.8 million and accounted for approximately 15.6% of our total revenue. For the year ended December 31, 2001, pro forma revenue from the sale of used equipment totaled $89.9 million and accounted for approximately 17.6% of our total revenue.

Parts and Service

We sell a wide range of OEMs maintenance and replacement parts and related products as a complement to our core equipment rental and sales businesses. We maintain an extensive parts and merchandise inventory which we believe is important for timely parts and service support and helps minimize customer downtime for us and for our customer. As of December 31, 2001, we had parts and merchandise inventory (based on original acquisition cost) of approximately $18.7 million. We are generally able to acquire nonstock or out-of-stock parts directly from manufacturers within one to two business days. We supply parts and general repair and maintenance service for the complete line of equipment we rent and sell as well as for equipment produced by competitive manufacturers whose products we neither rent nor sell.

We employ more than 500 highly-skilled service technicians. As part of our commitment to provide customers with knowledgeable parts assistance and high-quality service and repair options, we devote significant resources to training and retaining these technical service employees. A typical service employee will attend approximately 80 hours of training in the first year and 80-120 hours annually in subsequent years. We are able to attract and retain knowledgeable, highly-skilled service technicians due to our strong relationship with our service employees and ties to the communities. Our aftermarket service provides a high-margin, stable source of revenue throughout changing economic cycles.

For the six months ended June 30, 2002, pro forma revenue from the sale of parts and merchandise and the repair and maintenance operations totaled $48.0 million and accounted for approximately 21.6% of our total revenue. For the year ended December 31, 2001, pro forma revenue from the sale of parts and merchandise and the repair and maintenance operations totaled $93.7 million and accounted for approximately 18.3% of our total revenue.

Customers

We serve more than 26,000 customers across 15 states. Our customers include a wide range of industrial and commercial companies and construction contractors, manufacturers, public utilities, municipalities, maintenance contractors and a variety of other large industrial accounts, including DuPont, Exxon, Duke, Lowes, Pacific Corp., ICON Health & Fitness and Micron. On average, for the year ended December 31, 2001, we have had a relationship with our ten leading customers for over 12 years. For the year ended December 31, 2001, no single customer accounted for more than 1.4% of total revenues and our top ten customers combined accounted for less than 9.0% of our total revenues.

We believe that our integrated strategy enables us to satisfy customer requirements and increase revenue per customer through cross-selling opportunities presented by the various products and services that we offer. In addition to maintaining our historically strong relationship with local customers, our extensive, high-quality infrastructure allows us to focus on larger regional and national accounts. Our new and used equipment sales customers vary from small, single machine owners to large contractors and industrial and commercial companies who typically operate under equipment and maintenance budgets and are excellent prospects for fleet management services.

Sales and Marketing

We have separate sales forces specializing in equipment rentals and new and used equipment sales. We believe maintaining separate sales forces for rental and sales is important to our customer service, allowing us to most effectively meet the demands of different types of customers.

Our rental sales force and new and used equipment sales force, together comprising over 175 people, are divided into smaller, product focused teams which enhances the development of in-depth product application and technical expertise. To further develop knowledge and experience, we provide our sales force with extensive training, including frequent factory and in-house training by manufacturer representatives regarding the operational features, operator safety training and maintenance of new equipment. This training is essential, as our sales personnel regularly call on contractors' job sites often assisting customers in assessing their immediate and ongoing equipment needs.

While we believe that our specialized, well-trained sales force strengthens our customer relationships and fosters customer loyalty, we rely on additional marketing and advertising tools, including direct mail campaigns and print advertising focused primarily on the Yellow Pages and industry trade publications. In addition, we have a commission-based compensation program for our sales force.

We have implemented a national accounts program in order to develop national relationships and increase awareness of our extensive offering of industrial and construction equipment, ancillary products, parts and services. Under this program, a portion of our sales force is assigned to call on corporate headquarters of our large customers, particularly those with a national or multi-regional presence.

Suppliers

Currently, we purchase most of our equipment from the same manufacturers with whom we have distribution agreements. In 2001, we purchased 66.5% of our equipment from six manufacturers. While we believe that we have alternative sources of supply for the equipment we purchase in each of our principal product categories, termination of one or more of our relationships with any of our major suppliers of equipment could have a material adverse effect on our business, financial condition or results of operation.

Information Technology Systems

We have developed information systems that track: (i) rental inventory utilization statistics; (ii) maintenance and repair costs; (iii) returns on investment for specific equipment types; and (iv) detailed operational and financial information for each piece of equipment. We believe that this provides us with a competitive advantage over smaller independent rental companies which lack such systems. The point-of-sale aspect of the systems enables us to link all of our facilities, permitting universal access to real-time data concerning equipment located at the individual facility locations and the rental status and maintenance history of each piece of equipment. For example, our systems track each machine throughout its lifespan and provide our facility managers with daily information enabling them to accurately price their rentals and manage their fleet. These business systems also include on-line contract generation, automated billing, local sales tax computation and automated rental purchase option calculation. In addition, we maintain an extensive customer database which allows us to monitor the status and maintenance history of our customers' equipment and enables us to more effectively provide parts and service to meet their needs.

Competition

The equipment rental industry is highly fragmented and competitive. Many of the markets in which we operate are served by numerous competitors, ranging from national and multi-regional equipment rental companies to small, independent businesses with a limited number of locations. We believe that participants in the equipment rental industry compete on the basis of availability and quality of equipment, service, delivery and price. In general, we believe that large operators enjoy substantial competitive advantages over small, independent rental businesses that cannot afford to maintain the comprehensive rental equipment fleet and high level of maintenance and service that we offer.

Like the rental industry, the retail sales and distribution industry is being redefined through consolidation and competition. Traditionally, equipment manufacturers distributed their equipment and parts through a network of independent dealers with exclusive distribution agreements. As a result of the consolidation and competition, both manufacturers and distributors are seeking to streamline their operations, improve their costs and gain market share. Manufacturers are looking to partner with larger and better-managed companies to distribute their products. Distributors are pursuing consolidation to provide economies of scale, lower operating costs, enhance access to capital and increase market share. We believe that, as a result of the combination of H&E and ICM, we will enjoy improved relationships with manufacturers. In addition, our established, integrated infrastructure enables us to compete directly with our competitors on either a local, regional or national basis. Moreover, we believe customers are placing greater emphasis on value-added services and teaming with equipment rental and sales companies who can meet all of their equipment parts and service needs.

Properties

We currently have a network of 47 facilities, serving more than 26,000 customers across 15 states. We serve customers in the Gulf Coast region, including the states of Alabama, Arkansas, Florida, Louisiana, Mississippi, North Carolina and Texas and in the Intermountain region, including the states of Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Washington.

Facility locations typically serve a 25 to a 100 mile radius. In our facilities, we rent, display and sell equipment, including tools and supplies, and provide maintenance and basic repair work. We own four of our locations and lease 43 locations. Our leases provide for varying terms and renewal options. The following table provides data on our locations:

City/State	Date Opened[a]	Services Offered[b]	Leased/Owned	Approx. Square Footage
Alabama				
Birmingham	1984	S, P, SV, A	Leased	9,000
Arizona	1998	S, R, P, SV	Leased	2,800
Nogales	1990	S, R, P, SV, A	Leased	40,000
Phoenix	1991	S, R, P, SV	Leased	14,000
Tucson				
Arkansas	1995	S, P, SV	Leased	7,200
Fort Smith	1995	S, R, P, SV, A	Owned	30,000
Little Rock	1996	S, R, P, SV, A	Owned	16,200
Springdale				
Colorado	1985	S, R, P, SV, A	Leased	15,000
Denver	2000	S, R, P, SV	Leased	13,000
Colorado Springs				
Florida	2000	S, R, P, SV	Leased	7,000
Fort Myers	2000	S, R, P, SV, A	Leased	27,500
Orlando	2000	S, R, P, SV, A	Leased	28,900
Tampa				
Georgia	2000	S, R, P, SV, A	Leased	17,000
Atlanta				
Idaho	1997	S, R, P, SV	Leased	6,000
Boise	1997	S, R, P, SV	Leased	5,000
Coeur D'Alene				

Louisiana				
Alexandria	1995	S, R, P, SV, A	Leased	6,500

Baton Rouge	1961	S, P, SV, A	Leased	56,900
Belle Chasse(2)	1965	S, P, SV, A	Leased(1)/Owned(1)	22,500
Gonzales	1995	R, P, SV, A	Leased	7,000
Kenner	1978	S, P, SV, A	Leased	36,000
Lafayette	1999	S, R, P, SV, A	Leased	5,000
Lake Charles	1988	S, R, P, SV, A	Leased	10,500
Shreveport(2)	1985	S, R, P, SV, A	Leased(2)	39,600
Mississippi	2000	S, P, SV, A	Leased	7,200
Biloxi	1997	S, P, SV, A	Leased	15,000
Jackson				
Montana	1981	S, R, P, SV	Leased	10,000
Billings	2000	S, R, P, SV	Leased	8,800
Bozeman	1984	S, R, P, SV	Leased	7,000
Missoula				
New Mexico	1994	S, R, P, SV	Leased	7,100
Albuquerque	1991	S, R, P, SV	Leased	5,000
Farmington				
Nevada	1983	S, R, P, SV, A	Leased	78,000
Las Vegas	1996	S, R, P, SV	Leased	30,000
Reno				
North Carolina	2000	S, R, P, SV, A	Leased	8,400
Charlotte				
Texas	1948	S, R, P, SV, A	Leased(2)	44,500
Dallas(2)	1999	S, P, SV	Leased	12,000
El Paso	1947	S, R, P, SV, A	Leased(2)/Owned(1)	89,600
Houston(3)	1996	S, R, P, SV, A	Owned	8,000
San Antonio	2001	S, R, P, SV, A	Leased	43,600
Weslaco				
Utah	1999	S, R, P, SV	Leased	9,000
Lindon	1999	S, R, P, SV	Leased	9,000
Ogden	1971	S, R, P, SV, A	Leased	119,000
Salt Lake City	1997	S, R, P, SV	Leased	7,500
St. George				

(a) Reflects the earliest date H&E, ICM or their respective predecessors opened a facility in the indicated market.

(b) S-Sales, R-Rentals, P-Parts, SV-Service, A-Administration

Each facility location has a manager who is responsible for day-to-day operations. In addition, facilities are typically staffed with approximately 10 to 50 people, who may include technicians, salesmen, rental operations staff and parts specialists. While facility offices are typically open five days a week, we provide 24 hour, seven day per week service. We believe that our facility managers, who average over seven years of experience in the equipment industry, are among the most knowledgeable and experienced in their local markets.

We maintain a fleet of over 450 vehicles that are used for delivery, maintenance and sales functions. We own a portion of this fleet and lease the remainder.

Our corporate headquarters are located in Baton Rouge, Louisiana, where we occupy approximately 18,400 square feet under a lease that extends until February 28, 2003.

Environmental and Safety Regulations

Our facilities and operations are subject to comprehensive and frequently changing federal, state and local environmental and occupational health and safety requirements, including those relating to discharges of substances to the air, water and land, the handling, storage, use and disposal of hazardous materials and wastes and the cleanup of properties affected by pollutants. We do not currently anticipate any material adverse effect on our business or financial condition or competitive position as a result of our efforts to comply with our liability under such requirements. Although we have made and will continue to make capital and other expenditures to comply with environmental requirements, we do not expect to incur material capital expenditures for environmental controls or compliance in this or the succeeding fiscal year.

In the future, federal, state or local governments could enact new or more stringent laws or issue new or more stringent regulations concerning environmental and worker health and safety matters, or effect a change in their enforcement of existing laws or regulations, that could effect our operations. Also, in the future, contamination may be found to exist at our facilities or off-site locations where we have sent wastes. Many of our properties have been the subject of Phase I or Phase II Environmental Site Assessments, but there can be no assurance that we will not discover previously unknown environmental non-compliance or contamination. We could be held liable for such newly-discovered non-compliance or contamination. It is possible that changes in environmental and worker health and safety requirements or liabilities from newly-discovered non-compliance or contamination could have a material adverse effect on our business, financial condition and results of operations.

Employees

As of June 30, 2002, we had approximately 1,486 employees. Of these employees, 453 are salaried personnel and 1,033 are hourly personnel. Our employees perform the following functions: sales operations, parts operations, rental operations, technical service and office and administrative support. Collective bargaining agreements

relating to four separate locations cover approximately 106 of our employees. We believe our relations with our employees are good and we have never experienced a work stoppage.

Legal Proceedings

As of June 30, 2002, except for the legal proceeding referred to below, we were not subject to any legal proceedings that management believes could have a material adverse effect on our business or financial condition.

In July 2000, a complaint was filed in the General Court of Justice, Superior Court Division, State of North Carolina, County of Mecklenburg under the caption Sunbelt Rentals, Inc. v. Head & Engquist Equipment, L.L.C., d/b/a H&E Hi-Lift, et al. The complaint was filed by a competitor of H&E, BPS Equipment, which was acquired by the plaintiff in June 2000, against H&E, Robert W. Hepler, an executive officer, and other employees of H&E. The complaint alleges, among other things, breach of fiduciary duty, misappropriation of trade secrets, unfair trade practices, interference with prospective advantage and civil conspiracy, in connection with the start-up of H&E's Hi-Lift division in January 2000 and the hiring of former employees of BPS Equipment. The complaint seeks, among other things, an order to enjoin the defendants from using BPS Equipment's trade secrets, award the plaintiff unspecified compensatory and punitive damages and award the plaintiff its costs and attorneys' fees. This case is currently being heard in the General Court of Justice, Superior Court Division, State of North Carolina, County of Mecklenburg.

MANAGEMENT

Directors and Executive Officers

The following table sets forth the names, ages and titles, as well as a brief account of the business experience, of each person who is a director or executive officer of H&E Equipment Services.

Name	Age	Title
Gary W. Bagley	55	Chairman and Director
John M. Engquist	48	President, Chief Executive Officer and Director
Lindsay C. Jones	40	Chief Financial Officer
Terence L. Eastman	49	Senior Vice President, Finance
William W. Fox	58	Vice President, Cranes and Earthmoving
Robert W. Hepler	46	Vice President, Hi-Lift
Kenneth R. Sharp, Jr	56	Vice President, Lift Trucks
John D. Jones	44	Vice President, Product Support
Dale W. Roesener	45	Vice President, Fleet Management
Bruce C. Bruckmann	48	Director
Harold O. Rosser	53	Director
J. Rice Edmonds	31	Director

Gary W. Bagley, Chairman and Director, served as President of ICM since 1996 and Chief Executive Officer since 1998. Prior to 1996, he held various positions at ICM, including Salesman, Sales Manager and General Manager. Prior to that, Mr. Bagley served as Vice President and ICM General Manager of Wheeler Machinery. Mr. Bagley serves on a number of dealer advisory boards and industry association boards.

John M. Engquist, President, Chief Executive Officer and Director, served as President and Chief Executive Officer of H&E since 1995 and as a director of Gulf Wide since 1999. From 1975 to 1994, he held various operational positions at H&E, starting as a mechanic's helper. Mr. Engquist serves on the board of directors of St. Jude's Children's Hospital in Memphis, Tennessee, Cajun Contractors & Engineers, Inc. and Business Bank of Baton Rouge.

Lindsay C. Jones, Chief Financial Officer, joined ICM as Chief Financial Officer in October 1998. From 1994 to 1998, Mr. Jones served as Chief Financial Officer and Treasurer for Midwest Office, Inc. Prior to that, Mr. Jones was a Manager with KPMG servicing clients in the retail and financial service markets. Mr. Jones is a Certified Public Accountant. Mr. Jones is a member of the American Institute of Certified Public Accountants and the Utah Association of Certified Public Accountants.

Terence L. Eastman, Senior Vice President, Finance, served as Chief Financial Officer of H&E since 1994. Prior to joining H&E, Mr. Eastman was the regional controller for Rollins Environmental Services from 1987 to 1994. From 1974 to 1987, Mr. Eastman held various financial positions with CF&I Steel Corporation in Pueblo, Colorado.

William W. Fox, Vice President, Cranes and Earthmoving, served as Executive Vice President and General Manager of H&E since 1995. Mr. Fox served as President of South Texas Equipment Co., a subsidiary for H&E, from 1995 to 1997. Prior to that, Mr. Fox held various executive and managerial positions with the Manitowoc Engineering Company. He was Executive Vice President/General Manager from 1989 to 1995, Vice President Sales from 1988 to 1989, and General Manager of the company for two years, from 1986 to 1988. Before joining Manitowoc, Mr. Fox worked for six years as Executive Vice President/General Manager at North Central Crane, from 1980 to 1986.

Robert W. Hepler, Vice President, Hi-Lift, served as President of Hi-Lift Division at H&E since 1999. From 1992 to 1999, he was President of BPS Equipment Division of Rentakil, plc. From 1988 to 1992,

he served as President of Booms & Scissors at BET Plant Services, which acquired the company he founded in 1982, Hepler Hi-Lift.

Kenneth R. Sharp, Jr., Vice President, Lift Trucks, began his career at ICM in 1973 and served as Executive Vice President of ICM since 1996. From 1989 to 1996, Mr. Sharp served as General Manager of the ICM Power Systems Division. From 1983 to 1989, he held various positions at ICM including Salesman, Sales Manager and Product Support Manager.

John D. Jones, Vice President, Product Support, served as Vice President of Product Support Service at H&E since 1995. From 1991 to 1994, he was General Manager of Product Support at Louisiana Machinery. From 1987 to 1991 he served as General Manager of the Parts Operation at Holt Company of Louisiana. From 1976 to 1987, Mr. Jones worked in Product Support and Marketing for Boyce Machinery.

Dale W. Roesener, Vice President, Fleet Management, founded Southern Nevada Equipment Company in 1983 and served as its President and Chief Executive Officer until 1998 when he joined ICM as Senior Vice President, Secretary and Fleet Manager.

Bruce C. Bruckmann, Director, is a Managing Director of BRS. He was an officer of Citicorp Venture Capital Ltd. from 1983 through 1994. Mr. Bruckmann is a director of HealthPlus Corporation, HealthEssentials, Inc., Anvil Knitwear, Inc., California Pizza Kitchen, Inc., Penhall International, Inc., Eurofresh, Inc., Mohawk Industries, Inc. and Town Sports International, Inc.

Harold O. Rosser, Director, is a Managing Director of BRS. He was an officer of Citicorp Venture Capital from 1987 through 1994. Mr. Rosser is a director of American Paper Group, Inc., Acapulco Restaurants, Inc., Penhall International, Inc., California Pizza Kitchen, Inc., O'Sullivan Industries, Il Fornaio (America) Corporation and McCormick & Schmick Restaurant Corporation.

J. Rice Edmonds, Director, is a Principal of BRS. Prior to joining BRS in 1996 he worked in the high yield finance group of Bankers Trust. Mr. Edmonds is a director of Acapulco Restaurants, Inc., Il Fornaio (America) Corporation and McCormick & Schmick Restaurant Corporation.

Executive Compensation

The following table summarizes, for the periods indicated, the principal components of compensation for our Chief Executive Officer and the four highest compensated executive officers (collectively, the "named executive officers") for the year ended December 31, 2001.

Summary Compensation Table

	Annual Compensation		
Name and Principal Position	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation ($)**
John M. Engquist Chief Executive Officer, President and Director	376,923	750,000[a][b]	—
Gary W. Bagley Chairman and Director	200,000	—	51,845[c]
Robert W. Hepler Vice President	306,923	120,000[a]	9,600[d]
Kenneth R. Sharp, Jr. Vice President	185,000	—	51,833[c]
Terence L. Eastman Senior Vice President, Finance	133,462	55,000[a]	9,000[d]

(a) Bonus earned upon achievement of performance objectives.

(b) Includes a $250,000 supplemental bonus, in addition to the bonus provided under Mr. Engquist's employment agreement, authorized pursuant to a board resolution of Gulf Wide dated as of August 3, 2001.

(c) Company contributions under non-qualified deferred compensation plan.

(d) Automobile allowances.

Executive Employment Agreements

ICM entered into an employment agreement with each of Gary W. Bagley and Kenneth R. Sharp, Jr. dated as of February 4, 1998. Such agreements, as amended on May 26, 1999, as further amended on December 6, 1999 and June 14, 2002, provide for, among other things:

- an initial term of employment expiring on the fifth anniversary of the date of the agreement, thereafter employment may be terminated by either party upon 30 days written notice;
- early termination by reason of Mr. Bagley's or Mr. Sharp's (as applicable) death or disability, by ICM for good cause, or upon Mr. Bagley's or Mr. Sharp's (as applicable) voluntary resignation with or without a good reason event;
- a severance payment in the case of early termination by ICM for other than cause or a voluntary resignation, payable in regular installments of the base salary through the period ending on the later of (1) the fifth anniversary of the date of this agreement or (2) the last day of the noncompete period, plus a bonus payment pro rated based on the number of days worked during the year of termination;
- a base salary of $275,000 per year for Mr. Bagley and $240,000 per year for Mr. Sharp with increases of 5% annually plus a bonus in such amount as may be proposed by the officers of ICM and approved annually by board of directors of ICM;

- benefits, including medical, dental, life and disability insurance; and
- confidentiality of information obtained during employment, non-competition and non-solicitation.

In connection with the merger, H&E Holdings assumed a liability for subordinated deferred compensation for Mr. Bagley and Mr. Sharp. The deferred compensation agreements provided for, among other things, deferred signing bonuses in the amount of $3,637,764 and $1,882,272, which are included in the deferred compensation accounts for Mr. Bagley and Mr. Sharp, respectively.

In connection with the consummation of the old note offering, H&E Holdings is obligated to pay Mr. Bagley and Mr. Sharp a cash payment in the amount equal to the then balance in their deferred compensation accounts 11 and one-half years after June 17, 2002. Payments may also be made upon the occurrence of certain events including, cash distributions on the Series D Preferred Units of H&E Holdings and an Approved Company Sale (as defined in the Securityholders Agreement).

On June 29, 1999, Gulf Wide entered into an employment agreement with John M. Engquist. Such agreement, as amended on August 10, 2001, provides for, among other things:

- an initial term of employment expiring on December 31, 2006; thereafter employment may be terminated by either party upon 30 days written notice,
- early termination by reason of Mr. Engquist's death or disability, by Gulf Wide for good cause, or upon Mr. Engquist's voluntary resignation with or without a constructive termination,
- a severance payment in the case of early termination by Gulf Wide for (x) other than cause or (y) a voluntary resignation other than due to a constructive termination, in an aggregate amount equal to (i) one year of Mr. Engquist's base salary plus an amount equal to his most recent annual bonus, payable in monthly installments through the one-year period commencing on the date of his termination, and (ii) that portion of Mr. Engquist's bonus that would have accrued at the end of the calendar year in which such termination occurred through the period beginning on the first day of such calendar year and ending on the date of his termination,
- a base salary of $300,000 per year with increases of 5% annually and with an increase on August 1, 2001 to $500,000 per year, plus a cash bonus of an amount up to $500,000 per year as determined by Gulf Wide's board of directors, based upon the attainment by Gulf Wide of applicable performance targets for such year,
- welfare benefits, including medical, dental, life and disability insurance,
- fringe benefits, including use of two automobiles and professional memberships, and
- confidentiality of information obtained during employment, non-competition and nonsolicitation.

On August 3, 2001, the board of directors of Gulf Wide authorized H&E to pay Mr. Engquist supplemental bonuses of $250,000 during calendar year 2001 and $250,000 during calendar year 2002 which is in addition to any bonus Mr. Engquist is entitled to receive pursuant to the terms of his employment agreement.

Compensation of Directors

We reimburse directors for any out-of-pocket expenses incurred by them in connection with services provided in such capacity. In addition, we may compensate directors who are not our employees for services provided in such capacity.

SECURITY OWNERSHIP AND CERTAIN BENEFICIAL OWNERS

H&E Holdings owns 100% of our limited liability company interests. The following tables set forth certain information with respect to the beneficial ownership of H&E Holdings' Common Units and Voting Preferred Units immediately after the consummation of the Transactions, by: (1) each person or entity that is the beneficial owner of more than 5% of any class of the voting securities of H&E Holdings; (2) each named executive officer; (3) each of our directors; and (4) all of our directors and executive officers as a group. These limited liability company interests constituted 5% of each class of the total outstanding limited liability company interests in H&E Holdings as of the closing of the old note offering. See "Description of Notes."

Common Units Beneficial Ownership Table

Name	Class A Common Units Beneficially Owned	Percentage of Class A Common Units Outstanding	Class B Common Units Beneficially Owned	Percentage of Class B Common Units Outstanding	Percentage of Combined Voting Power[1]
BRSEC Co-Investment, LLC[2]	785,000.0	36.7%	—	—	24.7%
BRSEC Co-Investment II, LLC[3]	1,245,000.0	58.3%	—	—	39.2%
Bruce C. Bruckmann[4]	2,030,000.0	95.0%	—	—	64.0%
Harold O. Rosser[5]	2,030,000.0	95.0%	—	—	64.0%
J. Rice Edmonds[6]	2,030,000.0	95.0%	—	—	64.0%
Gary W. Bagley[7]	—	—	85,813.7	4.1%	1.4%
Terence L. Eastman[7]	—	—	—	—	—
John M. Engquist[7]	—	—	1,170,300.0	56.4%	18.4%
Robert W. Hepler[7]	—	—	—	—	—
Dale W. Roesener[7]	—	—	164,325.6	7.9%	2.6%
Kenneth R. Sharp, Jr.[7]	—	—	44,561.6	2.1%	*
Don M. Wheeler[8]	—	—	263,735.7	12.7%	4.2%
Kristan Engquist Dunne[9]	—	—	74,700.0	3.6%	1.2%
All executive officers and directors as a group (12 persons):	2,030,000.0	95.0%	1,465,000.9	70.5%	87.1%

* Less than 1%.

Voting Preferred Units Beneficial Ownership Table

The holders of the Common Units listed in the Common Units Beneficial Ownership Table are also the holders of H&E Holdings' Voting Preferred Units. For ease of presentation we have not duplicated the names in the Voting Preferred Units Beneficial Ownership Table below and have presented the beneficial ownership information of such holders in the same order as it appears in the Common Units Beneficial Ownership Table. The numbers presented in the table below reflect the beneficial ownership of H&E Holdings' Voting Preferred Units immediately following the consummation of the Transactions and have been rounded to the nearest whole number. These limited liability company interests constituted 5% of each class of the total outstanding limited liability company interests in H&E Holdings as of the closing of the old note offering. See "Description of Notes."

Series A Preferred Units Beneficially Owned	Percentage of Series A Preferred Units Outstanding	Series B Preferred Units Beneficially Owned	Percentage of Series B Preferred Units Outstanding	Series C Preferred Units Beneficially Owned	Percentage of Series C Preferred Units Outstanding	Series D Preferred Units Beneficially Owned	Percentage of Series D Preferred Units Outstanding	Percentage of Combined Voting Power[10]
10,500	95.0%	9,200	33.2%	20,815	24.6%	—	—	22.8%
—	—	10,882	36.9%	42,485	50.1%	17,200	32.9%	39.7%
10,500	95.0%	20,082	68.0%	63,300	74.7%	17,200	32.9%	62.5%
10,500	95.0%	20,082	68.0%	63,300	74.7%	17,200	32.9%	62.5%
10,500	95.0%	20,082	68.0%	63,300	74.7%	17,200	32.9%	62.5%
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	3,500	4.1%	15,714	30.1%	10.8%
—	—	—	—	—	—	—	—	—
—	—	800	2.7%	1,607	1.9%	—	—	1.4%
—	—	—	—	—	—	—	—	—
—	—	5,400	18.3%	12,135	14.3%	10,390	19.9%	15.7%
—	—	1,756	6.0%	—	—	822	1.6%	1.5%
10,500	95.0%	20,882	70.8%	63,907	80.7%	32,914	63.0%	74.7%

(1) Each Class A Common Unit holder is entitled to two votes per Class A Common Unit held and each Class B Common Unit holder is entitled to one vote per Class B Common Unit held.

(2) The address of BRSEC Co-Investment, LLC is c/o Bruckmann, Rosser, Sherrill & Co., Inc., 126 East 56th Street, 29th Floor, New York, New York 10022.

(3) The address of BRSEC Co-Investment II, LLC is c/o Bruckmann, Rosser, Sherrill & Co., Inc., 126 East 56th Street, 29th Floor, New York, New York 10022.

(4) Represents common units held by BRSEC Co-Investment, LLC and BRSEC Co-Investment II, LLC. Mr. Bruckmann is a managing director of Bruckmann, Rosser, Sherrill & Co., LLC, the manager of Bruckmann, Rosser, Sherrill & Co. II, L.P., which is the primary member of BRSEC Co-Investment II, LLC. Bruckmann, Rosser, Sherrill & Co., Inc. is the manager of Bruckmann, Rosser, Sherrill & Co., L.P., which is the primary member of BRSEC Co-Investment, LLC.

(5) Represents common units held by BRSEC Co-Investment, LLC and BRSEC Co-Investment II, LLC. Mr. Rosser is a managing director of Bruckmann, Rosser, Sherrill & Co., LLC, the manager of Bruckmann, Rosser, Sherrill & Co. II, L.P., the primary member of BRSEC Co-Investment II, LLC. Bruckmann, Rosser, Sherrill & Co., Inc. is the manager of Bruckmann, Rosser, Sherrill & Co., L.P., the primary member of BRSEC Co-Investment, LLC.

(6) Represents common units held by BRSEC Co-Investment, LLC and BRSEC Co-Investment II, LLC. Mr. Edmonds is a principal of Bruckmann, Rosser, Sherrill & Co., LLC, the manager of Bruckmann, Rosser, Sherrill & Co. II, L.P., which is the primary member of BRSEC Co-Investment II, LLC. Bruckmann, Rosser, Sherrill & Co., Inc. is the manager of Bruckmann, Rosser, Sherrill & Co., L.P., the primary member of BRSEC Co-Investment, LLC.

(7) Unless otherwise indicated, the address of each executive officer or director is c/o H&E Equipment Services L.L.C., 11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816.

(8) The address of Mr. Wheeler is 4899 West 2100 South, Salt Lake City, Utah 84120.

(9) The address of Ms. Engquist Dunne is 11100 Mead Road, 2nd Floor, Baton Rouge, Louisiana 70816.

(10) Each Voting Preferred Unit holder is entitled to one vote per Voting Preferred Unit held.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Management Agreements and Transaction Fees

Each of H&E and ICM were acquired by affiliates of BRS in 1999, pursuant to separate recapitalizations. In connection with the recapitalizations of H&E and ICM, we entered into management agreements with each of BRS and Bruckmann, Rosser, Sherrill & Co., L.L.C. ("BRS LLC"), affiliates of BRS Equipment Company and BRSEC Co-Investment II, pursuant to which BRS and BRS LLC have agreed to provide certain advisory and consulting services to us, relating to business and organizational strategy, financial and investment management and merchant and investment banking. In exchange for such services we agreed to pay BRS and BRS LLC (i) $7.2 million of transaction fees in connection with the ICM and H&E recapitalizations, (ii) an annual fee during the term of these agreements equal to the lesser of $2.0 million or 1.75% of our yearly EBITDA, excluding operating lease expense, plus all reasonable out-of-pocket fees and expenses and (iii) a transaction fee in connection with each material acquisition, divestiture or financing or refinancing we enter into in an amount equal to 1.25% of the aggregate value of such transaction plus all reasonable out-of-pocket fees and expenses.

Contribution Agreement

The contribution agreement contains customary provisions for such agreements, including representations and warranties with respect to each of Gulf Wide and ICM equityholders, covenants with respect to the consummation of the combination of H&E and ICM and various closing conditions, including the execution of a registration rights agreement and securityholders agreement, and the consummation of this offering.

Securityholders Agreement

In connection with the old note offering, H&E Holdings entered into a securityholders agreement with BRS Co-Investment, BRSEC Co-Investment II, certain members of management and other members of H&E Holdings. The securityholders agreement: (i) restricts the transfer of the equity interests of H&E Holdings; (ii) grants tag-along rights on certain transfers of the equity interests of H&E Holdings; (iii) requires the securityholders to consent to a sale of H&E Holdings to an independent third party if such sale is approved by the holders of a majority of the then-outstanding common equity interests held by BRS Co-Investment and BRSEC Co-Investment II; and (iv) grants preemptive rights on certain issuances of the equity interests of H&E Holdings. The securityholders agreement will terminate upon a sale of H&E Holdings approved by the holders of a majority of the then-outstanding common equity interests held by BRS Co-Investment and BRSEC Co-Investment II.

Registration Rights Agreement

In connection with the old note offering, H&E Holdings entered into a registration rights agreement with BRS Co-Investment, BRSEC Co-Investment II, certain members of management and other members of H&E Holdings. Pursuant to the terms of the registration rights agreement, the holders of a majority of the then-outstanding common equity interests held by BRS Co-Investment and BRSEC Co-Investment II have the right to require H&E Holdings, subject to certain conditions, to register any or all of their common equity interests under the Securities Act at H&E Holdings' expense. In addition, all holders of the common equity interests of H&E Holdings are entitled to request the inclusion of any common equity interests subject to the registration rights agreement in any registration statement at the expense of H&E Holdings whenever H&E Holdings proposes to register any of its common equity interests under the Securities Act. In connection with all such registrations, H&E Holdings has agreed to indemnify all holders of its common equity interests against certain liabilities, including liabilities under the Securities Act.

Limited Liability Company Agreement

In connection with the old note offering, BRS Co-Investment, BRSEC Co-Investment II, certain members of management and the other members of H&E Holdings entered into a limited liability company agreement of H&E Holdings. This operating agreement governs the relative rights and duties of the members of H&E Holdings.

Membership Interests. The ownership interests of the members in H&E Holdings consist of Preferred Units and Common Units. The Common Units represent the common equity of H&E Holdings and consist of Class A Common Units and Class B Common Units. The Preferred Units consist of Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units (the "Voting Preferred Units"). Each member is entitled to (x) two votes per Class A Common Unit held by such member, (y) one vote per Class B Common Unit held by such member and (z) one vote for each Voting Preferred Unit held by such member. Holders of the Preferred Units are entitled to return of capital contributions prior to any distributions made to holders of the Common Units.

Distributions. Subject to any restrictions contained in any agreements involving payments to third parties, the board of directors of H&E Holdings (the "Board") may make distributions, whether in available cash or other assets of H&E Holdings, at any time or from time to time in the following order of priority:

First, to the holders of Series A Preferred Units in proportion to and to the extent of the Series A Preferred Redemption Values (as defined and described in the limited liability company agreement) of such Series A Preferred Units.

Second, to the holders of Series B Preferred Units in proportion to and to the extent of the Series B Preferred Redemption Values (as defined and described in the limited liability company agreement) of such Series B Preferred Units.

Third, to the holders of Series C Preferred Units, in proportion to and to the extent of the Series C Preferred Redemption Values (as defined and described in the limited liability company agreement) of such Series C Preferred Units.

Fourth, to the holders of the Series D Preferred Units, in proportion to and to the extent of the Series D Preferred Redemption Values (as defined and described in the limited liability company agreement) of such Series D Preferred Units.

Fifth, pro rata to the holders of Common Units, based upon the number of Common Units held.

The limited liability company agreement places certain restrictions on the ability of H&E Holdings to make distributions attributable to the Preferred Units prior to June 30, 2022.

Board of Directors. Pursuant to the securityholders agreement, the holders of a majority of the common equity units held by BRS Co-Investment and BRSEC Co-Investment II designate a majority of the directors of the Board. The Board consists of "Class A Directors" and "Class B Directors." Each Class A Director is entitled to two votes and each Class B Director is entitled to one vote. The initial Board consists of three Class A Directors and two Class B Directors. The initial Class A Directors are Bruce C. Bruckmann, Harold O. Rosser and J. Rice Edmonds, and the initial Class B Directors are John M. Engquist and Gary W. Bagley. At no time will the authorized number of Class B Directors exceed that number which would provide all of the then authorized Class B Directors with a number of votes that exceeds 50% of the number of votes of the then authorized number of Class A Directors. The Class A Directors are elected by the members which own a majority of the number of votes of all

Common Units then-outstanding. The Class B Directors are elected by the members which own a majority of the number of votes of all of the Voting Preferred Units then-outstanding.

The BRS Purchase

In connection with the old note offering, BRS was paid $7.2 million by H&E Equipment Services on account of $7.2 million of obligations payable to BRS and its affiliates in connection with the recapitalizations of H&E and ICM and BRS purchased a portion of the securities issued in the old note offering. In connection with the old note offering, BRS purchased notes having an accreted value of $7.2 million and a corresponding pro rata share of the limited liability company interests included in the securities offered thereby.

Other Related Party Transactions

In connection with the recapitalization of H&E in 1999, we entered into a consulting and noncompetition agreement with Thomas R. Engquist, the father of John M. Engquist, our Chief Executive Officer and President, with a term of ten years. In exchange for providing consulting services, Mr. Engquist will receive an aggregate amount of $3.0 million, to be paid in $25,000 monthly increments.

We lease certain of our facilities from entities controlled by Don M. Wheeler, an equityholder. In 2001, our lease payments to such entities totaled $1,217,000.

We lease certain of our real estate facilities and equipment, charter an aircraft for business purposes and place a portion of our liability insurance through an agency in which John M. Engquist, our Chief Executive Officer and President, and Thomas R. Engquist, the father of John M. Engquist have an economic interest. In 2001, our payments for such transactions totaled $933,192, $206,000 and $2,016,600, respectively.

We lease certain real estate from an entity controlled by Dale W. Roesener, an executive officer. In 2001, our lease payments to such entity totaled $492,000.

We expensed $350,000 and $181,000 to the deferred compensation accounts of Gary W. Bagley, our Chairman, and Kenneth R. Sharp, Jr., an executive officer, respectively.

We expensed the interest related to subordinated notes payable to: BRS Equipment Company; Don M. Wheeler, a securityholder, and certain entities controlled by Don M. Wheeler; SNE Capital Corporation, an entity controlled by Dale W. Roesener, an executive officer; and John M. Engquist, our Chief Executive Officer and President, in the amounts of $4,567,000, $2,745,000, $678,000 and $174,000, respectively.

DESCRIPTION OF OWNERSHIP INTERESTS

All of the issued and outstanding limited liability company interests of H&E Equipment Services are held by H&E Holdings and 100% of the issued and outstanding common stock of H&E Finance Corp. are held by H&E Equipment Services and are indirectly held by H&E Holdings.

DESCRIPTION OF SENIOR CREDIT FACILITY

The following description does not purport to be complete and is qualified in its entirety by reference to the credit agreement, which is available upon request from us.

The senior credit facility, with GE Capital as administrative agent and a syndicate of banks formed by Bank of America, N.A., consists of a five-year senior secured credit facility in an aggregate principal amount not to exceed $150.0 million.

Subject to compliance with customary conditions precedent and to the extent of availability under a collateral borrowing base, revolving loans and swing line loans are available at any time prior to the final maturity of the senior credit facility. Other than certain mandatory prepayments, amounts repaid under the senior credit facility may be reborrowed prior to the final maturity of the senior credit facility, provided that availability requirements are met. Letters of credit are available at any time and have an expiry date occurring no later than one year after issuance and, in any case, no later than the final maturity of the senior credit facility.

All our obligations under the senior credit facility are unconditionally guaranteed by H&E Holdings and by each of our existing and each subsequently acquired or organized domestic subsidiary. The senior credit facility and the related guarantees are secured by all of our present and future assets and all present and future assets of each guarantor, including but not limited to (i) a first-priority pledge of all of the outstanding capital stock owned by us and each guarantor and (ii) perfected first-priority security interests in all of our present and future tangible and intangible assets and the present and future tangible and intangible assets of each guarantor.

Revolving loans under the senior credit facility bear interest at our option, either (i) at a floating rate equal to the index rate plus the applicable margin set forth in the credit agreement, or, absent a default, (ii) at a fixed rate for a period of one, two, three or six months equal to the reserve adjusted London interbank offered rate ("LIBOR") plus the applicable margin set forth in the credit agreement, based upon the aggregate amount of revolving loans outstanding from time to time. Swing line loans under the senior credit facility bear interest at the index rate plus the applicable revolver index margin set forth in the credit agreement, based upon the aggregate amount of the swing line loan outstanding from time to time. Interest on loans based upon the index rate are payable on the first business day of each month in which such loan is outstanding and interest on loans based on LIBOR are payable at the last day of the applicable LIBOR period and, in any event, at least every three months. While a default is continuing, interest may accrue at 2.0% above the rate otherwise applicable at the option of the agent under the senior credit facility or a required percentage of lenders thereunder. Notwithstanding the foregoing, interest on all loans under the senior credit facility are payable at the time of repayment of any such loans, and at maturity. In addition to paying on any outstanding principal amount under the senior credit facility, we are required to pay an unused facility fee to the senior lenders equal to 0.5% per annum of the average unused daily balance of the revolving credit facility, commencing on the execution and delivery of the credit facility and payable monthly in arrears, based upon the actual number of days elapsed in a 360 day year. The initial margins on interest rates and letter of credit fees under the facility are equal to (i) in the case of loans maintained as LIBOR loans, 3.0%, (ii) in the case of loans maintained as index rate loans, 1.5% and (iii) in the case of letters of credit, 3.0%.

The senior credit facility contains representations and warranties, covenants (including maximum senior debt to tangible assets ratios, maximum adjusted leverage ratios, maximum leverage ratios, minimum adjusted interest coverage ratios, minimum utilization rate of equipment inventory ratios, limitations on incurrence of liens, incurrence of debt, voluntary prepayment of debt, modification of equity interests and agreements, issuance of equity interests, payment of dividends, transactions with affiliates, capital expenditures, loans, advances and investments), events of default and remedies and other provisions customary for credit facilities of this type. We will pay the senior lenders certain syndication and administration fees, reimburse certain expenses and provide certain indemnities, in each case which are customary for credit facilities of this type.

DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description under the subheading "Certain Definitions." In this description, the word "H&E" refers only to H&E Equipment Services L.L.C. and to H&E Finance Corp. and not to any of their respective subsidiaries.

H&E issued the notes under an indenture among itself, the Guarantors and The Bank of New York, as trustee, in a private transaction that was not subject to the registration requirements of the Securities Act. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the indenture and the registration rights agreement. It does not restate those agreements in their entirety. We urge you to read the indenture and the registration rights agreement because they, and not this description, define your rights as holders of the notes. Copies of the indenture and the registration rights agreement are available as set forth below under "—Additional Information." Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the indenture and the registration rights agreement.

The registered Holder of a note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the indenture.

Brief Description of the Notes and the Guarantees

The Notes

The notes:

- are general obligations of H&E;
- are subordinated in right of payment to the prior payment in full of all current and future Senior Debt of H&E;
- are *pari passu* in right of payment with all existing and future senior subordinated Indebtedness of H&E;
- are senior in right of payment to any future subordinated Indebtedness of H&E; and
- are unconditionally guaranteed by the Guarantors on a senior subordinated basis.

As of June 30, 2002, H&E had Senior Debt consisting of $[69.8] million of indebtedness outstanding under the Credit Agreement, approximately $[1.5] million in outstanding letters of credit under the Credit Agreement, approximately $[54.7] million outstanding under secured floor plan financing, $10.6 million of capitalized leases and $200.0 million of senior secured notes due 2012 outstanding. In addition, approximately $[78.7] million would have been available for borrowing on a senior basis under the Credit Agreement. See "Risk Factors—Your right to receive payments on the notes is junior to our existing indebtedness and possibly all of our future borrowings. Further, the guarantees of the notes are junior to all of our guarantors' existing indebtedness and possibly to all their future borrowings."

H&E Finance Corp. is a wholly-owned subsidiary of H&E Equipment Services L.L.C. that is incorporated in Delaware. H&E believes that certain prospective purchasers of the notes may be restricted in their ability to purchase debt securities of limited liability companies, such as H&E Equipment Services L.L.C., unless such debt securities are jointly issued by a corporation. H&E Finance Corp. does not expect to have any substantial operations or assets and does not expect to have any revenues. As a result, prospective purchasers of the notes should not expect H&E Finance Corp. to participate in servicing the interest and principal obligations on the notes.

The Guarantees

The notes are guaranteed by each of H&E's current and future Domestic Restricted Subsidiaries.

Each guarantee of the notes:

- is a general obligation of the Guarantor;
- is subordinated in right of payment to the prior payment in full of all current and future Senior Debt of that Guarantor;
- is *pari passu* in right of payment with all existing and future senior subordinated Indebtedness of the Guarantors; and
- is senior in right of payment to any future subordinated Indebtedness of the Guarantors.

As of the date of the indenture, all of our subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the subheading "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate certain of our subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture. Our Unrestricted Subsidiaries will not guarantee the notes.

Principal, Maturity and Interest

The indenture does not limit the maximum aggregate principal amount of notes that H&E may issue thereunder. H&E will issue notes in an aggregate principal amount of $53.0 million in connection with this offering. H&E may issue additional notes from time to time after this offering. Any offering of additional notes is subject to the covenant described below under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock." The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. H&E will issue notes in denominations of $1,000 and integral multiples of $1,000. The notes will mature on June 15, 2013.

Interest on the notes will accrue at the rate of $12^{1}/_{2}$% per annum and will be payable semi-annually in arrears on June 15 and December 15, commencing on December 15, 2002. H&E will make each interest payment to the Holders of record on the immediately preceding June 1 and December 1.

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to H&E, H&E will pay all principal, interest and premium and Liquidated Damages, if any, on that Holder's notes in accordance with those instructions. All other payments on notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless H&E elects to make interest payments by check mailed to the Holders at their address set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar. H&E may change the paying agent or registrar without prior notice to the Holders of the notes, and H&E or any of its Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange notes in accordance with the indenture. The registrar and the trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. H&E is not required to transfer or exchange any note selected for redemption. Also, H&E is

not required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Subsidiary Guarantees

The notes will be guaranteed on a senior subordinated basis by each of H&E's current and future Domestic Restricted Subsidiaries. These Subsidiary Guarantees will be joint and several obligations of the Guarantors. The obligations of each Guarantor under its Subsidiary Guarantee will be limited as necessary to prevent that Subsidiary Guarantee from constituting a fraudulent conveyance under applicable law. See "Risk Factors—Federal and State statutes allow courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors."

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than H&E or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and
(2) either:

    (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under the indenture, its Subsidiary Guarantee and the registration rights agreement pursuant to a supplemental indenture satisfactory to the trustee; or
    (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the indenture.

The Subsidiary Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of H&E, if the sale or other disposition complies with the "Asset Sale" provisions of the indenture;
(2) in connection with any sale of Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of H&E, if immediately following such sale such Guarantor is no longer a Restricted Subsidiary and the sale complies with the "Asset Sale" provisions of the indenture; or
(3) if H&E designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the indenture.

See "—Repurchase at the Option of Holders—Asset Sales."

Subordination

The payment of principal, interest and premium and Liquidated Damages, if any, on the notes will be subordinated to the prior payment in full in cash of all Senior Debt of H&E, including Senior Debt incurred after the date of the indenture.

The holders of Senior Debt will be entitled to receive payment in full in cash of all Obligations due in respect of Senior Debt (including interest after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt whether or not a claim for interest is an allowed claim) before the Holders of notes will be entitled to receive any payment with respect to the notes (except that Holders of notes may receive and retain Permitted Junior Securities and payments made from the trust described under "—Legal Defeasance and Covenant Defeasance"), in the event of any distribution to creditors of H&E:

(1) in a liquidation or dissolution of H&E;

(2) in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to H&E or its property;
(3) in an assignment for the benefit of creditors; or
(4) in any marshaling of H&E's assets and liabilities.

H&E also may not make any payment in respect of the notes (except in Permitted Junior Securities or from the trust described under "—Legal Defeasance and Covenant Defeasance") if:

(1) a payment default on Designated Senior Debt occurs and is continuing beyond any applicable grace period; or
(2) any other default occurs and is continuing on any series of Designated Senior Debt that permits holders of that series of Designated Senior Debt to accelerate its maturity and the trustee receives a notice of such default (a "Payment Blockage Notice") from H&E or the holders of any Designated Senior Debt.

Payments on the notes may and will be resumed:

(1) in the case of a payment default, upon the date on which such default is cured or waived; and
(2) in the case of a nonpayment default, upon the earlier of the date on which such nonpayment default is cured or waived or 179 days after the date on which the applicable Payment Blockage Notice is received, unless the maturity of any Designated Senior Debt has been accelerated.

No new Payment Blockage Notice may be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the trustee will be, or be made, the basis for a subsequent Payment Blockage Notice unless such default has been cured or waived for a period of not less than 180 days.

If the trustee or any Holder of the notes receives a payment in respect of the notes (except in Permitted Junior Securities or from the trust described under "—Legal Defeasance and Covenant Defeasance") when:

(1) the payment is prohibited by these subordination provisions; and
(2) the trustee or the Holder has actual knowledge that the payment is prohibited;

the trustee or the Holder, as the case may be, will hold the payment in trust for the benefit of the holders of Senior Debt. Upon the proper written request of the holders of Senior Debt, the trustee or the Holder, as the case may be, will deliver the amounts in trust to the holders of Senior Debt or their proper representative.

H&E must promptly notify holders of Senior Debt if payment of the notes is accelerated because of an Event of Default.

As a result of the subordination provisions described above, in the event of a bankruptcy, liquidation or reorganization of H&E, Holders of notes may recover less ratably than creditors of H&E who are holders of Senior Debt. See "Risk Factors—Your right to receive payments on the notes is junior to our existing indebtedness and

possibly all of our future borrowings. Further, the guarantees of the notes are junior to all of our guarantors' existing indebtedness and possibly to all their future borrowings."

Optional Redemption

At any time prior to June 15, 2005, H&E may on one or more occasions redeem an aggregate of up to 35% of the aggregate principal amount of notes issued under the indenture at a redemption price of 112.5% of the Accreted Value thereof, plus accrued and unpaid Liquidated Damages, if any, to the

redemption date, with the net cash proceeds of an offering of Equity Interests (other than Disqualified Stock) of H&E or Holdings (so long as such net cash proceeds are contributed to H&E from Holdings as common equity); *provided* that:

(1) at least 65% of the aggregate principal amount of notes issued under the indenture remains outstanding immediately after the occurrence of such redemption (excluding notes held by H&E and its Subsidiaries); and
(2) the redemption occurs within 60 days of the date of the closing of such offering.

Except pursuant to the preceding paragraph, the notes will not be redeemable at H&E's option prior to June 15, 2007.

After June 15, 2007, H&E may redeem all or a part of the notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, on the notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

Year	Percentage
2007	106.250%
2008	104.167%
2009	102.083%
2010 and thereafter	100.000%

Mandatory Redemption

H&E is not required to make mandatory redemption or sinking fund payments with respect to the notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each Holder of notes will have the right to require H&E to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000) of that Holder's notes pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, H&E will offer a Change of Control Payment in cash equal to 101% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages, if any, on the notes repurchased, to the date of purchase. Within 60 days following any Change of Control, H&E will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the Change of Control Payment Date specified in the notice pursuant to the procedures required by the indenture and described in such notice. H&E will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, H&E will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such conflict.

On the Change of Control Payment Date, H&E will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
(3) deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by H&E.

The paying agent will promptly mail to each Holder of notes properly tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; *provided* that each new note will be in a principal amount of $1,000 or an integral multiple of $1,000.

Prior to complying with any of the provisions of this "Change of Control" covenant, but in any event within 90 days following a Change of Control, H&E will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of notes required by this covenant.

The provisions described above that require H&E to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control, the indenture does not contain provisions that permit the Holders of the notes to require that H&E repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

H&E will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by H&E and purchases all notes properly tendered and not withdrawn under the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of H&E and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of notes to require H&E to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of H&E and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

H&E will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) H&E (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;
(2) the fair market value is determined by H&E's Board of Directors and evidenced by a resolution of the Board of Directors set forth in an officers' certificate delivered to the trustee; and

(3) at least 75% of the consideration received in the Asset Sale by H&E or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

    (a) any liabilities, as shown on H&E's most recent consolidated balance sheet, of H&E or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases H&E or such Restricted Subsidiary from further liability; and
    (b) any securities, notes or other obligations received by H&E or any such Restricted Subsidiary from such transferee that are converted by H&E or such Restricted Subsidiary into cash or Cash Equivalents within 180 days, to the extent of the cash received in that conversion.

The 75% limitation referred to in clause (3) above will not apply to any Asset Sale in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the subclauses (a) and (b), is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, H&E may apply those Net Proceeds:

(1) to repay or repurchase Senior Debt, including repayment of any revolving advance; *provided*, to the extent that the aggregate amount applied pursuant to this clause (1) exceeds $25.0 million since the date of the indenture such excess will be used to repay, repurchase, or redeem Senior Debt and to the extent used to repay revolving borrowings, to effect a reduction of the commitments thereunder;
(2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business;
(3) to make a capital expenditure or purchase construction or industrial equipment; or
(4) to acquire other long-term assets that are used or useful in a Permitted Business.

provided, *however*, that in the case of any Asset Sale involving assets having a fair market value of 5.5% or greater of H&E's Consolidated Tangible Assets as of the date of such Asset Sale, not more than one-third of the Net Proceeds from such Asset Sale may be applied to those items listed in clauses (2), (3) and (4) above.

Pending the final application of any Net Proceeds, H&E may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10.0 million, H&E will make an Asset Sale Offer to all Holders of notes and all holders of other Indebtedness that is *pari passu* with the notes containing provisions similar to those set forth in the indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the Accreted Value plus accrued and unpaid Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, H&E may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee will select the notes and such other *pari*

passu Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

H&E will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, H&E will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such conflict.

The agreements governing H&E's other Indebtedness contain prohibitions of certain events, including events that would constitute a Change of Control or an Asset Sale. In addition, the exercise by the Holders of notes of their right to require H&E to repurchase the notes upon a Change of Control or an Asset Sale could cause a default under these other agreements, even if the Change of Control or Asset Sale itself does not, due to the financial effect of such repurchases on H&E. Finally, H&E's ability to pay cash to the Holders of notes upon a repurchase may be limited by H&E's then existing financial resources. See "Risk Factors—We may be unable to finance a change of control offer."

Selection and Notice

If less than all of the notes are to be redeemed at any time, the trustee will select notes for redemption as follows:

(1) if the notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the notes are listed; or
(2) if the notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such method as the trustee deems fair and appropriate.

No notes of $1,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture. Notices of redemption may not be conditional.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the Holder of notes upon cancellation of the

original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of them called for redemption.

Certain Covenants

Restricted Payments

H&E will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of H&E's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving H&E or any of its Restricted Subsidiaries) or to the direct or indirect holders of H&E's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of H&E);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving H&E) any Equity Interests of H&E;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the notes or the Subsidiary Guarantees, except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "Restricted Payments"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(2) H&E would, at the time of such Restricted Payment after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock;" and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by H&E and its Restricted Subsidiaries after the date of the indenture (excluding Restricted Payments permitted by clauses (2) through (10) inclusive, of the next succeeding paragraph), is less than the sum, without duplication, of:

  (a) 50% of the Consolidated Net Income of H&E for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the indenture to the end of H&E's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), *plus*

  (b) 100% of the aggregate net cash proceeds received by H&E since the date of the indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of H&E (other than Disqualified Stock and other than Equity Interests sold to members of management) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of H&E that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of H&E), *plus*

  (c) to the extent that any Restricted Investment that was made after the date of the indenture is sold for cash or otherwise liquidated or repaid for cash, the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), *plus*

  (d) if any Unrestricted Subsidiary (i) is redesignated as a Restricted Subsidiary, the fair market value of such redesignated Subsidiary (as determined in good faith by the Board of Directors) as of the date of its redesignation or (ii) pays any cash dividends or cash distributions to H&E or any of its Restricted Subsidiaries, 100% of any such cash dividends or cash distributions made after the date of the indenture.

The preceding provisions will not prohibit:

(1) so long as no Default has occurred and is continuing or would be caused thereby, the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the indenture;

(2) so long as no Default has occurred and is continuing or would be caused thereby, the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of H&E or any Restricted Subsidiary or of any Equity Interests of H&E in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than

to a Restricted Subsidiary of H&E) of, Equity Interests of H&E (other than Disqualified Stock); *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3)(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of H&E or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary of H&E to the holders of its Equity Interests on a pro rata basis;

(5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of (including any disbursements to Holdings for such purpose) any Equity Interests of Holdings, H&E or any Restricted Subsidiary of H&E held by any member or former member of Holdings, H&E's (or any of its Restricted Subsidiaries') management pursuant to any equity subscription agreement, stock option agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed (a) $1.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to clause (b)) of $2.0 million in any calendar year), *plus* (b) the aggregate cash proceeds received by H&E and its Restricted Subsidiaries from any issuance or reissuance of Equity Interests to members of management and the proceeds of any "key man" life insurance policies in any calendar year; *provided, further,* that the cancellation of Indebtedness owing to H&E or its Restricted Subsidiaries from members of management in connection with such repurchase of Equity Interests will not be deemed to be a Restricted Payment;

(6) distributions or payments (a) to Holdings in amounts necessary to permit Holdings to satisfy income tax obligations of Holdings that are actually due and owing and are attributable to its ownership of H&E, *provided* that such amounts do not exceed the amount that would otherwise be due and owing if H&E and its Restricted Subsidiaries filed separate tax returns, *provided however*, that (1) notwithstanding the foregoing, in the case of determining the amount payable by H&E to Holdings for income tax obligations, such payment shall not exceed an amount determined on the basis of assuming that H&E is the parent company of an affiliated group filing a consolidated Federal income tax return and that Holdings and the Restricted Subsidiaries are members of such affiliated group and (2) any payments for income tax obligations shall either be used by Holdings to pay tax liabilities within 90 days of Holdings' receipt of

such payment or refunded to H&E and (b) to Holdings to pay the necessary fees and expenses to maintain its corporate existence and good standing and, so long as no Default has occurred and is continuing, other general and administrative expenses (which amounts in the aggregate shall not exceed $500,000 per year);

(7) so long as no Default has occurred and is continuing, the declaration and payment of dividends on Disqualified Stock, that was issued in compliance with the indenture;

(8) repurchases of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price thereof;

(9) purchases of fractional Equity Interests of H&E, or distributions to Holdings to permit it to purchase fractional Equity Interests of Holdings, for aggregate consideration not to exceed $100,000 since the date of the indenture; and

(10) so long as no Default has occurred and is continuing, other Restricted Payments in an amount not to exceed $1.0 million.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by H&E or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors whose resolution with respect thereto will be delivered to the trustee. The Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $15.0 million. Not later than the date of making any Restricted Payment, H&E will deliver to the trustee an officers' certificate stating that such Restricted Payment is permitted under the terms of the indenture and setting forth the basis upon which the calculations required by this "Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the indenture.

Incurrence of Indebtedness and Issuance of Preferred Stock

H&E will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and H&E will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that H&E may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, if the Fixed Charge Coverage Ratio for H&E's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.5 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by H&E and any Guarantor of additional Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of H&E and its Restricted Subsidiaries thereunder) not to exceed a maximum of $150.0 million, *less* the aggregate amount of all Net Proceeds from Asset Sales applied by H&E or any of its Restricted Subsidiaries since the date of the indenture to repay, repurchase, or redeem Senior Debt pursuant to clause (1) of the third paragraph of the section entitled "—Repurchase at the Option of the Holders--Asset Sales" to the extent such Net Proceeds so applied exceed $25.0 million in the aggregate since the date of the indenture, *provided* that if after giving effect to the incurrence of any Indebtedness pursuant to this clause (1), the Fixed Charge Coverage Ratio for the H&E's most recently ended four full fiscal quarters for which internal financial statements are then available would exceed 2.5 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), then such maximum amount shall be the greater of (x) $150.0 million, *less* the aggregate amount of all Net Proceeds from Asset Sales applied by H&E or any of its Restricted Subsidiaries since the date of the indenture to repay, repurchase, or redeem Senior Debt pursuant to clause (1) of the third paragraph of the section entitled "—Repurchase at the Option of the Holders--Asset Sales" to the extent such Net Proceeds so applied exceed $25.0 million in the aggregate since the date of the indenture or (y) the Borrowing Base;

(2) the incurrence by H&E and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by H&E and the Guarantors of Indebtedness represented by the notes, the Senior Secured Notes and the related Subsidiary Guarantees to be issued on the date of the indenture and the exchange notes and the related Subsidiary Guarantees relating to the notes

and the Senior Secured Notes to be issued pursuant to the respective registration rights agreements;

(4) the incurrence by H&E or any of its Restricted Subsidiaries of Indebtedness represented by purchase money obligations to finance the purchase of inventory held for sale or lease (including rental equipment) in the ordinary course of business not to exceed $125.0 million in aggregate principal amount at any one time outstanding;

(5) the incurrence by H&E or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), or (10) of this paragraph;

(6) the incurrence by H&E or any of its Restricted Subsidiaries of intercompany Indebtedness between or among H&E and any of its Restricted Subsidiaries; *provided*, *however*, that:

  (a) if H&E or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the notes in the case of H&E, or the Subsidiary Guarantee, in the case of a Guarantor; and

  (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than H&E or a Restricted Subsidiary of H&E and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either H&E or a Restricted Subsidiary of H&E; will be deemed, in each case, to constitute an incurrence of such Indebtedness by H&E or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by H&E or any of its Restricted Subsidiaries of Hedging Obligations that are incurred in the ordinary course of business for the purpose of fixing or hedging interest rate risk, currency risk or commodity risk and not for speculative purposes;

(8) the guarantee by H&E or any of the Guarantors of Indebtedness of H&E or a Restricted Subsidiary of H&E that was permitted to be incurred by another provision of this covenant;

(9) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount thereof is included in Fixed Charges of H&E as accrued;

(10) Indebtedness incurred by H&E or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation letters of credit in respect to workers' compensation claims or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; *provided, however,* that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(11) obligations in respect of performance and surety bonds and completion guarantees provided by H&E or any of its Restricted Subsidiaries in the ordinary course of business; and

(12) the incurrence by H&E or the Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding under this clause (12), including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (12), not to exceed $15.0 million.

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, H&E will be permitted to classify such item of Indebtedness on the date of its incurrence, in any manner that complies with this covenant. Indebtedness under Credit Facilities outstanding on the date on which notes are first issued and authenticated under the indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt. In addition, H&E may, at any time, change the classification of an item of Indebtedness (or any portion thereof) to any other clause or to the first paragraph of this covenant provided that H&E or its Restricted Subsidiaries would be permitted to incur such item of Indebtedness (or portion thereof) pursuant to such other clause or the first paragraph of this covenant, as the case may be, at such time of reclassification.

No Senior Subordinated Debt

H&E will not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of H&E and senior in any respect in right of payment to the notes. No Guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to the Senior Debt of such Guarantor and senior in any respect in right of payment to such Guarantor's Subsidiary Guarantee. Indebtedness will not be considered subordinate or junior in right of payment to any other Indebtedness solely by virtue of being unsecured or secured to a greater or lesser extent or with greater or lower priority.

Liens

H&E will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness or Attributable Debt on any assets now owned or hereafter acquired, except Permitted Liens.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

H&E will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to H&E or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to H&E or any of its Restricted Subsidiaries;

(2) make loans or advances to H&E or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to H&E or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the date of the indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements, *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements or the Security Documents on the date of the indenture;

(2) the indenture, the security documents relating to the Senior Secured Notes, the notes, the Senior Secured Notes and the related Subsidiary Guarantees and the exchange notes and related Subsidiary Guarantees, relating to the notes and the Senior Secured Notes;

(3) applicable law, rule, regulation or order;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by H&E or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the indenture to be incurred;

(5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(8) Permitted Refinancing Indebtedness, *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described above under the caption "—Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business; and

(11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Merger, Consolidation or Sale of Assets

H&E may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not H&E is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of H&E and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

(1) either: (a) H&E is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than H&E) or to which such sale, assignment, transfer, conveyance or other disposition has been made is either (i) a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia or (ii)) is a limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia that has at least one Restricted Subsidiary that is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia which corporation becomes a co-issuer of the notes pursuant to a supplemental indenture duly and validly executed by the trustee;

(2) the Person formed by or surviving any such consolidation or merger (if other than H&E) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been

made assumes all the obligations of H&E under the notes, the indenture and the registration rights agreement pursuant to written agreements reasonably satisfactory to the trustee;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) H&E or the Person formed by or surviving any such consolidation or merger (if other than H&E), or to which such sale, assignment, transfer, conveyance or other disposition has been made will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock".

The preceding clause (4) shall not prohibit (i) a merger between H&E and a Restricted Subsidiary or (ii) a merger between H&E and an Affiliate with no substantial assets or liabilities for the sole purpose of incorporating or reincorporating or organizing or reorganizing H&E in another state of the United States, or the District of Columbia.

In addition, H&E may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This "Merger, Consolidation or Sale of Assets" covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among H&E and any of its Restricted Subsidiaries.

Transactions with Affiliates

H&E will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to H&E or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by H&E or such Restricted Subsidiary with an unrelated Person; and

(2) H&E delivers to the trustee:

  (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $3.0 million, a resolution of the Board of Directors set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors (or a majority of the Board of Directors if there are no disinterested members); and

  (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $7.5 million, an opinion as to the fairness to H&E of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement entered into by H&E or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of H&E or such Restricted Subsidiary;

(2) transactions between or among H&E and/or its Restricted Subsidiaries;

(3) transactions with a Person that is an Affiliate of H&E solely because H&E owns an Equity Interest in, or controls, such Person;

(4) sales of Equity Interests (other than Disqualified Stock) to Affiliates of H&E;

(5) Restricted Payments that are permitted by the provisions of the indenture described above under the caption "—Restricted Payments;"

(6) customary loans, advances, fees and compensation paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of H&E or any of its Restricted Subsidiaries;

(7) so long as no Default has occurred and is continuing, transactions pursuant to the Management Agreement and the other Affiliate Agreements as all are in effect on the date of the indenture or as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Holders than the contract or agreement as in effect on the date of the indenture; and

(8) payments in connection with the Transactions (including the payment of fees and expenses with respect thereto), on the terms described in this prospectus under the caption "Certain Relationships and Related Transactions."

Notwithstanding anything to the contrary in this section, H&E will not, and will not permit any of its Restricted Subsidiaries to, make any payment pursuant to the Management Agreement if any Default has occurred and is continuing or would be caused by such payment.

Additional Subsidiary Guarantees

If H&E or any of its Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary after the date of the indenture, then that newly acquired or created Restricted Domestic Subsidiary will become a Guarantor and execute a supplemental indenture and deliver an opinion of counsel satisfactory to the trustee within 10 Business Days of the date on which it was acquired or created.

Sale and Leaseback Transactions

H&E will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that H&E or any Guarantor may enter into a sale and leaseback transaction if:

(1) H&E or that Guarantor, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the Fixed Charge Coverage Ratio test in the first paragraph of the covenant described above under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "—Liens;"

(2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors and set forth in an officers' certificate delivered to the trustee, of the property that is the subject of that sale and leaseback transaction; and

(3) the transfer of assets in that sale and leaseback transaction is permitted by, and H&E applies the proceeds of such transaction in compliance with, the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales."

Business Activities

H&E will not, and will not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to H&E and its Restricted Subsidiaries taken as a whole.

Payments for Consent

H&E will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the indenture or the notes unless such consideration is offered to be paid and is paid to all Holders of the notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by H&E and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the first paragraph of the covenant described above under the caption "—Restricted Payments" or Permitted Investments, as determined by H&E. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

Reports

Whether or not required by the Commission, so long as any notes are outstanding, H&E will furnish to the Holders of notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if H&E were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by H&E's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if H&E were required to file such reports.

If H&E has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of H&E and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of H&E.

In addition, following the consummation of the exchange offer contemplated by the registration rights agreement, whether or not required by the Commission, H&E will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. In addition, H&E and the Subsidiary Guarantors have agreed that, for so long as any notes remain outstanding, they will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default and Remedies

Each of the following is an Event of Default:

(1) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the notes (whether or not prohibited by the subordination provisions of the indenture);

(2) default in payment when due of the principal of, or premium, if any, on the notes (whether or not prohibited by the subordination provisions of the indenture);

(3) failure by H&E or any of its Subsidiaries to comply with the provisions described under the captions "—Repurchase at the Option of Holders—Change of Control;"

(4) failure by H&E or any of its Subsidiaries for 60 days after notice from the trustee or the Holders of at least 25% in aggregate principal amount of the outstanding notes to comply with any of the other agreements in the indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by H&E or any of its Subsidiaries (or the payment of which is guaranteed by H&E or any of its Subsidiaries) whether such Indebtedness or guarantee now exists, or is created after the date of the indenture, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

   (b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(6) failure by H&E or any of its Restricted Subsidiaries to pay final non-appealable judgments aggregating in excess of $10.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; and

(7) except as permitted by the indenture, any Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Subsidiary Guarantee; or

(8) certain events of bankruptcy or insolvency described in the indenture with respect to H&E or any of its Restricted Subsidiaries.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to H&E the Accreted Value of all outstanding notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the trustee or the Holders of at least 25% in principal amount of the then outstanding notes may declare the Accreted Value of all the notes to be due and payable immediately; *provided* that so long as any Indebtedness permitted to be incurred pursuant to the Credit Agreement shall be outstanding, such acceleration shall not be effective until the earlier of (1) the acceleration of such Indebtedness under the Credit Agreement or (2) five business days after receipt by H&E and the agent under the Credit Agreement of written notice of such acceleration.

Holders of the notes may not enforce the indenture or the notes except as provided in the indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding notes may direct the trustee in its exercise of any trust or power. The trustee may withhold from Holders of the notes notice of any continuing Default or Event of Default if it determines that

withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal or interest or Liquidated Damages.

The Holders of a majority in aggregate principal amount of the notes then outstanding by notice to the trustee may on behalf of the Holders of all of the notes waive any existing Default or Event of Default and its consequences under the indenture except a continuing Default or Event of Default in the payment of interest or Liquidated Damages on, or the principal of, the notes.

H&E is required to deliver to the trustee annually a statement regarding compliance with the indenture. Upon becoming aware of any Default or Event of Default, H&E is required to deliver to the trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of H&E or any Guarantor, as such, will have any liability for any obligations of H&E or the Guarantors under the notes, the indenture, the Subsidiary Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

H&E may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding notes and all obligations of the Guarantors discharged with respect to their Subsidiary Guarantees ("Legal Defeasance") except for:

(1) the rights of Holders of outstanding notes to receive payments in respect of the principal of, or interest or premium and Liquidated Damages, if any, on such notes when such payments are due from the trust referred to below;

(2) H&E's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the trustee, and H&E's and the Guarantor's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the indenture.

In addition, H&E may, at its option and at any time, elect to have the obligations of H&E and the Guarantors released with respect to certain covenants that are described in the indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) H&E must irrevocably deposit with the trustee, in trust, for the benefit of the Holders of the notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally-recognized firm of independent public accountants, to pay the principal of, or interest and premium and Liquidated Damages, if any, on the outstanding notes on the stated maturity or on the applicable redemption date, as the case may be, and H&E must specify whether the notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, H&E has delivered to the trustee an opinion of counsel reasonably acceptable to the trustee confirming that (a) H&E has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, H&E has delivered to the trustee an opinion of counsel reasonably acceptable to the trustee confirming that the Holders of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5)

such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the indenture) to which H&E or any of its Subsidiaries is a party or by which H&E or any of its Subsidiaries is bound;

(6) H&E must deliver to the trustee an officers' certificate stating that the deposit was not made by H&E with the intent of preferring the Holders of notes over the other creditors of H&E with the intent of defeating, hindering, delaying or defrauding creditors of H&E or others; and

(7) H&E must deliver to the trustee an officers' certificate and an opinion of counsel which opinion may be subject to customary assumptions and exclusions, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the indenture or the notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes), and any existing default or compliance with any provision of the indenture or the notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes).

Without the consent of each Holder affected, an amendment or waiver may not (with respect to any notes held by a non-consenting Holder):

(1) reduce the principal amount of notes whose Holders must consent to an amendment, supplement or waiver;
(2) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the notes (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");
(3) reduce the rate of or change the time for payment of interest on any note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Liquidated Damages, if any, on the notes (except a rescission of acceleration of the notes by the Holders of at least a majority in aggregate principal amount of the notes and a waiver of the payment default that resulted from such acceleration);
(5) make any note payable in money other than that stated in the notes;
(6) make any change in the provisions of the indenture relating to waivers of past Defaults or the rights of Holders of notes to receive payments of principal of, or interest or premium or Liquidated Damages, if any, on the notes;
(7) waive a redemption payment with respect to any note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders");
(8) release any Guarantor from any of its obligations under its Subsidiary Guarantee or the indenture, except in accordance with the terms of the indenture; or
(9) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of notes, H&E, the Guarantors and the trustee may amend or supplement the indenture or the notes:

(1) to cure any ambiguity, defect or inconsistency;
(2) to provide for uncertificated notes in addition to or in place of certificated notes;
(3) to provide for the assumption of H&E's obligations to Holders of notes in the case of a merger or consolidation or sale of all or substantially all of H&E's assets;
(4) to allow any Subsidiary to guarantee the notes;
(5) to make any change that would provide any additional rights or benefits to the Holders of notes or that does not adversely affect the legal rights under the indenture of any such Holder; or
(6) to comply with requirements of the Commission in order to effect or maintain the qualification of the indenture under the Trust Indenture Act.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect as to all notes issued thereunder, when:

(1) either:

(a) all notes that have been authenticated, except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has been deposited in trust and thereafter repaid to H&E, have been delivered to the trustee for cancellation; or
(b) all notes that have not been delivered to the trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and H&E or any Guarantor has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the notes not delivered to the trustee for cancellation for principal, premium and Liquidated Damages, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which H&E or any Guarantor is a party or by which H&E or any Guarantor is bound;

(3) H&E or any Guarantor has paid or caused to be paid all sums payable by it under the indenture; and

(4) H&E has delivered irrevocable instructions to the trustee under the indenture to apply the deposited money toward the payment of the notes at maturity or the redemption date, as the case may be.

In addition, H&E must deliver an officers' certificate and an opinion of counsel to the trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the trustee becomes a creditor of H&E or any Guarantor, the indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Holders of a majority in principal amount of the then outstanding notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The indenture provides that in case an Event of Default occurs and is continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any Holder of notes, unless such Holder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Additional Information

Anyone who receives this prospectus may obtain a copy of the indenture or registration rights agreement without charge by writing to H&E, 11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816, Attention: Chief Financial Officer.

Registration Rights; Liquidated Damages

The following description is a summary of the material provisions of the registration rights agreement. It does not restate that agreement in its entirety. We urge you to read the proposed form of registration rights agreement in its entirety because it, and not this description, defines your registration rights as Holders of these notes. See "—Additional Information."

H&E, the Guarantors and the initial purchaser will enter into the registration rights agreement on or prior to the closing of this offering. Pursuant to the registration rights agreement, H&E and the Guarantors will agree to file with the Commission the Exchange Offer Registration Statement on the appropriate form under the Securities Act with respect to the Exchange Notes. Upon the effectiveness of the Exchange Offer Registration Statement, H&E and the Guarantors will offer to the Holders of Transfer Restricted Securities pursuant to the Exchange Offer who are able to make certain representations the opportunity to exchange their Transfer Restricted Securities for Exchange Notes.

If:

(1) H&E and the Guarantors are not

  (a) required to file the Exchange Offer Registration Statement; or
  (b) permitted to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy; or

(2) any Holder of Transfer Restricted Securities notifies H&E prior to the 20th day following consummation of the Exchange Offer that:

  (a) it is prohibited by law or Commission policy from participating in the Exchange Offer; or
  (b) that it may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales; or
  (c) that it is a broker-dealer and owns notes acquired directly from H&E or an affiliate of H&E,

H&E and the Guarantors will file with the Commission a Shelf Registration Statement to cover resales of the notes by the Holders of the notes who satisfy certain conditions relating to the provision of information in connection with the Shelf Registration Statement.

H&E and the Guarantors will use their best efforts to cause the applicable registration statement to be declared effective as promptly as possible by the Commission.

For purposes of the preceding, "Transfer Restricted Securities" means each note until:

(1) the date on which such note has been exchanged by a Person other than a broker-dealer for an Exchange Note in the Exchange Offer;
(2) following the exchange by a broker-dealer in the Exchange Offer of a note for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement;
(3) the date on which such note has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement; or
(4) the date on which such note is eligible to be distributed to the public pursuant to Rule 144 under the Securities Act.

The registration rights agreement will provide that:

(1) H&E and the Guarantors will file an Exchange Offer Registration Statement with the Commission on or prior to 90 days after the closing of this offering;
(2) H&E and the Guarantors will use their best efforts to have the Exchange Offer Registration Statement declared effective by the Commission on or prior to 180 days after the closing of this offering;
(3) unless the Exchange Offer would not be permitted by applicable law or Commission policy, H&E and the Guarantors will

  (a) commence the Exchange Offer; and
  (b) use their best efforts to issue on or prior to 30 business days, or longer, if required by the federal securities laws, after the date on which the Exchange Offer Registration Statement was declared effective by the Commission, Exchange Notes in exchange for all notes tendered prior thereto in the Exchange Offer; and

(4) if obligated to file the Shelf Registration Statement, H&E and the Guarantors will use their best efforts to file the Shelf Registration Statement with the Commission on or prior to 60 days after such filing obligation arises and to cause the Shelf Registration to be declared effective by the Commission on or prior to 180 days after such obligation arises.

If:

(1) H&E and the Guarantors fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing; or

(2) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness (the "Effectiveness Target Date"); or

(3) H&E and the Guarantors fail to consummate the Exchange Offer within 30 business days of the Effectiveness Target Date with respect to the Exchange Offer Registration Statement; or

(4) the Shelf Registration Statement or the Exchange Offer Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with resales of Transfer Restricted Securities during the periods specified in the registration rights agreement (each such event referred to in clauses (1) through (4) above, a "Registration Default"),

then H&E and the Guarantors will pay Liquidated Damages to each Holder of notes, with respect to the first 90-day period immediately following the occurrence of the first Registration Default in an amount equal to $.05 per week per $1,000 in principal amount of notes held by such Holder.

The amount of the Liquidated Damages will increase by an additional $.05 per week per $1,000 principal amount of notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of Liquidated Damages for all Registration Defaults of $.25 per week per $1,000 in principal amount of notes.

All accrued Liquidated Damages will be paid by H&E and the Guarantors on each interest payment date to the Global Note Holder by wire transfer of immediately available funds or by federal funds check and to Holders of Certificated Notes by wire transfer to the accounts specified by them or by mailing checks to their registered addresses if no such accounts have been specified.

Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease.

Holders of notes will be required to make certain representations to H&E (as described in the registration rights agreement) in order to participate in the Exchange Offer and will be required to deliver certain information to be used in connection with the Shelf Registration Statement and to provide comments on the Shelf Registration Statement within the time periods set forth in the registration rights agreement in order to have their notes included in the Shelf Registration Statement and benefit from the provisions regarding Liquidated Damages set forth above. By acquiring Transfer Restricted Securities, a Holder will be deemed to have agreed to indemnify H&E and the Guarantors against certain losses arising out of information furnished by such Holder in writing for inclusion in any Shelf Registration Statement. Holders of notes will also be required to suspend their use of the prospectus included in the Shelf Registration Statement under certain circumstances upon receipt of written notice to that effect from H&E.

Certain Definitions

Set forth below are certain defined terms used in the indenture. Reference is made to the indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*Accreted Value*" means for each note having an aggregate principal amount of $1,000 as of any date of determination the sum of:

(1) $943.56 (the deemed initial offering price of each note); and

(2) that portion of the excess of the principal amount at maturity of such note over such deemed initial offering price as shall have been accreted thereon through such date, such amount to be so accreted on a daily basis at the rate of 1% per annum of the deemed initial offering price of such notes, compounded semi-annually on each June 15 and December 15 from the date of issuance of the notes through the date of determination, such that the Accreted Value of each note will equal the principal amount thereof on June 15, 2013.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Affiliate Agreements*" means the Contribution Agreement, the Securityholders Agreement, the Registration Rights Agreement and the Operating Agreement, each as described in "Certain Relationships and Related Transactions" herein.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights, other than sales of inventory and equipment in the ordinary course of business; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of H&E and its Subsidiaries taken as a whole will be governed by the provisions of the indenture described above under the caption "—Repurchase at the Option of Holders—Change of Control" and/or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and

(2) the issuance of Equity Interests in any of H&E's Restricted Subsidiaries or the sale by H&E or any of its Restricted Subsidiaries of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a fair market value of less than $1.0 million;

(2) a transfer of assets between or among H&E and its Restricted Subsidiaries,

(3) an issuance of Equity Interests by a Subsidiary to H&E or to another Restricted Subsidiary;

(4) the sale or lease of equipment, inventory, or accounts receivable in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;
(6) a Restricted Payment or Permitted Investment that is permitted by the covenant described above under the caption "—Certain Covenants—Restricted Payments;"
(7) any exchange of property pursuant to Section 1031 on the Internal Revenue Code of 1986, as amended, for use in a Permitted Business; and
(8) the licensing of intellectual property.

"*Attributable Debt*" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation;
(2) with respect to a partnership, the board of directors of the general partner of the partnership; and
(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Borrowing Base*" means, as of any date, an amount equal to:

(1) 75% of the face amount of all accounts receivable owned by H&E and its Restricted Subsidiaries as of such date; *plus*
(2) 50% of the book value of all inventory owned by H&E and its Restricted Subsidiaries as of such date; *plus*
(3) 80% of the book value of the rental equipment owned by H&E and its Restricted Subsidiaries as of such date; *minus*
(4) 100% of the book value of all inventory and rental equipment owned by H&E and its Restricted Subsidiaries as of such date, that were subject to a Lien immediately prior to the use of proceeds referred to below, securing Indebtedness; *minus*
(5) $125 million.

all calculated on a consolidated basis and in accordance with GAAP and after giving effect to any incurrence of Indebtedness on such date and the use of proceeds therefrom.

In the event that information with respect to any element of the Borrowing Base is not available as of any date then the most recently available information will be utilized.

"*BRS*" means Bruckmann, Rosser, Sherrill & Co., Inc.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;
(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
(3) in the case of a partnership or limited liability company, partnership or limited liability company interests (whether general or limited or common or preferred); and
(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Cash Equivalents*" means:

(1) United States dollars;
(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than one year from the date of acquisition;
(3) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with

any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
(5) commercial paper having a rating of "P-2" (or higher) from Moody's Investors Service, Inc. or "A-3" (or higher) from Standard & Poor's Rating Services and in each case maturing within one year after the date of acquisition; and
(6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of H&E and its Restricted Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than a Principal or a Related Party of a Principal;
(2)

the adoption of a plan relating to the liquidation or dissolution of H&E;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties or a Permitted Group, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of H&E, measured by voting power rather than number of shares; or

(4) the first day on which a majority of the members of the Board of Directors of H&E are not Continuing Directors.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (including impairment charges but excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(5) any management fee payable to BRS or an Affiliate pursuant to the Management Agreement as is in effect on the date of this Indenture or as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Holders than the contract or agreement as in effect on the date of this Indenture; *plus*

(6) any non-recurring expenses and charges of H&E or any of its Restricted Subsidiaries; *minus*

(7) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;

(4) the cumulative effect of a change in accounting principles will be excluded; and

(5) the Net Income (but not loss) of any Unrestricted Subsidiary will be included only to the extent distributed to the specified Person or one of its Restricted Subsidiaries.

"*Consolidated Tangible Assets*" means, with respect to H&E as of any date, the aggregate of the Tangible Assets of H&E and its Restricted Subsidiaries as of such date, on a consolidated basis, determined in accordance with GAAP. In the event that information relating to Consolidated Tangible Assets is not available as of any date, then the most recently available information will be utilized.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of H&E who:

(1) was a member of such Board of Directors on the date of the indenture;

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election; or

(3) was nominated by the Principals pursuant to a stockholders', voting or similar agreement.

"*Credit Agreement*" means that certain Credit Agreement, dated as of the date of the indenture, by and among H&E and the other borrowers named therein and the credit parties and lenders named therein as well as General Electric Capital Corporation as Arranger and Administrative Agent, providing for up to $150.0 million of revolving credit borrowings, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time, including increases in principal amount and extensions of term loans of other financings.

"*Credit Agreement Agent*" means, at any time, the Person serving at such time as the "Agent" or "Administrative Agent" under (and as such term is defined in) the Credit Agreement.

"*Credit Facilities*" means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time; *provided*, that no document or facility, other than the Credit Agreement, will constitute a Credit Facility unless H&E so identifies such document or facility in an officers' certificate and delivers such certificate to the trustee; *provided, further*, that while the Credit Agreement remains in effect, H&E is entitled to so identify such document or facility only in accordance with the terms of the Credit Agreement (or deliver an officers' certificate to the trustee that the Credit Agreement is no longer in effect).

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Designated Senior Debt" means any Indebtedness outstanding under H&E Equipment Services' Credit Agreement; and any other Senior Debt permitted under the indenture the principal amount of which is $25.0 million or more and that in each case has been designated by H&E Equipment Services as "Designated Senior Debt."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date on which the notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require H&E to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that H&E may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Restricted Payments."

"*Domestic Restricted Subsidiary*" means any Restricted Subsidiary of H&E that was formed under the laws of the United States or any state of the United States or the District of Columbia or that guarantees or otherwise provides direct credit support for any Indebtedness of H&E.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Existing Indebtedness*" means Indebtedness of H&E and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of the indenture, until such amounts are repaid.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations but excluding the amortization of debt issuance costs; *plus*
(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period (other than debt issuance costs); *plus*

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*
(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, excluding dividends on Equity Interests payable or accruing solely in Equity Interests of H&E that are not Disqualified Stock, or to H&E or a Restricted Subsidiary of H&E, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;
(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded; and
(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of the indenture, *provided* that charges for impairments to goodwill will be disregarded for all purposes under the indenture.

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

"*Guarantors*" means each of:

(1) GNE Investments, Inc.;
(2) Great Northern Equipment, Inc.; and
(3) any other subsidiary that executes a Subsidiary Guarantee in accordance with the provisions of the indenture;

and their respective successors and assigns.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and
(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates, currency rates or commodity prices.

"*Holdings*" means H&E Holdings L.L.C.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;
(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
(3) in respect of banker's acceptances;
(4) representing Capital Lease Obligations;
(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense, trade payable or representing secured floor plan financing; or
(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any indebtedness of any other Person; *provided* that Indebtedness shall not include the pledge of the Capital Stock of an Unrestricted Subsidiary to secure Indebtedness of such Unrestricted Subsidiary.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
(2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"*Intangible Assets*" means goodwill, patents, trade names, trade marks, copyrights, franchises, experimental expense, organization expenses and any other assets properly classified as intangible assets in accordance with GAAP.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and

employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If H&E or any Restricted Subsidiary of H&E sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of H&E such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of H&E, H&E will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of H&E's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments." The acquisition by H&E or any Restricted Subsidiary of H&E of a Person that holds an Investment in a third Person will be deemed to be an Investment by H&E or such Restricted Subsidiary in such third Person in an amount equal to the fair market value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Restricted Payments."

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Management Agreement*" means the agreement H&E entered into in connection with the ICM recapitalization and the H&E recapitalizations with each of BRS and Bruckmann, Rosser, Sherrill & Co., L.L.C. ("BRS LLC"), whereby BRS and BRS LLC agreed to provide certain advisory and consulting services to H&E.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and
(2) any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"*Net Proceeds*" means the aggregate cash proceeds received by H&E or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither H&E nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) (other than the stock of an Unrestricted Subsidiary pledged to secure Indebtedness of such Unrestricted Subsidiary), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the notes) of H&E or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of H&E or any of its Restricted Subsidiaries (other than the stock of an Unrestricted Subsidiary pledged to secure Indebtedness of such Unrestricted Subsidiary).

"*Obligations*" means any principal, interest, penalties, fees, taxes, costs, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing, securing or relating to any Indebtedness, whether or not a claim in respect thereof has been asserted.

"*Obligor*" means a Person obligated as an issuer or guarantor of the notes.

"*Permitted Business*" means the equipment sale, rental and leasing business, the fleet management business and any business that is complementary, incidental, ancillary or related thereto.

"*Permitted Group*" means any group of investors that is deemed to be a "person" (as that term is used in Section 13(d)(3) of the Exchange Act) at any time prior to H&E's initial public offering of common stock, by virtue of the Securityholders Agreement, as the same may be amended, modified or supplemented from time to time, *provided* that no single Person (other than the Principals and their Related Parties) Beneficially Owns (together with its Affiliates) more of the Voting Stock of H&E that is Beneficially Owned by such group of investors than is then collectively Beneficially Owned by the Principals and their Related Parties in the aggregate.

"*Permitted Investments*" means:

(1) any Investment in H&E or in a Restricted Subsidiary of H&E;
(2) any Investment in Cash Equivalents;
(3) any Investment by H&E or any Restricted Subsidiary of H&E in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary of H&E; or
  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, H&E or a Restricted Subsidiary of H&E;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales";
(5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of H&E;
(6) any Investments received in compromise of obligations of such persons incurred in the ordinary course of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;
(7) Hedging Obligations; and
(8) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) since the date of the indenture not to exceed $10.0 million at any one time outstanding.

"Permitted Junior Securities" means:

(1) Equity Interests in H&E or any Guarantor; or
(2) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the notes and the Subsidiary Guarantees are subordinated to Senior Debt under the indenture.

"*Permitted Liens*" means:

(1) Liens on assets of H&E or any Guarantor securing Senior Debt that was permitted by the indenture to be incurred;
(2) Liens in favor of H&E or the Guarantors;
(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with H&E or any Subsidiary of H&E; *provided* that such Liens were not incurred in contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with H&E or the Subsidiary;
(4) Liens on property existing at the time of acquisition of the property by H&E or any Subsidiary of H&E, *provided* that such Liens were not incurred in contemplation of such acquisition;
(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
(6) purchase money security interests (as defined in Article 9 of the New York Uniform Commercial Code) to secure Indebtedness permitted by clause (4) of the second paragraph of the covenant entitled "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" covering only inventory held for sale or lease (including rental equipment) purchased as described therein and the proceeds thereof;
(7) Liens existing on the date of the indenture and securing Indebtedness outstanding on the date of the indenture;
(8) Liens to secure Permitted Refinancing Indebtedness incurred to refinance Existing Debt or Permitted Refinancing Indebtedness which is secured by Liens permitted by this clause (8); *provided*, that such Liens do not extend to any categories of assets other than the categories of assets securing Existing Debt as of the date of the indenture;
(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
(10) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;
(11) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred or imposed, as applicable, in the ordinary course of business and consistent with industry practices;
(12) any interest or title of a lessor under any Capital Lease Obligation;
(13) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(14) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of H&E or any of its Restricted Subsidiaries, including rights of offset and set-off;
(15) Liens securing Hedging Obligations;

(16) leases or subleases granted to others that do not materially interfere with the ordinary course of business of H&E and its Restricted Subsidiaries;
(17) Liens arising from filing Uniform Commercial Code financing statements regarding leases; and
(18) Liens incurred in the ordinary course of business of H&E or any Restricted Subsidiary of H&E with respect to obligations that do not exceed $10.0 million at any one time outstanding.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of H&E or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of H&E or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);
(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the notes on terms at least as favorable to the Holders of notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and
(4) such Indebtedness is incurred either by H&E or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*preferred stock*" means Capital Stock with a preference upon liquidation or on dividends.

"Principals" means Bruckmann, Rosser, Sherrill & Co., L.P., a Delaware limited partnership, BRS Partners, LP and BRSE LLC.

"Related Party" means:

(1) any controlling stockholder, a majority owned Subsidiary, or immediate family member (in the case of an individual) of any Principal; or
(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a majority interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Senior Debt"* means:

(1) all Indebtedness of H&E or any Guarantor outstanding under Credit Facilities and all Hedging Obligations that are secured under the documents that secure the Indebtedness under a Credit Facility;
(2) the Senior Secured Notes and all the Obligations with respect thereto;

(3) any other Indebtedness of H&E or any Guarantor either (a) permitted to be incurred under the terms of the indenture or (b) was advanced (or, in the case of any reimbursement obligation, relates to a letter of credit that was issued) upon delivery to the Credit Agreement Agent of a written document executed by an officer of H&E to the effect that such Indebtedness was permitted to be incurred by clause (1) or clause (12) of the definition of "Permitted Debt," unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the notes or any Subsidiary Guarantee; and
(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by H&E;
(2) any intercompany Indebtedness of H&E or any of its Subsidiaries to H&E;
(3) any trade payables;
(4) any Indebtedness of the Company or any of its Subsidiaries to any Affiliate of the Company or any of its Subsidiaries; or
(5) the portion of any Indebtedness that is incurred in violation of the indenture.

"*Senior Secured Notes*" means H&E's senior secured notes due 2012 to be issued concurrently with the closing of the offering of the notes.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Tangible Assets*" means all assets of H&E and its Restricted Subsidiaries, excluding all Intangible Assets.

"*Unasserted Contingent Obligations*" means, at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for (i) the principal of and interest or premiums (if any) on, and fees relating to, any Indebtedness and (ii) contingent reimbursement obligations in respect of amounts that may be drawn under letters of credit) in respect of which no claim or demand for payment has been made (or, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"*Unrestricted Subsidiary*" means any Subsidiary of H&E (and any Subsidiary of such Subsidiary) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution (if that designation would not cause a default), but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with H&E or any Restricted Subsidiary of H&E unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to H&E or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of H&E;

(3) is a Person with respect to which neither H&E nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of H&E or any of its Restricted Subsidiaries (other than through the pledge of Equity Interests in such Subsidiary); and

(5) has at least one director on its Board of Directors that is not a director or executive officer of H&E or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of H&E as an Unrestricted Subsidiary will be evidenced to the trustee by filing with the trustee a certified copy of the Board Resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Certain Covenants—Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of H&E as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock," H&E will be in default of such covenant. The Board of Directors of H&E may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of H&E of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock," calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation (including without limitation under the section entitled "Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries").

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Restricted Subsidiary*" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) will at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

BOOK-ENTRY, DELIVERY AND FORM

The Notes

The notes will be issued only in fully registered form, without exception. H&E Equipment Services and H&E Finance (collectively in this section the "Issuer") will initially appoint The Bank of New York at its principal corporate trust office as note agent, note registrar, note transfer agent and note paying agent for the notes. In such capacities, the note agent will be responsible for, among other things, (i) maintaining a record of the aggregate holdings of notes represented by the Temporary Regulation S Global Notes, the Regulation S Global Notes and the Restricted Global Notes (each as defined below), and accepting notes for exchange and registration of transfer, (ii) ensuring that payments of principal and interest in respect of the senior subordinated notes received from H&E are duly paid to DTC or its nominees and (iii) transmitting to the Issuer any notices.

The Issuer will cause the note transfer agent to act as note registrar and will cause to be kept at the office of the note transfer agent a register in which, subject to such reasonable regulations as it may prescribe, the Issuer will provide for the registration of the notes and registration of transfers of the notes. The Issuer may vary or terminate the appointment of the note paying agent or the note transfer agent, or appoint additional or other such agents or approve any change in the office through which any such agent acts, *provided* that there shall at all times be a note paying agent and a note transfer agent in the Borough of Manhattan, The City of New York, New York. The Issuer

will cause notice of any resignation, termination or appointment of the note agent or any note paying agent or note transfer agent, and of any change in the office through which any such agent will act, to be provided to Holders of the notes.

Rule 144A and Regulation S Notes

Rule 144A notes will be initially represented by global notes in definitive, fully registered form without interest coupons (collectively, the "Restricted Global Notes") and will be deposited with the note agent as custodian for DTC and registered in the name of a nominee of DTC. The Restricted Global Notes (and any notes issued in exchange therefor), including beneficial interests in the Restricted Global Notes, will be subject to certain restrictions on transfer set forth therein and in the indenture and will bear the legend regarding such restrictions set forth under "Notice to Investors."

Regulation S Notes will be initially represented by global notes in fully registered form without interest coupons (collectively the "Temporary Regulation S Global Notes") registered in the name of a nominee of DTC and deposited with the note agent, for the accounts of the Euroclear System ("Euroclear") and Clearstream (formerly known as Cedelbank) ("Clearstream"). When the Restricted Period (as defined below), terminates and the note agent receives written certification (in the form provided in the indenture), from Euroclear or Clearstream, as the case may be, and Euroclear or Clearstream receives written certification (in the form provided in the indenture), from beneficial owners of the Temporary Regulation S Global Notes that the note or notes with respect to which such certifications are made are not owned by or for persons who are U.S. Persons or for purposes of resale directly or indirectly to a U.S. Person or to a person within the United States or its possessions, the note agent will exchange the portion of the Temporary Regulation S Global Notes covered by such certifications for interests in Regulation S Global Notes (the "Regulation S Global Notes" and, together with the Restricted Global Notes, the "Global Notes" or each individually, a "Global Note"). Such certifications are required because the Issuer is not a reporting issuer under the Exchange Act. Until the 40th day after the latest of the commencement of the offering and the original issue date of the notes (such period, the "Restricted Period"), beneficial interests in the Temporary Regulation S Global Notes may be held only through Euroclear or Clearstream, unless delivery is made through the Restricted Global Notes in accordance with the certification requirements described below. After the

Restricted Period, beneficial interests in the Regulation S Global Notes may be held through other organizations participating in the DTC system. After the Restricted Period, an appropriate certification will be required in order to transfer beneficial interests in the Temporary Regulation S Global Notes, but such transfer certifications shall not be required in respect of the Regulation S Global Notes.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below. See "—Exchanges of Book-Entry Notes for Certificated Notes." In addition, beneficial interests in Restricted Global Notes may not be exchanged for beneficial interests in the Regulation S Global Note or vice versa except in accordance with the transfer and certification requirements described below under "—Exchanges Between the Restricted Global Notes and the Regulation S Global Notes."

Exchanges Between the Restricted Global Notes and the Regulation S Global Notes

Beneficial interests in the Restricted Global Notes may be exchanged for beneficial interests in the Regulation S Global Notes and vice versa only in connection with a transfer of such interest. Such transfers are subject to compliance with the certification requirements described below.

Prior to the expiration of the Restricted Period, a beneficial interest in a Temporary Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Notes only upon receipt by the note agent of a written certification from the transferor (in the form provided in the indenture), to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a "qualified institutional buyer" or QIB, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction (a "Restricted Global Note Certificate"). After the expiration of the Restricted Period, such certification requirements will not apply to such transfers of beneficial interests in the Regulation S Global Notes.

Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in a Temporary Regulation S Global Note or a Regulation S Global Note only upon receipt by the note agent of a written certification from the transferor (in the form provided in the indenture), to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S, in the case of an exchange for an interest in the Temporary Regulation S Global Note, or in accordance with Rule 903 or 904 of Regulation S, or, if available, Rule 144, in the case of an exchange for an interest in the Regulation S Global Note (a "Regulation S Global Note Certificate") and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in another Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Any exchange of a beneficial interest in a Regulation S Global Note or a Temporary Regulation S Global Note for a beneficial interest in the Restricted Global Note will be effected in DTC by means of an instruction originated by the note agent through the DTC Deposit/Withdraw at Custodian ("DWAC") system. Accordingly, in connection with any such exchange, appropriate adjustments will be made in the records of the Security Register to reflect an increase in the principal amount of such Restricted Global Note or vice versa, as applicable.

Exchanges of Book-Entry Notes for Certificated Notes

A beneficial interest in a Global Note may not be exchanged for a note in certificated form unless:

- DTC (x) notifies the Issuer that it is unwilling or unable to continue as Depository for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act;
- in the case of a Global Note held for an account of Euroclear or Clearstream, Euroclear or Clearstream, as the case may be, (A) is closed for business for a continuous period of 14 days (other than by reason of statutory or other holidays), or (B) announces an intention permanently to cease business or does in fact do so;

- there shall have occurred and be continuing an Event of Default with respect to the notes; or

- a request for certificates has been made upon 60 days' prior written notice given to the note agent in accordance with DTC's customary procedures and a copy of such notice has been received by the Issuer from the note agent.

Further, in no event will Temporary Regulation S Global Notes be exchanged for notes in certificated form prior to the expiration of the Restricted Period and receipt by the note registrar of any certificates required pursuant to Regulation S. In all cases, certificated notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures). Any certificated notes issued in exchange for an interest in a Global Note will bear the legend restricting transfers that is borne by such Global Note. Any such exchange will be effected only through the DWAC System and an appropriate adjustment will be made in the records of the Security Register to reflect a decrease in the principal amount of the relevant Global Note.

Exchanges of Certificated Notes for Book-Entry Notes

Notes in certificated form may not be exchanged for beneficial interests in any Global Note unless such exchange complies with Rule 144A, in the case of an exchange for an interest in the Restricted Global Note, or Regulation S or (if available), Rule 144, in the case of an exchange for an interest in the Regulation S Global Note. In addition, in connection with any such exchange and transfer, the note agent must have received on behalf of the transferor a Restricted Global Note Certificate or a Regulation S Global Note Certificate, as applicable. Any such exchange will be effected through the DWAC System and an appropriate adjustment will be made in the records of the Security Register to reflect an increase in the principal amount of the relevant Global Note.

Global Notes

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them from time to time. The Issuer and the guarantors take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

Upon the issuance of the Temporary Regulation S Global Notes, the Regulation S Global Notes and the Restricted Global Notes, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Notes to the accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants), and the records of participants (with respect to interest of persons other than participants).

As long as DTC, or its nominee, is the registered Holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner and Holder of the notes represented by such Global Note for all purposes under the indenture and the notes. Except in the limited circumstances described above under "—Exchanges of Book-Entry Notes for Certificated Notes," owners of beneficial interests in a Global Note will not be entitled to have any portions of such Global Note registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and will not be considered the owners or Holders of the Global Note (or any notes presented thereby), under the indenture or the notes. In addition, no beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the indenture referred to herein and, if applicable, those of Euroclear and Clearstream). In the event that owners of beneficial interests in a Global Note become entitled to receive notes in definitive form, such notes will be issued only in registered form in denominations of U.S. and integral multiples thereof.

Investors may hold their interests in the Temporary Regulation S Global Notes and the Regulation S Global Notes through Clearstream or Euroclear, if they are participants in such systems, or indirectly through organizations which are participants in such systems. After the expiration of the Restricted Period (but not earlier), investors may also hold their interests in the Regulation S Global Notes through organizations other than Clearstream and Euroclear that are participants in the DTC system. Clearstream and Euroclear will hold interests in the Temporary Regulation S Global Notes and the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which, in turn, will hold such interests in the Temporary Regulation S Global Notes and the Regulation S Global Notes in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in the Restricted Global Notes directly through DTC, if they are participants in such system, or indirectly through organizations (including Euroclear and Clearstream), which are participants in such system. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear and Clearstream may also be subject to the procedures and requirements of such system.

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Payments of the principal of and interest on Global Notes will be made to DTC or its nominee as the registered owner thereof. Neither the Issuer, the note agent nor any of their respective agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Except for trades involving only Euroclear or Clearstream, beneficial interests in the Global Notes will trade in DTC's Same-Day Funds Settlement System, and secondary market trading activity in such interests will therefore settle in immediately available funds. The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note representing any notes held by it or its nominee, will immediately credit participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of such Global Notes for such notes as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with

securities held for the accounts of customers registered in "street name." Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described above, cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected by DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time), of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream), immediately following the DTC settlement date. Cash received on Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of notes (including the presentation of notes for exchange as described below), only at the direction of one or more participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default (as defined below), under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its participants.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended, and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial ownership interests in the Global Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, the note agent

nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear and Clearstream, their participants or indirect participants of their respective obligations under the rules and procedures governing their operations, including maintaining, supervising or reviewing the records relating to, or payments made on account of, beneficial ownership interests in Global Notes.

Same-Day Settlement and Payment

The Issuer will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, interest and Liquidated Damages, if any), by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. The Issuer will make all payments of principal, interest and premium and Liquidated Damages, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of Certificated Notes or, if no such account is specified, by mailing a check to each such Holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in the PORTAL market and to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, judicial authority and administrative rulings and practice as of the date hereof. The Internal Revenue Service may take a contrary view, and no ruling from the Service has been or will be sought. Legislative, judicial or administrative changes or interpretations may be forthcoming that could alter or modify the following statements and conditions. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences to holders, whose tax consequences could be different from the following statements and conditions. Some holders, including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign corporations and persons who are not citizens or residents of the United States, may be subject to special rules not discussed below. We recommend that each holder consult his own tax advisor as to the particular tax consequences of exchanging such holder's old notes for exchange notes, including the applicability and effect of any state, local or non-U.S. tax law.

Kirkland & Ellis has advised us that the exchange of the old notes for exchange notes pursuant to the exchange offer should not be treated as an "exchange" for federal income tax purposes because the exchange notes should not be considered to differ materially in kind or extent from the old notes. Rather, the exchange notes received by a holder should be treated as a continuation of the old notes in the hands of such holder. As a result, there should be no federal income tax consequences to holders exchanging old notes for exchange notes pursuant to the exchange offer.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account under the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of exchange notes.

This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for old notes if the old senior subordinated notes were acquired as a result of market-making activities or other trading activities.

We and our guarantor subsidiaries have agreed to make this prospectus, as amended or supplemented, available to any broker-dealer to use in connection with any such resale for a period of at least 90 days after the expiration date. In addition, until April 17, 2002, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

Neither we nor our guarantor subsidiaries will receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own accounts under the exchange offer may be sold from time to time in one or more transactions;

- in the over-the-counter market;
- in negotiated transactions;
- through the writing of options on the exchange notes or a combination of such methods of resale;
- at market prices prevailing at the time of resale;
- at prices related to such prevailing market prices; or
- at negotiated prices.

Any resale may be made directly to purchasers or to or through brokers or dealers. Brokers or dealers may receive compensation in the form of commissions or concessions from any broker-dealer or

the purchasers of any such exchange notes. An "underwriter" within the meaning of the Securities Act of 1933 includes:

(1) any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer; or
(2) any broker or dealer that participates in a distribution of such exchange notes.

Any profit on any resale of exchange notes and any commissions or concessions received by any persons may be deemed to be underwriting compensation under the Securities Act of 1933. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933.

Based on interpretations by the staff of the Securities and Exchange Commission in no-action letters issued to third parties, we believe that a holder or other person who receives exchange notes will be allowed to resell the exchange notes to the public without further registration under the Securities Act of 1933 and without delivering to the purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act of 1933. The holder (other than a person that is an "affiliate" of H&E within the meaning of Rule 405 under the Securities Act of 1933) who receives exchange notes in exchange for old notes in the ordinary course of business and who is not participating, need not intend to participate or have an arrangement or understanding with person to participate in the distribution of the exchange notes.

However, if any holder acquires exchange notes in the exchange offer for the purpose of distributing or participating in a distribution of the exchange notes, the holder cannot rely on the position of the staff of the Securities and Exchange Commission enunciated in such no-action letters or any similar interpretive letters. The holder must comply with the registration and prospectus delivery requirements of the Securities Act of 1933 in connection with any resale transaction. A secondary resale transaction should be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act of 1933, unless an exemption from registration is otherwise available.

Further, each broker-dealer that receives exchange notes for its own account in exchange for old notes, where the old notes were acquired by such participating broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of any exchange notes. We and each of our guarantor subsidiaries have agreed, for a period of not less than 90 days from the consummation of the exchange offer, to make this prospectus available to any broker-dealer for use in connection with any such resale.

For a period of not less than 90 days after the expiration date we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests those documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer, including the expenses of one counsel for the holders of the old notes, other than commissions or concessions of any brokers or dealers. We will indemnify the holders of the old notes against liabilities under the Securities Act of 1933, including any broker-dealers.

LEGAL MATTERS

Kirkland & Ellis, New York, New York and Taylor, Porter, Brooks & Phillips L.L.P., Baton Rouge, Louisiana will issue an opinion with respect to the issuance of the exchange notes offered hereby; including:

(1) our existence and good standing under our jurisdiction of incorporation;
(2) our authorization of the sale and issuance of the exchange notes; and
(3) the enforceability of the exchange notes.

EXPERTS

The consolidated financial statements and schedule of H&E Equipment Services L.L.C. (formerly Gulf Wide Industries, L.L.C.) as of December 31, 2001 and for the year then ended, have been included herein in reliance upon the reports of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2001, consolidated financial statements contains an explanatory paragraph that states that the Company's credit agreement expires in August, 2002. This has raised substantial doubt about its ability to continue as a going concern. The consolidated financial statements and financial statement schedule do not include any adjustments that might result from the outcome of that uncertainty.

The consolidated financial statements and schedule of H&E Equipment Services, L.L.C. (formerly Gulf Wide Industries, L.L.C.) as of December 31, 2000 and December 31, 1999, and for the years then ended, have been included herein in reliance upon the reports of Hawthorn, Waymouth & Carroll, L.L.P., independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of ICM Equipment Company L.L.C. and subsidiaries as of December 31, 2001, and for the year then ended, have been included herein and in reliance upon the report of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The consolidated financial statements of ICM Equipment Company L.L.C. and subsidiaries as of December 31, 2000 and for each of the two years in the period ended December 31, 2000, included in this prospectus have been audited by Arthur Andersen LLP, independent public accountants, as stated in their report appearing herein.

AVAILABLE INFORMATION

We are not currently subject to the periodic reporting and other informational requirements of the Exchange Act, as amended. Under the terms of the indenture, we have agreed that, whether or not required by the rules and regulations of the SEC, so long as any securities are outstanding, we will furnish to the trustee and the holders of notes (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K, if we were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes our financial condition and results of operations and our consolidated subsidiaries and, with respect to the annual information only, a report thereon by our certified independent accountants and (ii) all current reports that would be required to be filed with the SEC on Form 8-K if we were required to file such reports. In addition, whether or not required by the rules and regulations of the SEC, we will file a copy of all such information and reports with the SEC for public availability (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. In addition, we have agreed that, for so long as any securities remain outstanding, we will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Under the indenture governing the notes we are required to file with the trustee annual, quarterly and other reports after we file these reports with the Securities and Exchange Commission. Annual reports delivered to the trustee and the holders of exchange notes will contain financial information that has been examined and reported upon, with an opinion expressed by an independent public accountant. We will also furnish such other reports as may be required by law.

Information contained in this prospectus contains "forward-looking statements" which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or other similar terminology, or by discussions of strategy. Our actual results could differ materially from those anticipated by such forward-looking statements as a result of factors described in the "Risk Factors" beginning on page [ ] and elsewhere in this prospectus.

The market and industry data presented in this prospectus are based upon third-party data. While we believe that such estimates are reasonable and reliable, estimates cannot always be verified by information available from independent sources. Accordingly, readers are cautioned not to place undue reliance on such market share data.

INDEX TO FINANCIAL STATEMENTS

	Page
Consolidated Financial Statements of H&E Equipment Services	
Independent Auditors' Report	F-2
Independent Auditor's Report	F-3
Consolidated Balance Sheets—December 31, 2000 and 2001	F-4
Consolidated Statements of Operations for the years ended December 31, 1999, 2000 and 2001	F-5
Consolidated Statements of Members' Equity (Deficit) for the years ended December 31, 1999, 2000 and 2001	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 1999, 2000 and 2001	F-7
Notes to Consolidated Financial Statements	F-8
Condensed Consolidated Balance Sheets as of June 30, 2002 (unaudited)	F-24
Condensed Consolidated Statements of Operations for the six months ended June 30, 2001 and 2002 (unaudited)	F-25
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2001 and 2002 (unaudited)	F-26
Notes to Condensed Consolidated Financial Statements (unaudited)	F-28
Consolidated Financial Statements of ICM	
Independent Auditors' Report	F-38
Consolidated Balance Sheets—December 31, 2001 and March 31, 2002 (unaudited)	F-39
Consolidated Statements of Operations for the year ended December 31, 2001 and for the three months ended March 31, 2001 and 2002 (unaudited)	F-40
Consolidated Statements of Members' Deficit for the year ended December 31, 2001 and for the three months ended March 31, 2002 (unaudited)	F-41
Consolidated Statements of Cash Flows for the year ended December 31, 2001 and for the three months ended March 31, 2001 and 2002 (unaudited)	F-42
Notes to Consolidated Financial Statements (unaudited)	F-43
Report of Independent Public Accountants	F-57
Consolidated Balance Sheet—December 31, 2000	F-58
Consolidated Statements of Operations for the years ended December 31, 1999 and 2000	F-59
Consolidated Statements of Members' Equity (Deficit) for the years ended December 31, 1999 and 2000	F-60
Consolidated Statements of Cash Flows for the years ended December 31, 1999 and 2000	F-61
Notes to Consolidated Financial Statements	F-63

Independent Auditors' Report

The Board of Directors
H&E Equipment Services L.L.C. (formerly Gulf Wide Industries L.L.C.):

We have audited the accompanying consolidated balance sheet of H&E Equipment Services L.L.C. (formerly Gulf Wide Industries L.L.C. and subsidiary) (the Company) as of December 31, 2001, and the related consolidated statements of operations, members' equity (deficit) and cash flows for the year ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of H&E Equipment Services L.L.C. as of December 31, 2001, and the results of their operations and their cash flows for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company's credit agreement expires in August 2002. This has raised substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty

KPMG LLP

New Orleans, Louisiana
April 12, 2002

February 21, 2001

Independent Auditor's Report

To the Members

H&E Equipment Service L.L.C.

Baton Rouge, Louisiana

Gentlemen: We have audited the accompanying consolidated balance sheet of

H&E Equipment Service L.L.C. (formerly Gulf Wide Industries, L.L.C. and Subsidiary)

Baton Rouge, Louisiana

as of December 31, 2000, and the consolidated statements of operations, members' equity (deficit) and cash flows for the years ended December 31, 2000 and December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of H&E Equipment Service L.L.C., as of December 31, 2000, and the results of their operations and their cash flows for the years ended December 31, 2000 and December 31, 1999, in conformity with accounting principles generally accepted in the United States of America.

Yours truly,
Hawthorn, Waymouth & Carroll, L.L.P.

H&E Equipment Services L.L.C.

Consolidated Balance Sheets

(Dollars in thousands, except units)

	December 31	
	2000	2001
Assets		
Cash and cash equivalents	$ 1,627	$ 4,322
Accounts receivable, net of allowance for doubtful accounts of $708 ($708 in 2000)	39,570	37,819
Inventory	42,227	31,645
Prepaid expenses and other assets	434	2,316
Rental equipment, net of accumulated depreciation of $58,805 ($61,977 in 2000)	147,228	195,701
Property and equipment, net of accumulated depreciation of $8,673 ($7,106 in 2000)	12,204	13,444
Goodwill, net of amortization	3,454	3,204
Total assets	$ 246,744	$ 288,451

Liabilities and Members' Equity (Deficit)		
Liabilities:		
Line of credit	$ 177,023	$ 181,714
Accounts payable	38,394	44,234
Notes payable	2,000	3,424
Subordinated debt to related parties	27,574	—
Capital leases	—	11,194
Accrued expense and other liabilities	10,284	5,264
Deferred income taxes	6,492	11,515
Total liabilities	261,767	257,345
Senior Exchangeable Preferred Units	—	10,392
Senior Subordinated Preferred Units	—	37,424
Preferred Units, Classes A, B, and C	53,075	—
Members' equity (deficit):		
Series A Senior Preferred Units, $1 par value. Liquidation value $1,293. Authorized, issued and outstanding 1,235.229 shares	—	1,235
Junior Preferred Units, $1 par value. Liquidation value $5,157. Authorized, issued and outstanding 5,000 shares	—	5,000
Class A Common Stock, $.01 par value. Authorized, issued and outstanding 115,152.8 shares (196,096.8 in 2000)	1,961	1,152
Class B Common Stock, $.01 par value. Authorized, issued and outstanding 115,152.8 shares	—	1,152
Additional paid-in-capital	3,000	50,090
Retained earnings (deficit)	(73,059)	(75,339)
Total members' equity (deficit)	(68,098)	(16,710)
Commitments and contingencies		
Total liabilities and members' equity	$ 246,744	$ 288,451

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

H&E Equipment Services L.L.C.

Consolidated Statements of Operations

(Dollars in thousands)

	Years Ended December 31		
	1999	2000	2001
Sales:			
Equipment	$ 119,500	$ 104,747	$ 143,579
Equipment rentals	53,357	70,625	99,229
Parts	30,328	34,435	36,524
Service	13,949	16,553	19,793
Other	3,532	5,455	7,066
Total sales	220,666	231,815	306,191
Cost of sales:			
Equipment	102,663	91,178	127,526
Rental depreciation	26,639	28,629	30,004
Parts	22,144	25,846	27,076
Service	6,662	7,139	8,106
Sales expense	602	1,133	1,294
Rental expense	5,895	10,916	23,154
Other	8,030	10,141	13,275
	172,635	174,982	230,435
Gross profit from sales	48,031	56,833	75,756
Selling, general and administrative expenses	34,045	44,567	52,687
Gain/(Loss) on sale of assets	952	—	46
Income from operations	14,938	12,266	23,115

Other income (expense):			
Interest income	119	114	58
Interest expense	(17,711)	(22,909)	(17,995)
Other	158	73	98
	(17,434)	(22,722)	(17,839)
Net income (loss) before income taxes	(2,496)	(10,456)	5,276
Income tax expense (benefit)	(153)	(3,123)	1,648
Net income (loss)	$ (2,343)	$ (7,333)	$ 3,628

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

H&E Equipment Services L.L.C.

Consolidated Statements of Members' Equity (Deficit)

(Dollars in thousands)

	Series A Senior Preferred	Junior Preferred	Class A Common	Class B Common	Additional Paid-in-Capital	Retained Earnings (Deficit)	Total Members' Equity (Deficit)
January 1, 1999	$ —	$ —	$ —	$ —	$ —	$ 18,748	$ 18,748
Net loss	—	—	—	—	—	(2,343)	(2,343)
Redemption of common stock from shareholders and issuance of new securities	—	—	1,961	—	—	(72,095)	(70,134)
Beneficial conversion feature					3,000	—	3,000
Accretion of liquidation value on Preferred Units outside of equity	—	—	—	—	—	(3,595)	(3,595)
December 31, 1999	—	—	1,961	—	3,000	(59,285)	(54,324)
Net loss	—	—	—	—	—	(7,333)	(7,333)
Accretion of liquidation value on Preferred Units outside of equity	—	—	—	—	—	(6,441)	(6,441)
December 31, 2000	—	—	1,961	—	3,000	(73,059)	(68,098)
Net income	—	—	—	—	—	3,628	3,628
Accretion of liquidation value on Preferred Units outside of equity	—	—	—	—	—	(4,379)	(4,379)
Recapitalization and issuance of new securities	1,235	5,000	(809)	1,152	47,090	—	53,668
Accretion of liquidation value on Preferred Units outside of equity	—	—	—	—	—	(1,529)	(1,529)
December 31, 2001	$ 1,235	$ 5,000	$ 1,152	$ 1,152	$ 50,090	$ (75,339)	$ (16,710)

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

H&E Equipment Services L.L.C.

Consolidated Statements of Cash Flows

(Dollars in thousands)

	Years Ended December 31,		
	1999	2000	2001
Cash flows from operating activities:			
Net income (loss)	$ (2,343)	$ (7,333)	$ 3,628
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation on property and equipment	1,459	1,668	1,909
Depreciation on rental equipment	26,639	28,629	30,004

Amortization of goodwill	233	244	250
Amortization of beneficial conversion feature	1,750	1,250	—
Gain on sale of property and equipment	(953)	—	(46)
Gain on sale of rental equipment	(6,240)	(5,961)	(7,431)
Deferred taxes	1,139	(3,115)	2,004
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	6,101	(12,233)	1,751
Inventory	(24,087)	(16,028)	(2,632)
Prepaid expenses and other assets	(949)	747	(1,882)
Accounts payable	(12,961)	(7,501)	(366)
Accrued expenses	1,795	5,045	2,926
Net cash provided by (used in) operating activities	(8,417)	(14,588)	30,115
Cash flows from investing activities:			
Purchase of property and equipment	(1,095)	(2,331)	(3,251)
Purchase of rental equipment	(53,014)	(25,639)	(78,313)
Proceeds from sale of property and equipment	1,310	7	148
Proceeds from sale of rental equipment	29,494	44,471	43,570
Purchase of Coastal Equipment, net of cash acquired	(2,340)	(256)	—
Net cash (used in) provided by investing activities	(25,645)	16,252	(37,846)
Cash flows from financing activities:			
Proceeds from issuance of Preferred Units	28,148	—	—
Proceeds from issuance of Convertible Subordinated Notes	6,987	—	—
Proceeds from issuance of Class A Common Stock	1,151	—	—
Payments to Shareholders	(36,287)	—	—
Proceeds from issuance of Senior Exchangeable Preferred Units	—	—	10,000
Increase (decrease) in line of credit	44,543	(1,824)	4,691
Principal payments on notes payable, net	(9,604)	(888)	(653)
Capital lease payments	—	—	(3,612)
Net cash provided by (used in) financing activities	34,938	(2,712)	10,426
Net increase (decrease) in cash and cash equivalents	876	(1,048)	2,695
Cash and cash equivalents, beginning of year	1,799	2,675	1,627
Cash and cash equivalents, end of year	$ 2,675	$ 1,627	$ 4,322
Supplemental schedule of noncash investing and financing activities:			
Noncash asset purchases:			
New and used assets financed	$ —	$ —	$ 6,205
Rental equipment financed under capital lease	—	—	14,806
New inventory financed	—	—	2,077
Assets transferred from new and used inventory to rental fleet	20,273	20,709	15,291
Subordinated debt for equity interest	20,587	—	—
Equity redemption issued in preferred and common units	15,700	—	—
Capitalization of BRS transaction costs	3,200	—	—
Conversion of debt to equity under a recapitalization agreement	—	—	44,202
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	11,715	17,937	14,781
Income taxes	50	—	125

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

H&E Equipment Services L.L.C.

Notes to Consolidated Financial Statements

(1) Significant Accounting Policies

(a) Operations and Change in Control

H&E Equipment Services L.L.C. (formerly Gulf Wide Industries, L.L.C.) is a holding company for its wholly-owned subsidiary, Head & Engquist Equipment, L.L.C. (collectively, the Company). Head & Engquist Equipment, L.L.C. sells new equipment as a distributor for major equipment manufacturers to a diverse customer base in the southeast and southwest regions of the United States. The Company sells rental and used equipment along with related activities such as the short-term rental of equipment and sales of parts.

The nature of the Company's business is such that short-term obligations are typically met by cash flow generated from long-term assets. Therefore, the accompanying balance sheets are presented on an unclassified basis.

On May 17, 1999, the Company entered into a Recapitalization Agreement (the "Agreement") with BRS Equipment Company II, Inc., a wholly-owned subsidiary of BRSEC Co. Investment II (collectively referred to as "BRS") whereby BRS acquired a controlling interest in the Company from its previous controlling shareholders ("Minority Shareholder Group"). BRS made an equity investment into the Company in the amount of $29.3 million which consisted of (i) $12.8 million of Class A Preferred Units, (ii) $10.2 million of Class B Preferred Units, (iii) $5.1 million of Class C Preferred Units, and (iv) $1.2 million of Class A Common Units. In addition BRS loaned the Company approximately $7.0 million in the form of a 12% convertible subordinated note, convertible into preferred and common units (see Note 10). The Company used the proceeds from the BRS equity investment and notes to pay $36.3 million in cash as recapitalization consideration to the Minority shareholder Group.

The sources and uses of funds related to the recapitalization are set forth as follows (in millions of dollars):

Sources of Funds:	
Class A Preferred Units	$ 12.8
Class B Preferred Units	10.2
Class C Preferred Units	5.1
Class A common units	1.2
Convertible Subordinated Notes	7.0
Cash consideration	$ 36.3
Use of Funds:	
Recapitalization consideration	$ 36.3

As part of the Agreement, the Minority Shareholder Group was issued $6.8 million in Class A Preferred Units, $5.4 million in Class B Preferred Units, $2.7 million in Class C Preferred Units and $0.8 million in Class A Common Stock. All prior common stock of the Company was cancelled.

The Minority Shareholder Group was also issued a $20.6 million convertible subordinated note. Immediately after these transactions, BRS had a 58.6% voting interest and the Minority Shareholder Group had the remaining 41.5%. The BRS investment has been accounted for as a recapitalization in the accompanying consolidated financial statements and, as such, has no impact on the historical basis

of accounting. Approximately $3.2 million of costs incurred by BRS in the transaction have recorded in the recapitalization account in members' equity.

(b) Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the accounts of H&E Equipment Services L.L.C. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Revenue Recognition

Revenue from sales of equipment, parts and supplies is recognized when title transfers to the customer. Revenues from service fees are recognized on the completed contract method, as contracts are short term in duration. Service revenues and related cost of services are deferred until the period that the service is completed. Losses, if any, are recognized in the period when reasonably estimable. Revenues from the sale of extended warranties are amortized over the estimated term of the warranties, generally two to three years. Revenues from extended warranties to be amortized beyond one year are classified as deferred revenue. Incremental costs directly related to the provision of such warranties are deferred and charged to expense proportionately as the revenues are recognized. Any remaining warranty costs relating to actual claims made, are recognized when incurred.

Rental agreements are primarily structured as short-term operating leases and rental revenue is recognized in the period in which it is earned.

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

(f) Inventories

Parts and supplies are stated at an average cost and is net of a reserve for obsolescence of $291,000 and $533,000 at December 31, 2000 and 2001, respectively. New and used equipment is stated at the lower of cost or market by specific identification.

(g) Rental Equipment

Rental equipment is recorded at cost. Depreciation of rental equipment is computed using the straight-line method for book purposes over the useful lives of the underlying assets, ranging from 3 to 10 years.

Expenditures for additions or improvements that extend asset lives are capitalized in the period incurred. Expenditures for normal repairs and maintenance are expensed as incurred. When rental

equipment is sold or disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the determination of income.

(h) Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method for book purposes over the estimated useful lives of the underlying assets, ranging from 5 to 39 years.

Expenditures for additions or improvements that extend asset lives are capitalized in the period incurred. Normal repairs and maintenance costs are expensed as incurred. When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the determination of income.

(i) Warranties

Estimated warranty costs are recorded in cost of sales at the time of sale of the warranted products based on historical warranty experience for the related product or estimates of projected losses due to specific warranty issues on new products. These estimates are reviewed periodically and are adjusted based on changes in facts, circumstances, or actual experience.

(j) Goodwill

Intangible assets represents goodwill which is the excess of the cost of the companies acquired over the fair value of their net assets at the dates of acquisition and is being amortized on the straight-line method over 40 years.

(k) Accounting for the Impairment of Long-lived Assets

The Company reviews for impairment when events or changes in circumstances indicate that the book value of a long-lived asset may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred that indicate possible impairment. The Company uses an estimate of future undiscounted net cash flows of the related asset over the remaining life in measuring whether assets are recoverable. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. As of December 31, 2000 and 2001, the Company has determined that none of its long-lived assets are impaired.

(l) Income Taxes

Gulf Wide Industries, L.L.C. and Subsidiary, files a consolidated federal income tax return with its wholly owned subsidiary. For purposes of allocating consolidated income taxes, the tax of each entity is computed on a separate return basis and the consolidated income tax is then allocated on the ratio of each separate entity's tax to the total consolidated taxes.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences

are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(m) Advertising

Advertising costs are expensed as incurred and totaled $537,000, $710,000, and $763,000 for the years ended December 31, 1999, 2000 and 2001, respectively.

(n) Shipping and Handling Fees and Costs

The Company has adopted the provisions of Emerging Issue Task Force No. 00-10, "Accounting for Shipping and Handling Fees and Costs." Shipping and handling fees billed to customers as recorded as sales while the related shipping and handling costs are included in cost of goods sold.

(o) Recent Accounting Pronouncements

In June 2001, the FASB issued SFAS No. 141, *Business Combinations*, and SFAS No. 142, *Goodwill and Other Intangible Assets*. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of*. The adoption of SFAS No. 141 as of July 1, 2001 had no impact on the Company's consolidated financial statements.

The Company adopted the provisions of SFAS No. 142 effective January 1, 2002, and does not have goodwill amortization subsequent to December 31, 2001. In connection with the adoption of SFAS No. 142, the Company will assess its goodwill for impairment based upon the new rules and, if necessary, will adjust the carrying value of its goodwill during the second quarter of 2002. For the year ended December 31, 2001, the Company recorded goodwill amortization of $250,000. As of December 31, 2001, the Company had unamortized goodwill of approximately $3,203,000 which will be subject to the transition provisions of SFAS No. 142.

In August 2001, the FASB issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an

impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. SFAS No. 144 requires companies to separately report discontinued operations and extends that reporting to a component of an entity that either has been disposed of (by sale, abandonment, or in a distribution to owners) or is classified as held for sale. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Company adopted SFAS No. 144 on January 1, 2002. The adoption of SFAS No. 144 did not have a material impact on the consolidated financial statements.

(p) Reclassifications

Certain amounts in prior-year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year consolidated financial statements.

(2) Going Concern

The Company's cash requirements consist principally of working capital requirements, scheduled payments of principal and interest on outstanding indebtedness and capital expenditures. These requirements are funded by the Company's line of credit, capital leases and various other financing obligations. Borrowings outstanding at December 31, 2001 under the credit agreement with the CIT group (see note 7), which expires in August 2002, were $181,714,000. The Company is currently exploring various alternatives to meet its cash requirements to meet its short and long-term capital needs, including renegotiation of the credit agreement with CIT, negotiation of a line of credit with other lenders and a senior note offering. While management believes that the existing line of credit can be refinanced, there can be no assurances that the Company will be able to obtain financing on terms agreeable to the Company. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

(3) August 2001 Recapitalization

On August 10, 2001, the Company entered into recapitalization agreement with BRS and the Minority Shareholder Group whereby a further investment was made by BRS into the Company.

BRS contributed $10.0 million in cash in exchange for $10.0 million of newly issued Senior Exchangeable Preferred Units. BRS also contributed its outstanding Class A, B and C Preferred Units, with a cumulative liquidation value of approximately $37.6 million and its $7.0 million par value Convertible Subordinated Note, plus accrued interest in exchange for $36.3 million of newly issued Senior Subordinated Preferred Units.

The Minority Shareholder Group contributed its outstanding Class A, B, and C Preferred Units, with a cumulative liquidation value of approximately $19.9 million, its Class A common units of $0.8 million and its $20.6 million Convertible Subordinated Note in exchange for $1.2 million of newly issued Series A Preferred Units, $5.0 million of Junior Preferred Units and $1.2 million of Class B common stock.

Immediately after these transactions, BRS had 115,152.8 shares of Class A common stock and the Minority Shareholder Group had 115,152.8 shares of Class B common stock. The Class A common stock has 2 for 1 voting rights for every share of Class B common stock. This gave BRS 66.7% voting interest in the Company and the Minority Shareholder Group the remaining 33.3%. The BRS investment and exchanges with the Minority Shareholder Group have been accounted for as a recapitalization in the accompanying consolidated financial statements.

(4) Accounts Receivable

Accounts receivable is summarized as follows (in thousands):

	2000	2001
Trade	$ 36,854	$ 34,302
Unbilled revenue	2,686	3,012
Sales-type leases	392	984
Advances to officers and employees	150	149
Affiliated companies	196	80
	40,278	38,527
Less allowance for doubtful accounts	708	708
	$ 39,570	$ 37,819

Following is a summary of the components of the Company's net investment in sales-type leases.

	2000	2001
Total minimum lease payments to be received	$ 439	$ 1,075
Unearned income	(47)	(91)
	$ 392	$ 984

(5) Inventories

Inventories consisted of the following (in thousands):

	December 31

	2000	2001
New equipment	$ 21,012	$ 9,997
Used equipment	8,894	9,640
Parts, supplies and other	12,321	12,008
	$ 42,227	$ 31,645

(6) Property and Equipment

Property and equipment are as follows (in thousands):

	2000	2001
Land	$ 2,995	$ 2,995
Building and leasehold improvements	5,724	5,881
Construction in progress	13	708
Shop equipment	2,282	3,140
Furniture and fixtures	3,874	4,190
Transportation	4,422	5,203
	19,310	22,117
Less accumulated depreciation	(7,106)	(8,673)
	$ 12,204	$ 13,444

(7) Line of Credit

The Company has an operating line of credit with the CIT Group at December 31, 2001 and 2000. Borrowings under the agreement, which expires August 2002, are secured by receivables, inventory and all other personal property of the Company. The borrowings available to the Company as of December 31, 2001 were approximately $189,000,000. At December 31, 2001, the interest rate is stated at the thirty-day LIBOR plus 350 basis points, which was 5.64%. At December 31, 2000, the interest rate was stated at the thirty-day LIBOR plus 230 basis points, which was 9.12%. All cash receipts are swept nightly against the debt with required daily operating funds advanced as requested.

The agreement includes the financial covenants requiring a minimum net worth, current ratio and a leverage ratio. The agreement also places a restriction on the payment of dividends. As of December 31, 2001, the Company was in compliance with all loan covenants. At December 31, 2000, there was a breach of the minimum net worth covenant. The bank waived this requirement of the agreement as of December 31, 2000. At December 31, 2000 and 2001, the Company had outstanding borrowings of approximately $177,023,000 and $181,714,000, respectively.

(8) Accounts Payable

Accounts payable is summarized as follows (in thousands):

	2000	2001
Trade	$ 9,050	$ 11,083
Floor plans payable	26,137	29,943
Due to BRS	3,207	3,208
	$ 38,394	$ 44,234

Floor plans payable are financing arrangements for inventory and rental equipment. The terms of these arrangements generally include a one to six month reduced interest rate term or deferred payment period. Payment of the floor plans payable generally occurs at the earlier of sale of the equipment or in accordance with the terms of the financing arrangements.

(9) Notes Payable

A summary of notes payable as of December 31, 2001 and 2000 are as follows (in thousands):

	2000	2001
Notes payable to a financial institution maturing through 2004. Principal reductions approximate $21 a month plus interest ranging from 4.75% to 7.63% at December 31, 2001, and 7.63% to 9.5% at December 31, 2000. Notes are collateralized by real estate.	$ 1,755	$ 1,504
Notes payable to suppliers maturing through 2005. Payable in monthly installments of approximately $26. Interest is at 2.9%. Notes are collateralized by equipment.	245	1,817
Notes payable to finance companies maturing through 2005. Payable in monthly installments of $3. Interest ranges from 9.5% to 10.5%. Notes are collateralized by equipment.	—	103
	$ 2,000	$ 3,424

Maturities of notes payable for each of the next five years ending December 31, are as follows (in thousands):

2002	$ 1,773
2003	348
2004	1,225
2005	75
2006	3
	$ 3,424

(10) Subordinated Debt to Related Parties

As of December 31, 2000, the Company owed $27,574,000 to its members in 12% unsecured subordinated notes due February 4, 2005, of which $20,587,000 consisted of Series A notes and $6,987,000 consisted of Series B notes. These notes were exchanged in connection with the August 10, 2001 recapitalization agreement. See Note 3 for additional details.

The Notes were mandatorily redeemable upon a public offering and sale of debt of securities of at least $100.0 million. They earned interest at 12% per annum, with interest being cumulative. The notes also carried a voluntary conversion feature whereby, during a period from June 1, 2000 and ending on August 31, 2000, any holder of the Notes could convert all (and not less than all) of the Notes into both (i) an aggregate amount of Class A, B and C Preferred Units in a dollar amount that would equal the dollar value of the Notes converted and (ii) a number of Class A common units based on a formula as specified in the May 1999 Agreement. If BRS had exercised their conversion, it would have resulted in their receipt of an additional 134,000 shares of Class A common stock. If the Minority Shareholder Group had exercised its conversion, it would have resulted in its receipt of an additional 169,000 of Class A common stock. The conversion feature of the Notes has been accounted for as a beneficial conversion feature under EITF 98-5 "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios." The value of the conversion feature was approximately $3.0 million and was recorded as a discount to the Notes and amortized to interest expense over the period to the initial exerciseability of the conversion feature.

(11) Convertible and Preferred Securities

(a) Preferred Units

In connection with the May 17, 1999 recapitalization Agreement, the Company issued the following preferred stocks (collectively referred to as the "Preferred Units"):

- $1,000 par, Class A preferred units, 19,563.319 shares
- $1,000 par, Class B preferred units, 15,650.655 shares
- $1,000 par, Class C preferred units, 7,825.328 shares

The Class A, B and C Preferred Units include a liquidation value of 13%, 13.5% and 14%, respectively which is compounded semi-annually from their issuance date. The liquidation value is to include the par value plus any accreted value to be paid under the terms Agreement. The Preferred Units can be redeemed at the discretion of the Company's board of directors. Because the Company's board of directors is subject to voting control of BRS, and BRS is the holder of a portion of the

Preferred Units, the carrying value of the Preferred Units is classified outside of members' equity in the accompanying consolidated financial statements.

The total liquidation value of all outstanding Preferred Units was redeemed at the time of the August 10, 2001 recapitalization of the Company.

(b) Senior Exchangeable Preferred Units

In connection with the August 10, 2001 recapitalization, BRS purchased for $10.0 million in cash 10,000 units of $1,000 par value Senior Exchangeable Preferred Units. These units include a 10% liquidation value compounded semi-annually from their issuance date. The liquidation value is to include the par value plus any accreted value to be paid. At any time prior to July 31, 2006, the holders of the Senior Exchangeable Preferred Units may exchange any part of the liquidation value of these units into a senior subordinated promissory note of either the Company or its subsidiary, at the election of the holder. Any such senior subordinated promissory note shall have a maturity date of July 31, 2006, shall have an interest rate of 10% per annum, with interest payable in kind or in cash, and shall be subordinated to the Company's Senior Debt Facility with CIT.

Any liquidation value related to the Senior Exchangeable Preferred Units outstanding as of July 31, 2006 shall be distributed in cash to the holders of those units. As the redemption of the Senior Exchangeable Preferred Units is outside of the control of the Company, they have been classified outside of members' equity in the accompanying consolidated financial statements. The difference between the carrying value and liquidation value is accreted through periodic charges to retained earnings.

(c) Senior Subordinated Preferred Units

In connection with the August 10, 2001 recapitalization, the Company issued 36,286.902 shares of $1,000 par value Senior Subordinated Preferred Units. These units include an 8% liquidation value compounded semi-annually from their issuance date. The liquidation value is to include the par value plus any accreted value to be paid under the terms Agreement. The Senior Subordinated Preferred Units can be redeemed at the discretion the Company's board of directors. The Company's board of directors is subject to voting control of BRS, who have voting control of the Company. As such, the Senior Subordinated Preferred Units are classified outside of members' equity in the accompanying consolidated financial statements. The difference between the carrying value and the liquidation value is accreted through periodic charges to retained earnings.

(d) Series A Senior Preferred Units

In connection with the August 10, 2001 recapitalization, the Company issued 1,235.229 shares of $1,000 par value Senior Series A Preferred Units. These units include a 12% liquidation value compounded semi-annually from their issuance date. The liquidation value is to include the par value plus any accreted value to be paid under the terms Agreement. These units can be redeemed at the discretion of the Company's board of directors.

(e) Junior Preferred Units

In connection with the August 10, 2001 recapitalization, the Company issued 5,000 shares of $1,000 par value Junior Preferred Units. These units include an 8% liquidation value compounded semi-annually from their issuance date. The liquidation value is to include the par value plus any

accreted value to be paid under the terms Agreement. These units can be redeemed at the discretion of the Company's board of directors.

The Series A Senior Preferred Units and the Junior Preferred Units are held by the Minority Shareholders and are included in members' equity.

(12) Capital Leases

The Company is the lessee of various equipment under capital leases expiring in various years through 2004. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are amortized over estimated productive lives. Amortization of assets under capital leases is included in depreciation expense.

Following is a summary of assets held under capital leases at December 31, 2001 (in thousands):

Rental equipment	$ 14,791
Data processing equipment	28
	14,819
Less accumulated amortization	(1,298)
	$ 13,521

Minimum future lease payments under capital leases as of December 31, 2001 for each of the next three years is as follows (in thousands):

2002	$ 4,795
2003	4,793
2004	2,962
Total minimum lease payments	12,550
Less amount representing interest	(1,356)
Total present value of minimum payments with interest ranging from 5% to 9.5%	$ 11,194

(13) Income Taxes

Income tax expense (benefit) for the years December 31, 1999, 2000 and 2001 consists of (in thousands):

	Current	Deferred	Total
Year ended December 31, 1999:			
U.S. Federal	$ (997)	$ 862	$ (135)
State	(132)	114	(18)
	$ (1,129)	$ 976	$ (153)
Year ended December 31, 2000:			
U.S. Federal	$ —	$ (2,758)	$ (2,758)
State	—	(365)	(365)
	$ —	$ (3,123)	$ (3,123)
Year ended December 31, 2001:			
U.S. Federal	$ —	$ 1,770	$ 1,770
State	(356)	234	(122)
	$ (356)	$ 2,004	$ 1,648

Significant components of the Company's deferred tax liability as of December 31, 2000 and 2001 are as follows (in thousands):

	2000	2001
Assets:		
Accounts receivable	$ 273	$ 269
Inventory	464	526

Net operating losses	16,338	13,287
AMT credit	832	832
Other assets	355	349
Total assets	18,262	15,263
Liabilities:		
Plant and equipment	(24,754)	(26,711)
Other	—	(67)
Total liabilities	(24,754)	(26,778)
	$ (6,492)	$ (11,515)

The difference between income taxes computed using statutory federal income tax rates and the effective corporate rates are as follows (in thousands):

	1999	2000	2001
Computed tax at statutory rates	$ (848)	$ (3,555)	$ 1,794
Nondeductible expenses	209	133	240
State income tax—net of federal tax effect	(12)	(241)	(80)
Beneficial conversion feature	595	425	—
Other	(97)	115	(306)
	$ (153)	$ (3,123)	$ 1,648

At December 31, 2000 and 2001, the Company has available net operating loss carryforwards of approximately $35,400,000 for income tax purposes which expire from tax years 2018 - 2020. The Company also has federal alternative minimum tax credit carryforwards at December 31, 2001 and 2000 of approximately $832,000 which do not expire.

There was no valuation allowance for deferred tax assets at December 31, 2000 or 2001. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences.

(14) Fair Values of Financial Instruments

Disclosure of fair value information about certain financial instruments, whether or not recognized in the balance sheets, for which it is practicable to estimate that value is required by Financial Accounting Standards Board Statement (SFAS) No. 107, Disclosures About Fair Value of Financial Instruments. The following methods and assumptions were used in estimating fair values.

(a) Cash and Cash Equivalents

The carrying amount reported in the balance sheets approximate fair value.

(b) Accounts Receivable, Sale Type Leases and Accounts Payable

The carrying amounts of accounts receivable, sale type leases and accounts payable in the balance sheets approximate their fair values.

(c) Short-Term and Long-Term Debt

The carrying amounts of the Company's borrowings as well as all short-term borrowings, approximate their fair values.

(15) Commitments and Contingencies

(a) Operating Leases—Building

The Company leases various office space under operating leases expiring in various years through 2016. Rent expense on these leases was $2,500,000, $1,882,000, and $1,186,000 for 2001, 2000, and 1999, respectively. Minimum future rental payments under non-cancelable operating leases are as follows (in thousands):

2002	$ 1,829
2003	1,305
2004	1,226
2005	1,058
2006	854
Thereafter	4,962
	$ 11,234

(b) Operating Leases—Equipment

The Company leases various equipment under leases expiring in various years through 2005. Equipment expense on these leases was approximately $254,000, $4,104,000, and $15,840,000 for 1999, 2000, and 2001, respectively. Minimum future equipment payments under non-cancelable leases are as follows (in thousands):

2002	$ 13,789
2003	11,367
2004	9,788
2005	9,161
2006	8,329
Thereafter	4,673
	$ 57,107

In July 2000, a complaint was filed in the General Court of Justice, Superior Court Division, State of North Carolina, County of Mecklenburg under the caption Sunbelt Rentals, Inc. v. Head & Engquist Equipment, L.L.C. ("H&E"), d/b/a H&E Hi-Lift, et al. The complaint was filed by a competitor of H&E, BPS Equipment, which was acquired by the plaintiff in June 2000, against H&E, Robert W. Hepler, an officer and director, and other employees of H&E. The complaint alleges, among other things, breach of fiduciary duty, misappropriation of trade secrets, unfair trade practices, interference with prospective advantage and civil conspiracy, in connection with the start-up of H&E's Hi-Lift division in January 2000 and the hiring of former employees of BPS Equipment. The complaint seeks, among other things, an order which enjoins the defendants from using BPS Equipment's trade secrets, awards unspecified compensatory and punitive damages to the plaintiff as well as awarding the plaintiff's costs and attorneys' fees.

The Company is also subject to ongoing legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the company.

(16) Related-Party Transactions

The Company purchased insurance from an insurance agency, related through common ownership, for $2,407,000, $1,657,000, and $2,017,000 for the years ended December 31, 1999, 2000 and 2001, respectively.

The Company owes companies related through common ownership $3,207,000 at December 31, 2000 and 2001. Head & Engquist had no sales transactions with this affiliated company during the year.

The Company rented land and buildings for $547,000, $533,000, and $471,000 for the years ended December 31, 1999, 2000, and 2001, respectively, from partnerships and joint ventures related to the Company through common ownership.

The Company rented equipment from an officer for $126,000 and $462,000 for the years ended December 31, 2000 and 2001, respectively. The equipment was purchased from the officer for $3,000,000 during 2001.

The Company has a management agreement with a company related through common ownership, payable in the greater of $500,000 or 1% of EBITDA The total paid for the years ended December 31, 2000 and 2001, was $500,000 and $530,000, respectively.

Effective June 29, 1999, the Company entered into a consulting and non-competition agreement with a former stockholder of the Company for $3,000,000, payable in monthly installments of $25,000 per month. The total amount paid for the years ended December 31, 1999, 2000, and 2001, was $150,000, $300,000, and $300,000, respectively.

The Company was owed $143,000 at December 31, 2000, by a company related through common ownership.

The Company has consulting and noncompetition agreements with two former stockholders of Coastal Equipment, Inc., for $1,000,000, payable in four annual installments of $250,000 beginning March 1, 2000.

During the year ended December 31, 2000 and 2001, the Company paid approximately $202,000 and $206,000, respectively, in fees to charter aircraft owned by a company related through common ownership. The Company is owed approximately $53,000 and $80,000 as of December 31, 2000 and 2001, respectively.

(17) Retirement Savings Plan

The Company has a defined contribution plan which includes both a profit-sharing and a 401 (k) provision. The plan covers all employees that are 21 or older. Management makes an annual determination as to whether the profit-sharing provision will be funded. No contributions were made to the profit-sharing plan in 2001 or 2000. The employer matches 25% of the employee's deferral, not to exceed 6% of the employee's compensation under the 401 (k) provision. The Company made matching contributions of $123,000, $212,000, and $250,000 during 1999, 2000, and 2001, respectively.

(18) Segments

The Company has identified five reportable segments under SFAS No. 131; new equipment sales, used equipment sales, equipment rentals, sales of parts and services. These segments are based upon how management of the Company allocates resources and assesses performance. The accounting policies of each segment are the same as those described on a consolidated Company basis in Note 1.

There were no sales between segments for any of the periods presented. The Company does not compile discrete financial information by its segments other than the information presented below. The following table presents information about the Company's reportable segments (in thousands).

	Year Ended December 31,		
	1999	2000	2001
Sales:			
New equipment sales	$ 76,703	$ 53,345	$ 84,138
Used equipment sales	42,797	51,402	59,441
Equipment rentals	53,357	70,625	99,229
Parts	30,328	34,435	36,524
Services	13,949	16,553	19,793
Total segmented revenues	217,134	226,360	299,125
Non-segmented revenues	3,532	5,455	7,066
Total revenues	$ 220,666	$ 231,815	$ 306,191
Gross profit from sales:			
New equipment sales	$ 8,275	$ 5,436	$ 6,696
Used equipment sales	7,959	7,000	8,062
Equipment rentals	20,824	31,080	46,071
Parts	8,184	8,589	9,448
Services	7,287	9,414	11,688
Total gross profit from sales	52,529	61,519	81,965
Non-segmented gross (loss)	(4,498)	(4,686)	(6,209)
Total gross profit	$ 48,031	$ 56,833	$ 75,756

	Years Ended December 31,		
	1999	2000	2001
Segment identified assets:			
Equipment sales	$ 34,852	$ 29,907	$ 19,637
Equipment rentals	168,018	147,228	195,701
Parts	12,055	12,320	12,008
Services	—	—	—
	214,925	189,455	227,346
Non-segment identified assets	46,185	57,289	61,105
Total assets	$ 261,110	$ 246,744	$ 288,451

The Company operates only in U.S. markets and had no international sales for any of the periods presented. No one customer accounted for more than 10% of the Company's sales on an overall or segment basis for any of the periods presented.

(19) Concentration of Credit Risk

Concentration of credit risk with respect to accounts receivable is limited due to the wide variety of customers and markets in which the Company's products are sold, as well as their dispersion across different geographic areas. As a result, at December 31, 2000 and 2001, the Company does not consider itself to have a significant concentration of credit risk.

While the Company believes that the equipment required from its suppliers is presently available in quantities sufficient to meet demand, the failure of a significant supplier not to deliver on a timely basis could adversely affect the Company's future results of operations.

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the $100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash and cash equivalents, to minimize this potential risk.

(20) Letter of Credit

The Company had outstanding letters of credit in the amount of $950,000 as of December 31, 2000 and 2001.

CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

	June 30, 2002
	(In thousands)
ASSETS	
Cash and cash equivalents	$ 8,392
Accounts receivable, net	69,312
Inventories	49,682
Rental equipment, net	314,748
Property and equipment, net	18,913
Prepaid expenses and other assets	3,711
Deferred financing costs, net	12,752
Goodwill, net	3,203
Total assets	$ 480,713
LIABILITIES AND MEMBER'S EQUITY	
Liabilities:	
Line of credit	$ 76,617
Accounts payable	84,721
Accrued liabilities	12,249
Deferred compensation	9,760
Notes payable	3,140
Senior secured notes, net of discount	198,529
Senior subordinated notes, net of discount	42,421
Capital lease obligations	13,735
Total liabilities	441,172
Member's equity	39,541
Total liabilities and Member's equity	$ 480,713

See notes to condensed consolidated financial statements.

H&E EQUIPMENT SERVICES L.L.C.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Six Months Ended June 30,	
	2001	2002
	(In thousands)	
Revenues:		
Equipment rentals	$ 48,425	$ 49,882
New equipment sales	27,898	32,457
Used equipment sales	24,629	22,166
Parts sales	18,030	20,312
Service revenues	9,776	11,247
Other	5,318	6,398
Total revenues	134,076	142,462
Cost of Revenues:		
Equipment rentals sales	25,520	29,947
New equipment sales	25,892	29,394
Used Equipment sales	21,025	18,886

Parts sales	13,462	15,159
Service revenues	3,904	4,689
Other	6,724	6,794
Total cost of revenues	96,527	104,869
Gross Profit:		
Equipment rentals	22,905	19,935
New equipment sales	2,006	3,063
Used equipment sales	3,604	3,280
Parts sales	4,568	5,153
Service revenues	5,872	6,558
Other	(1,406)	(396)
Total gross profit	37,549	37,593
Selling, general and administrative expenses	28,220	32,857
Gain on sale of property and equipment	10	29
Income from operations	9,339	4,765
Other income (expense):		
Interest income	40	48
Interest expense	(10,119)	(8,494)
Other, net	88	45
Total other expense	(9,991)	(8,401)
Loss before income taxes	(652)	(3,636)
Benefit for income taxes	(239)	(1,271)
Net loss	$ (413)	$ (2,365)

See notes to condensed consolidated financial statements.

H&E EQUIPMENT SERVICES L.L.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2001	**2002**
	(In thousands)	
Cash Flows from Operating Activities:		
Net loss	$ (413)	$ (2,365)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation on property and equipment	912	1,092
Depreciation on rental equipment	14,442	17,408
Amortization of loan discounts and fees	—	76
Amortization of goodwill	125	—
Provision for losses on accounts receivable	305	176
Gain on sale of property and equipment	(10)	(29)
Gain on sale of rental equipment	(2,884)	(2,273)
Deferred taxes	(691)	(1,306)
Changes in operating assets and liabilities, net of business acquired:		
Accounts receivable	(2,165)	(4,149)
Inventories	(9,255)	(10,645)
Prepaid expenses and other assets	441	(963)
Accounts payable and accrued liabilities	13,772	3,506
Deferred compensation	—	17
Net cash provided by operating activities	14,579	545

Cash Flows from Investing Activities:		
Purchases of rental equipment	(32,226)	(16,545)
Proceeds from sale of rental equipment	17,505	12,362
Purchases of property and equipment	(1,495)	(1,666)
Fair value of equity interest issued, less cash acquired (see Note 2)	—	(2,990)
Proceeds from sale of property and equipment	40	62
Net cash used in investing activities	(16,176)	(8,777)
Cash Flows from Financing Activities:		
Net borrowings under line of credit	3,462	81,900
Repayment of borrowings under credit facilities and notes	(266)	(304,699)
Net proceeds from issuance of senior secured notes	—	198,526
Net proceeds from issuance of senior subordinated notes	—	50,009
Payment of debt financing costs	—	(11,487)
Payments on capital lease obligations	(1,598)	(1,947)
Net cash provided by financing activities	1,598	12,302
Net increase in cash and cash equivalents	1	4,070
Cash and cash equivalents at beginning of period	1,627	4,322
Cash and cash equivalents at end of period	$ 1,628	$ 8,392
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 8,673	$ 10,356
Cash paid for income taxes	—	106
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Assets transferred from new and used inventory to rental fleet	$ 10,210	$ 4,690
Rental equipment financed under capital lease	14,434	4,182
Rental equipment financed under notes payable	476	—
Conversion into members' equity of an amount due to a member	—	$ 3,200
Members' equity issued with the senior subordinated notes (see Note 3)	—	7,600

See notes to condensed consolidated financial statements.

H&E EQUIPMENT SERVICES L.L.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
(Unaudited)

On June 17, 2002, the Company entered into a business combination acquiring substantially all the assets and assuming certain liabilities of ICM Equipment Company L.L.C. (see Note 2). The following table sets forth information relating to the acquisition:

Fair value of assets acquired	$ 184,633
Fair value of equity interest issued	6,633
Liabilities assumed	$ 178,000

See notes to condensed consolidated financial statements.

H&E EQUIPMENT SERVICES L.L.C.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of Presentation

General

H&E Equipment Services L.L.C. (H&E Equipment Services) is a wholly-owned subsidiary of H&E Holdings L.L.C. (H&E Holdings). H&E Holdings is principally a holding company conducting all of its operations through H&E Equipment Services (see Note 2). The consolidated financial statements include the results of operations of H&E Equipment Services and its wholly-owned subsidiaries H&E Finance Corporation, GNE Investments, Inc. and Great Northern Equipment, Inc., collectively referred to herein as the "Company".

H&E Equipment Services is an integrated equipment rental, service and sales company located in the United States with an integrated network of 47 facilities, most of which have full service capabilities, and a workforce that includes a group of service technicians and a separate rental and equipment sales force. In addition to renting

equipment, the Company also sells new and used equipment and provides extensive parts and service support. The Company generates a significant portion of its gross profit from parts sales and service revenues.

The accompanying condensed consolidated financial statements are unaudited and, in the opinion of management, such financial statements reflect all adjustments, consisting only of normal recurring adjustments necessary to present fairly the results of the interim periods presented. Interim financial statements do not require all disclosures normally presented in year-end financial statements prepared in accordance with accounting principles generally accepted in the United States, and, accordingly, certain disclosures have been omitted. Results of operations for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected, for the year ending December 31, 2002.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Recently Issued Accounting Standards

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. The provisions of SFAS No. 142 eliminate the amortization of goodwill and certain intangible assets that are deemed to have indefinite lives and require such assets to be tested for impairment and to be written down to fair value, if necessary. Accordingly, the Company does not have goodwill amortization subsequent to December 31, 2001.

In connection with the adoption of SFAS No. 142, the Company made a preliminary assessment of its goodwill for impairment based upon the new rules during the quarter ended June 30, 2002. Based on the preliminary assessment, it does not appear that the Company will be required to adjust the carrying value of its goodwill. As of June 30, 2002, the Company had net unamortized goodwill of approximately $3.2 million that will continue to be subject to the provisions of SFAS No. 142.

If the provisions of SFAS No. 142 were in effect at January 1, 2001, the following unaudited pro forma financial results for the six months ended June 30, 2001 would have resulted (in thousands).

	Six Months Ended June 30, 2001
Selling, general and administrative	$ 27,970
Income from operations	9,589
Net income (loss)	(163)

For the six months ended June 30, 2001, the Company recorded goodwill amortization of $0.3 million.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This standard addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". The Company adopted SFAS No. 144 on January 1, 2002. The adoption of SFAS No. 144 did not have a material effect on the Company's consolidated financial position or results of operations.

2. Reorganization and Acquisition of ICM Equipment Company L.L.C.

On June 17, 2002, the equity holders of H&E Equipment Services L.L.C. (formerly Gulf Wide Industries L.L.C.) and ICM Equipment Company L.L.C. (ICM Equipment) formed H&E Holdings by executing a Limited Liability Company Agreement of H&E Holdings and by contributing to H&E Holdings all of the outstanding equity securities and certain outstanding subordinated debt of the two companies to the members of H&E Holdings in exchange for certain equity securities of H&E Holdings. Pursuant to a Contribution Agreement and Plan of Reorganization, H&E Holdings contributed all of the outstanding equity securities of ICM Equipment to H&E Equipment Services, consummating the merger and making ICM Equipment a wholly-owned subsidiary of H&E Equipment Services. Head and Engquist L.L.C. is also a wholly-owned subsidiary of H&E Equipment Services.

Pursuant to the Contribution Agreement and Plan of Reorganization, H&E Holdings issued a series of preferred and common units in exchange for all the outstanding stock of ICM Equipment. The acquisition was accounted for under the purchase method of accounting. H&E Equipment Services was considered the acquirer for accounting purposes. The fair value of the equity interests issued by H&E Equipment Services in exchange for ICM Equipment was approximately $6.6 million. Under the purchase method of accounting, the acquired assets and assumed liabilities have been preliminarily recorded at their estimated fair values at the date of acquisition. There was no goodwill or other intangible assets recorded in connection with the transaction. The operating results of ICM Equipment have been included in the accompanying condensed consolidated financial statements from the date of acquisition.

The following table summarizes the purchase accounting (in thousands):

Fair value of assets acquired:	
Cash	$ 3,643
Accounts receivable	27,521
Inventories	12,082
Rental equipment	125,270
Property and equipment	4,966
Deferred tax assets	10,209
Other assets	942
	184,633
Fair value of liabilities assumed:	

Line of credit outstanding borrowings	117,493
Accounts payable and accrued liabilities	50,458
Deferred compensation	9,743
Capital lease obligation	306
	178,000
Fair value of equity interest issued	$ 6,633

The consolidated results of operations data shown below is presented on an unaudited pro forma basis and represents the results of H&E Equipment Services had the business combination occurred at the beginning of the period presented (in thousands):

	Six Months Ended June 30,	
	2001	2002
Revenue	$ 240,800	$ 222,500
Net loss	$ (10,500)	$ (10,600)

The unaudited pro forma net loss for the three and six months ended June 30, 2002 includes a $1.2 million fee for early termination of the Company's previous credit facility (see Note 3) that is included in interest expense in the accompanying historical statements of operations. The unaudited pro forma financial information is presented for informational purposes only and is based upon certain assumptions and estimates, which are subject to change. The results are not necessarily indicative of the operating results that would have occurred had the transaction been consummated at the beginning of the periods presented, nor are they necessarily indicative of future operating results.

3. Refinancing of Debt

In connection with the reorganization of the Company and acquisition of ICM Equipment (see Note 2), the Company issued $200.0 million aggregate principal amount of 11 1/8% senior secured notes and $53.0 million aggregate principal amount of 12 1/2% senior subordinated notes and entered into a new revolving senior credit facility. The senior credit facility is comprised of a $150.0 million revolving

line of credit. The proceeds from the senior secured notes, senior subordinated notes and senior credit facility were used to payoff the existing credit facilities of the two companies which had aggregate outstanding balances of approximately $306.4 million, repay senior subordinated promissory notes of approximately $6.1 million, and pay for transaction fees and expenses of approximately $12.8 million. The deferred transaction costs are being amortized to interest expense over the life of the respective debt to which they relate.

Senior Secured Notes

On June 17, 2002, the Company issued $200.0 million aggregate principal amount of 11 1/8% Senior Secured Notes due 2012. The net proceeds from the sale of the notes were approximately $191.7 million (after deducting the initial purchasers' discount and offering expenses). Interest on the notes will be paid semi-annually on June 15 and December 15 of each year, commencing on December 15, 2002. The notes mature on June 15, 2012 and are guaranteed by the Company's domestic subsidiaries (see Note 5). The notes are secured by junior security interests in substantially all of the assets of H&E Equipment Services. The Company, at its option, may redeem the notes on or after June 15, 2007, at specified redemption prices, which range from 105.563% in 2007 to 100.0% in 2010 and thereafter. In addition, at any time on or prior to June 15, 2005, the Company may redeem up to 35% of the outstanding notes at a redemption price of 111.125% with the net proceeds of certain equity offerings. The indenture governing the notes contains certain restrictive covenants including limitations on (i) additional indebtedness, (ii) restricted payments, (iii) liens and guarantees, (iv) dividends and other payments, (v) preferred stock of subsidiaries, (vi) transactions with affiliates, (vii) sale and leaseback transactions, and (viii) the Company's ability to consolidate, merge or sell all or substantially all of its assets.

Senior Subordinated Notes

On June 17, 2002, the Company issued $53.0 million aggregate principal amount of 12 1/2% Senior Subordinated Notes due 2013. The net proceeds from the sale of the notes were approximately $48.2 million (after deducting the initial purchaser's discount and offering expenses). Interest on the notes will be paid semi-annually on June 15 and December 15 of each year, commencing on December 15, 2002. The notes mature on June 15, 2013 and are guaranteed by the Company's domestic subsidiaries (see Note 5). The notes are senior to all other subordinated debt and are unsecured. The Company, at its option, may redeem the notes on or after June 15, 2007, at specified redemption prices which range from 106.250% in 2007 to 100.0% in 2010 and thereafter. In addition, at any time prior to June 15, 2005, the Company may redeem up to 35% of the outstanding notes at a redemption price of 112.50% with the net proceeds of certain equity offerings. The indenture governing the notes contains certain restrictive covenants including limitations on (i) additional indebtedness, (ii) restricted payments, (iii) liens and guarantees, (iv) dividends and other payments, (v) preferred stock of subsidiaries, (vi) transactions with affiliates, (vii) sale and leaseback transactions, and (viii) the Company's ability to consolidate, merge or sell all or substantially all of its assets.

In connection with and attached to the issuance of the senior subordinated notes, H&E Holdings issued approximately 553 shares of Series A preferred stock, 1,476 shares of Series B preferred stock, 4,239 shares of Series C preferred stock, 2,613 shares of Series D preferred stock, 106,842 shares of

Class A common stock, and 103,684 shares of Class B common stock, all of which are limited liability company interests in H&E Holdings.

Also, in connection with the issuances of the senior secured notes and the senior subordinated notes, the Company recorded original issue discounts of $1.5 million and $3.0 million, respectively. Additionally, $7.6 million of value was allocated to the H&E Holdings' limited liability company interests issued as part of the offering of the senior subordinated notes. The value allocated to these interests has been accounted for as additional original issue discount. The value allocated to the limited liability

interests was based on an estimate of the relative fair values of these interests and the senior subordinated notes at the date of issuance. The original issue discounts are being amortized to interest expense over the lives of the respective notes using the effective interest rate method.

Senior Credit Facility

In accordance with the senior revolving credit facility the Company may borrow up to $150 million depending upon the availability of borrowing base collateral consisting of eligible trade receivables, inventories, property, plant and equipment, and other assets. The line of credit bears interest at LIBOR plus 300 basis points and matures June 17, 2007. The credit facility is senior to all other outstanding debt, secured by substantially all the assets of the Company, and is guaranteed by the Company's domestic subsidiaries (see Note 5). The balance outstanding on the revolving line of credit as of June 30, 2002, was approximately $76.6 million. Additional borrowings available under the terms of the credit facility as of June 30, 2002, totaled $72.0 million.

If at any time an event of default exists, the interest rate on the senior credit facility will increase by 2% per annum. The Company is also required to pay a commitment fee equal to 0.5% per annum in respect of undrawn commitments under the revolving credit facility.

In accordance with the terms of the revolving senior credit facility, the Company must comply with certain restrictive financial covenants and must maintain certain financial ratios. The Company is required to, among other things, satisfy certain financial tests relating to: (a) the maximum senior debt to tangible assets ratio, (b) maximum leverage ratio, (c) maximum adjusted leverage ratio, (d) minimum utilization rate of equipment inventory ratio, (e) minimum adjusted interest coverage ratio, (f) maximum property and equipment capital expenditures.

At June 30, 2002, the Company was in compliance with the covenants and terms of the senior secured notes, senior subordinated notes, and the senior credit facility.

4. Segment Information

The Company has identified five reportable segments under SFAS No. 131; new equipment sales, used equipment sales, equipment rentals, sales of parts and services. These segments are based upon how management of the Company allocates resources and assesses performance. Non-segmented revenues and non-segmented costs relate to equipment support activities including transportation, hauling, parts freight and damage-waiver charges and are not allocated to the other reportable segments. There were no sales between segments for any of the periods presented. Selling, general, and administrative expenses as well as all other income and expense items below gross profit are not generally allocated to reportable segments. The Company does not compile discrete financial

information by its segments other than the information presented below. The following table presents information about the Company's reportable segments.

	For the Six Months Ended June 30,	
	2001	2002
	(Unaudited)	
Revenues:		
Equipment rentals	$ 48,425	$ 49,882
New equipment sales	27,898	32,457
Used equipment sales	24,629	22,166
Parts sales	18,030	20,312
Services revenues	9,776	11,247
Total segmented revenues	128,758	136,064
Non-segmented revenues	5,318	6,398
Total revenues	$ 134,076	$ 142,462
Gross profit:		
Equipment rentals	$ 22,905	$ 19,935
New equipment sales	2,006	3,063
Used equipment sales	3,604	3,280
Parts sales	4,568	5,153
Services revenues	5,872	6,558
Total gross profit from sales	38,955	37,989
Non-segmented gross loss	(1,406)	(396)
Total gross profit	$ 37,549	$ 37,593

	As of June 30,	
	2001	2002
Segment identified assets:		
Equipment sales	$ 29,987	$ 35,854
Equipment rentals	175,512	314,748
Parts	11,421	13,828
	216,920	364,430

Non-segment identified assets	59,587	116,283
Total assets	$ 276,507	$ 480,713

The Company operates only in U.S. markets and had no international sales for any of the periods presented. No one customer accounted for more than 10% of the Company's sales on an overall or segment basis for any of the periods presented.

5. Condensed Consolidating Financial Information of Guarantor Subsidiaries

All of the indebtedness of H&E Equipment Services is guaranteed by GNE Investments, Inc. and its wholly owned subsidiary Great Northern Equipment, Inc. The guarantor subsidiaries are all wholly owned and the guarantees are made on a joint and several basis and are full and unconditional (subject to subordination provisions and subject to a standard limitation which provides that the maximum amount guaranteed by each guarantor will not exceed the maximum amount that can be guaranteed without making the guarantee void under fraudulent conveyance laws).

The condensed consolidating financial information of H&E Equipment Services and its subsidiaries are included below. Because the business combination and the debt refinancing (guaranteed by the subsidiaries) was consummated on June 17, 2002, condensed consolidating financial information as of June 30, 2002 and for the six months ended June 30, 2002, are the only periods presented.

CONDENSED CONSOLIDATING BALANCE SHEET
(In Thousands)

	June 30, 2002			
	Parent	Guarantor Subsidiaries	Elimination	Consolidated
ASSETS				
Cash and cash equivalents	$ 8,361	$ 31	$ —	$ 8,392
Accounts receivable, net	67,688	48,833	(47,209)	69,312
Inventories	48,473	1,209	—	49,682
Rental equipment, net	306,755	7,993	—	314,748
Property and equipment, net	18,774	139	—	18,913
Prepaid expenses and other assets	3,644	67	—	3,711
Deferred financing costs, net	12,752	—	—	12,752
Goodwill, net	3,203	—	—	3,203
Total assets	$ 469,650	$ 58,272	$ (47,209)	$ 480,713
LIABILITIES, AND MEMBER'S EQUITY				
Line of credit	$ 70,048	$ 6,569	$ —	$ 76,617
Accounts payable	82,447	2,274	—	84,721
Accrued liabilities	14,420	45,038	(47,209)	12,249
Deferred compensation	9,760	—	—	9,760
Notes payable	3,140	—	—	3,140
Senior secured notes, net of discount	198,529	—	—	198,529
Senior subordinated notes, net of discount	42,421	—	—	42,421
Capital lease obligations	13,735	—	—	13,735
Total liabilities	434,500	53,881	(47,209)	441,172
Member's equity	35,150	4,391		39,541
Total liabilities, and Member's equity	$ 469,650	$ 58,272	$ (47,209)	$ 480,713

H&E EQUIPMENT SERVICES L.L.C.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
(In Thousands)
(Unaudited)

	Six months ended June 30, 2002			
	Parent	Guarantor Subsidiaries	Elimination	Consolidated
Revenues:				
Equipment rentals	$ 49,716	$ 166	$ —	$ 49,882

New equipment sales	32,402	55	—	32,457
Used equipment sales	21,947	219	—	22,166
Parts sales	20,269	43	—	20,312
Service revenues	11,217	30	—	11,247
Other	6,398	—	—	6,398
Total revenues	141,949	513	—	142,462
Cost of Revenues:				
Equipment rentals	29,846	101	—	29,947
New equipment sales	29,358	36	—	29,394
Used equipment sales	18,706	180	—	18,886
Parts sales	15,130	29	—	15,159
Service revenues	4,680	9	—	4,689
Other	6,794	—	—	6,794
Total cost of revenues	104,514	355	—	104,869
Gross Profit:				
Equipment rentals	19,871	64	—	19,935
New equipment sales	3,043	20	—	3,063
Used equipment sales	3,241	39	—	3,280
Parts sales	5,139	14	—	5,153
Service revenues	6,537	21	—	6,558
Other	(396)	—	—	(396)
Total Gross Profit	37,435	158	—	37,593
Selling, general and administrative expenses	32,783	74	—	32,857
Gain on sale of property and equipment	29	—	—	29
Income from operations	4,681	84	—	4,765
Other income (expense):				
Interest income	46	2	—	48
Interest expense	(8,494)	—	—	(8,494)
Other, net	47	(2)	—	45
Total other expense	(8,401)	—		(8,401)
Income (loss) before for income taxes	(3,720)	84	—	(3,636)
Provision (benefit) for income taxes	(1,292)	21	—	(1,271)
Net income (loss)	$ (2,428)	$ 63	$ —	$ (2,365)

H&E EQUIPMENT SERVICES L.L.C.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

(In Thousands)
(Unaudited)

	Six Months Ended June 30, 2002			
	Parent	Guarantor Subsidiaries	Elimination	Consolidated
Cash Flows from Operating Activities:				
Net Income (Loss)	$ (2,428)	$ 63	$ —	$ (2,365)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation on property and equipment	1,092	—	—	1,092
Depreciation on rental equipment	17,408	—	—	17,408
Amortization of loan discounts and fees	76		—	76
Provision for losses on accounts receivables	176	—	—	176

Gain on sale of property and equipment	(29)	—	—	(29)
Gain on sale of rental equipment	(2,273)	—	—	(2,273)
Deferred taxes	(1,306)	—	—	(1,306)
Changes in operating assets and liabilities, net of business acquired:				
Accounts Receivables	(3,538)	(611)		(4,149)
Inventories	(10,345)	(300)		(10,645)
Prepaid expenses	(951)	(12)		(963)
Accounts payable and other assets and accrued liabilities	3,718	(212)		3,506
Deferred compensation	17	—	—	17
Net cash provided by (used in) operating activities	1,617	(1,072)	—	545

Cash Flows from Investing Activities:				
Purchases of rental equipment	(17,301)	756	—	(16,545)
Purchases of property and equipment	(1,666)	—	—	(1,666)
Proceeds from sale of property and equipment	62	—	—	62
Proceeds from sale of rental equipment	12,362	—	—	12,362
Fair value of equity interest issued, less cash acquired	(2,990)	—	—	(2,990)
Net cash (used in) provided by investing activities	(9,533)	756	—	(8,777)
Cash Flows from Financing Activities:				
Net borrowings under line of credit	82,245	(345)		81,900
Repayment of borrowings under credit facilities and notes	(304,699)			(304,699)
Net proceeds from issuance of senior secured notes	198,526			198,526
Net proceeds from issuance of senior subordinated notes	50,009			50,009
Payment of debt financing costs	(11,487)	—	—	(11,487)
Payments on capital lease obligation	(1,947)	—	—	(1,947)
Net cash provided by (used in) financing activities	12,647	(345)	—	12,302
Net increase (decrease) in cash and cash equivalents	4,731	(661)	—	4,070
Cash and cash equivalents at beginning of year	3,630	692	—	4,322
Cash and cash equivalents at end of period	8,361	$ 31	$ —	$ 8,392

Independent Auditors' Report

The Board of Directors
ICM Equipment Company L.L.C. and Subsidiaries:

We have audited the accompanying consolidated balance sheet of ICM Equipment Company L.L.C. and subsidiaries (the Company) as of December 31, 2001, and the related consolidated statements of operations, members' deficit, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ICM Equipment Company L.L.C. and subsidiaries as of December 31, 2001, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Salt Lake City, Utah
April 17, 2002

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Balance Sheets

(Dollars in thousands, except units)

	December 31, 2001	March 31, 2002 (unaudited)
Assets		
Cash	$ —	$ —
Receivables, net of allowance for doubtful accounts of $2,529 and $2,561 (unaudited), respectively	27,965	28,421
Inventories	12,263	10,607
Rental equipment, net	131,290	128,266
Property and equipment, net	5,882	5,556
Prepaid expenses	722	1,005
Intangibles, net	78,699	78,465
Total assets	$ 256,821	$ 252,320
Liabilities, Preferred Units, and Members' Deficit		
Liabilities:		
Line of credit	$ 118,157	$ 114,220
Accounts payable	42,706	43,825
Accrued liabilities	5,677	5,342
Subordinated notes payable to members (Notes 10 and 12)	61,032	61,076
Accrued interest and fees due to members (Notes 10 and 12)	15,900	17,399
Deferred compensation	9,586	9,546
Capital lease obligation	453	380
Total liabilities	253,511	251,788
Class A, B, and C preferred units (Note 12)	132,296	136,676
Commitments and contingencies (Note 13)		
Members' deficit:		
Class A common units, no par, 5,882,353 units authorized, issued, and outstanding	3,382	3,382
Members' deficit	(132,368)	(139,526)
Total members' deficit	(128,986)	(136,144)
Total liabilities, preferred units, and members' deficit	$ 256,821	$ 252,320

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Operations

(Dollars in thousands)

	For the Year Ended December 31, 2001	For the Three Months Ended March 31,	
		2001	2002
		(unaudited)	
Revenues:			
Equipment rentals	$ 77,538	$ 19,044	$ 16,761
New equipment sales	52,894	12,496	6,566
Used equipment sales	30,719	9,225	6,864
Parts sales	18,968	5,045	4,634
Service fees	18,459	4,873	4,420
Other	7,351	2,038	1,669
Total revenues	205,929	52,721	40,914

Cost of revenues:			
Equipment rentals	49,529	13,068	11,052
New equipment sales	46,488	11,021	5,697
Used equipment sales	24,067	7,287	5,365
Parts sales	13,399	3,607	3,246
Service fees	6,959	1,831	1,603
Other	9,576	2,275	2,179
Total cost of revenues	150,018	39,089	29,142
Gross profit	55,911	13,632	11,772
Selling, general and administrative expenses	47,930	12,105	10,142
Income from operations	7,981	1,527	1,630
Other:			
Interest expense on revolving line of credit and other	(11,234)	(3,671)	(2,393)
Interest expense on subordinated notes to members (Notes 10 and 12)	(9,059)	(1,985)	(1,877)
Other, net	79	(72)	(138)
Total other expense	(20,214)	(5,728)	(4,408)
Loss before provision for income taxes	(12,233)	(4,201)	(2,778)
Provision for income taxes	170	—	—
Net loss	$ (12,403)	$ (4,201)	$ (2,778)

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Members' Deficit

(Dollars in thousands, except units)

	Class A Common			
	Number of Units	Amount	Members' Deficit	Total Class A Common and Members' Deficit
Balance at December 31, 2000	5,882,353	$ 3,382	$ (103,883)	$ (100,501)
Net loss	—	—	(12,403)	(12,403)
Accretion of preferred units	—	—	(16,082)	(16,082)
Balance at December 31, 2001	5,882,353	3,382	(132,368)	(128,986)
Net loss (unaudited)	—	—	(2,778)	(2,778)
Accretion of preferred units (unaudited)	—	—	(4,380)	(4,380)
Balance at March 31, 2002 (unaudited)	5,882,353	$ 3,382	$ (139,526)	$ (136,144)

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Dollars in thousands)

	For the Three Months Ended March 31,	
For the Year Ended December 31, 2001	2001	2002
		(unaudited)

Cash Flows from Operating Activities:			
Net loss	$ (12,403)	$ (4,201)	$ (2,778)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation on property and equipment	1,907	454	457
Depreciation on rental equipment	25,445	6,178	6,032
Amortization of intangibles	3,297	588	—
Amortization of loan discount	177	318	278
Provision for losses on accounts receivable	1,581	82	110
Loss (gain) on sale of property and equipment	(43)	(1)	98
Changes in operating assets and liabilities:			
Receivables	5,463	1,691	(566)
Inventories	6,155	783	1,656
Prepaid expenses	1,356	(149)	(283)
Deferred taxes	(290)	—	—
Accounts payable	845	3,326	(1,626)
Accrued liabilities	4,411	465	719
Deferred compensation	(546)	(935)	(40)
Net cash provided by operating activities	37,355	8,599	4,057
Cash Flows from Investing Activities:			
Purchases of rental equipment, net	(33,361)	(2,206)	(3,040)
Purchases of property and equipment	(1,009)	(188)	(266)
Proceeds from sale of property and equipment	202	16	69
Net cash used in investing activities	(34,168)	(2,378)	(3,237)
Cash Flows from Financing Activities:			
Net payments under line of credit	(16,043)	(16,919)	(3,937)
Proceeds from issuance of notes to members (Note 10)	12,000	12,000	—
Net proceeds from (payments on) cash overdraft	1,138	(307)	3,190
Payments on capital lease obligation	(282)	(69)	(73)
Net cash used in financing activities	(3,187)	(5,295)	(820)
Net change in cash	—	926	—
Cash at beginning of year	—	—	—
Cash at end of year	$ —	$ 926	$ —
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest	$ 12,465	$ 3,586	$ 2,335
Cash paid for income taxes related to Great Northern Equipment, Inc., a wholly owned subsidiary (Note 11)	160	30	100

Supplemental Disclosures of Non-Cash Investing and Financing Activities:

As of December 31, 2001, the Company had $26,066,000 and $24,359,000 (unaudited), respectively, in flooring plans payable outstanding, which were used to finance purchases of inventory and rental equipment.

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) ORGANIZATION AND NATURE OF OPERATIONS

Organization

On February 4, 1998, ICM Equipment Company L.L.C., a Delaware Limited Liability Company, was organized by Ripplewood Partners, L.P., a private capital investment fund managed by Ripplewood Holdings L.L.C. (Ripplewood), and a group of minority investors. On May 26, 1999, ICM Equipment Company L.L.C., Ripplewood and BRS Equipment Company, Inc. (BRS), a Delaware Corporation, entered into a Purchase and Redemption Agreement (the "Recapitalization") whereby BRS purchased common equity from ICM Equipment Company L.L.C. and ICM Equipment Company L.L.C. redeemed Ripplewood's common equity (Note 12).

Basis of Presentation

The consolidated financial statements include the results of ICM Equipment Company L.L.C. and its wholly-owned subsidiary, Great Northern Investment Inc. (GNI), and GNI's wholly-owned subsidiary, Great Northern Equipment, Inc. (GNE); collectively referred to herein as the "Company." Intercompany balances and transactions have been eliminated in consolidation.

The nature of the Company's business is such that short-term obligations are typically met by cash flows generated from long-term assets. Consequently, consistent with industry practice, the accompanying consolidated balance sheet is presented on an unclassified basis.

Nature of Operations

The Company is primarily involved in the short-term rental of equipment and sales of parts, supplies, and used equipment to commercial and residential construction, mining, manufacturing, distribution and agriculture customers throughout the western United States. The Company also sells new equipment as a distributor for major equipment manufacturers. The Company's operations are located primarily in Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Texas, Utah, and Washington. Accordingly, the Company's consolidated results of operations can be significantly impacted by the general economic cycles of the aforementioned industries in these states.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Information

The accompanying consolidated financial statements as of March 31, 2002 and for the three months ended March 31, 2001 and 2002 are unaudited and have been prepared on a substantially equivalent basis with that of the annual consolidated financial statements. In the opinion of management, the unaudited information contains all adjustments (consisting of normal recurring adjustments) necessary to present fairly the Company's consolidated financial position and results of operations as of March 31, 2002 and for the interim periods presented herein.

Revenue Recognition

Rental revenue is recognized in the period in which it is earned, over the contract term. Revenue from the sale of equipment and parts is recognized at the time of delivery to, or pick-up by, the customer and when all obligations under the sales contract have been fulfilled. Service revenues are recognized at the time the services are rendered. Other revenues consist of billings to customers for rental equipment delivery and damage waiver charges.

Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

Inventories

Inventories, which consist principally of equipment held for sale and parts, are stated at the lower of cost or market using the first-in, first-out or specific-identification methods.

Rental Equipment

Rental equipment purchased by the Company is stated at cost and is depreciated over the estimated useful lives of the equipment using the straight-line method. The range of estimated useful lives for rental equipment is seven to ten years.

Ordinary repair and maintenance costs and property taxes are charged to operations as incurred. Expenditures for additions or improvements that extend the useful life of the asset are capitalized in the period incurred. When rental equipment is disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the Company's consolidated results of operations.

Property and Equipment

Property and equipment are recorded at cost and are depreciated over the estimated useful lives using the straight-line method or accelerated methods. The range of estimated useful lives for property and equipment is three to ten years. Ordinary repair and maintenance costs are charged to operations as incurred. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the remaining life of the lease, whichever is shorter.

Long-Lived Assets

Long-lived assets are recorded at the lower of amortized cost or fair value. The Company reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used, including goodwill, is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset over the remaining useful life. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Intangible Assets

Intangible assets, consisting of goodwill and deferred financing costs, are recorded at cost and are amortized using the straight-line method over their estimated useful lives. Goodwill is amortized over 40 years and deferred financing costs are amortized over the term of the loan, which is 5 years (Note 7). The amortization expense of deferred financing costs is included with interest expense as an overall cost of the financing. Beginning January 1, 2002, goodwill is no longer being amortized, but will be tested on at least an annual basis for impairment. See "Recent Accounting Pronouncements" for further information.

Income Taxes

As a Limited Liability Company, the Company (excluding GNE) has elected to be taxed as a partnership under the provisions of the Internal Revenue Code. Tax distributions to members may be made in accordance with the Company's operating agreement. The amounts to be distributed are determined by the Board of Directors, taking into account the maximum United States federal, state, and local tax rates of any member and compliance with certain debt covenants. No tax distributions were made in 2001.

GNE, a C Corporation, utilizes the liability method of accounting for income taxes as set forth in Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. Under this method, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Recognition of deferred tax assets is limited to amounts considered by management to be more likely than not realized in future periods.

Fair Value of Financial Instruments

The carrying amounts reported in the consolidated balance sheet for accounts receivable, accounts payable, accrued liabilities, accrued interest and fees due to members, and deferred compensation approximate fair value due to the immediate to short-term maturity of these financial instruments. The fair value of the revolving credit facility approximates the carrying value due to the fact that the underlying instruments include provisions to adjust interest rates to approximate fair market value. The estimated fair value of the Company's subordinated notes payable to members at December 31, 2001 are as follows (in thousands):

	Carrying Amount	Fair Value
Subordinated note to officer and member with interest computed at 10%	$ 10,000	$ 6,707
Subordinated note to officer and member with interest computed at 12%	1,228	910
Subordinated note to officers and members with interest computed at 13%	20,000	16,380
Subordinated note to officers and members with interest computed at 13%	18,333	15,014
Subordinated note to officers and members with interest computed at 10%	10,000	10,000
Subordinated note with interest computed at 10%	2,000	2,000
Unamortized discount	(529)	(529)
	$ 61,032	$ 50,482

Concentrations of Credit and Supplier Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable. Credit risk with respect to trade accounts receivable is mitigated by the large number of geographically diverse customers and the Company's credit evaluation procedures. Although generally no collateral is required, when feasible, mechanics' liens are filed and personal guarantees are signed to protect the Company's interests. The Company maintains reserves for potential losses.

The Company routinely acquires equipment from certain suppliers. Management believes that other suppliers could provide similar equipment with comparable terms.

Derivative Financial Instruments

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 133, *Accounting for Derivative Instruments and Certain Hedging Activities*. In June 2000, the FASB issued SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*, an Amendment of SFAS 133. SFAS No. 133 and SAFS No. 138 require that all derivative instruments be recorded on the balance sheet at their respective fair values. SFAS No. 133 and SFAS No. 138 are effective for all fiscal quarters of all fiscal years beginning after June 30, 2000; the Company adopted SFAS No. 133 and SFAS No. 138 on January 1, 2001.

Prior to the adoption of SFAS No. 133, the Company entered into an interest rate swap agreement (the Swap) to reduce its exposure to market risks from changing interest rates. For the Swap, the differential to be paid or received is accrued and recognized in interest expense and may change as market interest rates change. The Company does not actively participate in trading or speculative activities. The use of the Swap did not have a significant effect on the Company's consolidated results of operations or its financial position and matured May 11, 2001.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. The use of estimates and assumptions may affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates include allowance for doubtful accounts, useful lives for depreciation, goodwill and other asset impairments, loss contingencies, and fair values of financial instruments. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In July 2001, the FASB issued SFAS No. 142, *Goodwill and Other Intangible Assets*. SFAS No. 142 eliminates amortization of goodwill and intangible assets with indefinite lives and requires such assets to be tested for impairment annually and written down to estimated fair values if determined to be impaired. SFAS No. 142 is required for fiscal years beginning after December 15, 2001. The Company adopted this statement on January 1, 2002, and does not have goodwill amortization subsequent to December 31, 2001. In connection with the adoption of SFAS No. 142, the Company will assess its goodwill and intangibles for impairment based upon the new rules and, if necessary, will adjust the carrying value of its goodwill and other intangible assets during the second quarter of 2002. For the year ended December 31, 2001 and the three months ended March 31, 2001, the Company recorded goodwill amortization of $2,364,000 and $589,000 (unaudited), respectively. The Company is currently performing impairment tests in connection with the adoption of this standard. Any impairment charge will be recorded on the consolidated statement of operations as a "Cumulative Effect of Change in Accounting Principle" and will reduce members' equity by the amount of the charge.

During August 2001, the FASB issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which supersedes SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of*, and various provisions of APB Opinion No. 30. This statement establishes new guidelines, in connection with SFAS No. 142, for recognizing losses on certain long-lived assets when the carrying amount of the asset is not recoverable. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 144 effective January 1, 2002. The adoption of this pronouncement did

not have a material impact on the Company's consolidated results of operations and financial position as of March 31, 2002 and for the three months then ended.

(3) RECEIVABLES

Receivables consisted of the following at December 31, 2001 (in thousands):

Trade receivables	$	29,014
Income tax receivables		577
Other		903
		30,494
Less allowance for doubtful accounts		(2,529)
	$	27,965

(4) INVENTORIES

Inventories consisted of the following at December 31, 2001 (in thousands):

New equipment	$	3,354
Used equipment		2,232
Parts, supplies, and other		6,677
	$	12,263

(5) RENTAL EQUIPMENT

Rental equipment consisted of the following at December 31, 2001 (in thousands):

Rental equipment	$	182,063
Less accumulated depreciation		(50,773)
	$	131,290

(6) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2001 (in thousands):

Office and computer equipment	$	3,983
Machinery and equipment		1,108
Transportation equipment		3,807
Leasehold improvements		2,247
		11,145
Less accumulated depreciation and amortization		(5,263)
	$	5,882

(7) INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2001 (in thousands):

Goodwill	$	86,833
Deferred financing costs and other		4,263
		91,096
Less accumulated amortization		(12,397)
	$	78,699

(8) ACCOUNTS PAYABLE

Accounts payable consisted of following at December 31, 2001 (in thousands):

Trade accounts payable	$	15,195
Manufacturer flooring plans payable		26,066
Cash overdraft		1,445
	$	42,706

Manufacturer flooring plans payable are financing arrangements for inventory and rental equipment. The terms of these arrangements generally include a one to twelve month reduced interest rate term or deferred payment period. Payment of the manufacturer flooring plans payable generally occurs at the earlier of sale of the equipment or in accordance with the terms of the financing arrangements.

(9) ACCRUED LIABILITIES

Accrued liabilities consisted of the following at December 31, 2001 (in thousands):

Payroll and related liabilities	$ 2,359
Sales, use, and property taxes	1,390
Deferred revenue	751
Other	1,177
	$ 5,677

(10) LINE OF CREDIT AND SUBORDINATED NOTES PAYABLE TO MEMBERS

Revolving Line of Credit

The Company has a revolving line of credit agreement with a syndicate of financial institutions (the "Credit Agreement"). As of December 31, 2001, the Company had the ability to borrow up to $150,000,000 depending upon the availability of borrowing base collateral consisting of eligible trade receivables, inventories, and other assets of the Company. The preferred units and Class A common units are pledged as collateral under the terms of the Credit Agreement. The Credit Agreement provided for an additional $50,000,000 in overadvance availability (the "Overadvance") that reduced over a three year period. The Overadvance reduced by one-third ($16,667,000) on November 30, 1999 and February 3, 2000, with the remaining one-third reduction scheduled on February 5, 2001.

On February 2, 2001, the Credit Agreement was amended to extend the Overadvance through February 19, 2001, and on February 20, 2001, the Overadvance was paid in full. Additionally, in accordance with the amendment, the Company's maximum borrowing availability under the Credit Agreement was decreased from $200,000,000 to $150,000,000.

The Credit Agreement matures on February 4, 2003. At that time, the Company would expect to enter into a new credit agreement that would be secured by eligible trade receivables, inventories, and other assets of the Company. Although management believes new financing could be arranged, there are no assurances that the Company can obtain a new credit agreement.

Interest on the balance outstanding under the Credit Agreement is calculated on term LIBOR plus any applicable variable index margin based on the Company's leverage ratio and is payable at the earlier of the last day of the applicable LIBOR term or quarterly. The applicable index margins are adjusted quarterly. As of December 31, 2001, the weighted average rate on the borrowings outstanding was 7.32 percent. The Company is charged a 0.375 percent commitment fee on the aggregated daily unused balance of the Credit Agreement. As of December 31, 2001, the Company had outstanding borrowings of $118,157,000.

The Credit Agreement has been amended various times. All loan amendment fees are included in intangible assets and are being amortized over the remaining term of the loan. The Credit Agreement was last amended on April 13, 2002 (Note 17).

Under the terms of the Credit Agreement, the Company must comply with certain restrictive financial covenants and must maintain certain financial ratios. The Credit Agreement contains financial covenants for the Company regarding maximum capital expenditures, minimum fixed charge coverage and maximum leverage levels, as defined, among other things. The Company has previously been required to amend the Credit Agreement or obtain waivers with respect to certain covenants. At December 31, 2001, the Company was in compliance with the terms of the Credit Agreement.

Subordinated Notes Payable to Members

On February 20, 2001, the Company issued subordinated notes in the amount of $10,000,000 to officers and members and $2,000,000 to another individual. Interest is computed at 10 percent per annum, compounded semiannually (Note 17). The notes mature May 5, 2003. The notes are subordinate to all other senior indebtedness and provide for monthly interest-only payments so long as the Company is in compliance with certain financial covenants related to the Credit Agreement. The proceeds from the issuance of the notes were used to pay off the Overadvance related to the Credit Agreement. For the year ended December 31, 2001, $977,000 of interest was paid in cash for these notes.

On February 3, 2000, the Company issued subordinated notes in the amount of $18,333,000 to officers and members with interest computed at 13 percent per annum, compounded semi-annually. The notes mature November 1, 2004, at which time all principal and interest are due. The notes and accrued interest are subordinate to all other senior indebtedness. The proceeds from the issuance of the notes were used to pay down the Overadvance. As of December 31, 2001, accrued interest of $5,078,000 was included in accrued interest and fees due to members for these notes.

On December 6, 1999, the Company issued subordinated notes for $20,000,000 to officers and members with interest computed at 13 percent per annum, compounded semiannually. The notes mature November 1, 2004, at which time all principal and interest are due. The notes and accrued interest are subordinate to all other senior indebtedness. The proceeds from the issuance of the notes

were used to reduce the balance outstanding on the Credit Agreement. In connection with the issuance of these notes, the Company also issued Class A Common Units valued at $882,000 as determined by the Company's Board of Directors. The Company allocated the $20,000,000 between the notes and the Class A Common Units which resulted in recording a discount to the notes of $882,000. The discount is amortized to interest expense over the term of the notes using the effective-interest method. As of December 31, 2001, accrued interest of $6,061,000 was included in accrued interest and fees due to members for these notes.

On May 26, 1999, the Company issued BRS a subordinated note for $1,228,000 for costs and expenses associated with the Recapitalization paid by BRS on behalf of the Company. The note bears interest computed at 12 percent per annum, compounded quarterly. The note matures on February 4, 2005, at which time all principal and

interest are due. This note is subordinate to all other senior indebtedness and shall prepay in full (plus all accrued interest) immediately following the consummation of either a public offering or sale of debt securities resulting in net proceeds to the Company of a least $100,000,000. As of December 31, 2001, accrued interest of $450,000 was included in accrued interest and fees due to members for this note.

The Company also accrued a transaction fee payable to BRS for $4,000,000 on May 26, 1999. The transaction fee is subordinate to all other senior indebtedness, does not accrue interest, and is to be paid at the earlier of May 31, 2006 or the consummation of either a public offering or sale of debt securities resulting in net proceeds to the Company of at least $100,000,000.

The Company has a subordinated note payable to an officer and member with interest computed at 10 percent per annum. The note matures February 4, 2006 and is subordinate to all other senior indebtedness. The note requires quarterly interest-only payments until maturity and had an outstanding balance of $10,000,000 at December 31, 2001. For the year ended December 31, 2001, $1,000,000 of interest was paid in cash for this note.

The annual maturities of debt as of December 31, 2001 are as follows (in thousands):

2002	$ —
2003	134,157
2004	34,333
2005	1,228
2006	10,000
	179,718
Less unamortized discount	(529)
	$ 179,189

Interest Rate Swap

The Company had entered into an interest rate swap agreement with a bank to reduce the impact of changes in interest rates. The agreement had a notional principal amount of $50,000,000 and matured May 11, 2001.

(11) INCOME TAXES

GNE's (a wholly owned subsidiary of ICM and a C Corporation) provision for income tax expense attributable to income from continuing operations for the year ended December 31, 2001 consisted of the following (in thousands):

Current provision:	
Federal	$ 401
State	59
	460
Deferred provision:	
Federal	(253)
State	(37)
	(290)
Total provision for income taxes	$ 170

Income tax expense attributable to income from continuing operations was $170,000 for the year ended December 31, 2001 and differed from the amount computed by applying the U.S. federal income tax rate of 34 percent to pre-tax loss from continuing operations as a result of the following (in thousands):

Computed "expected" tax benefit on entire ICM pretax book loss of $12,233	$ (4,159)
Increase in income taxes resulting from:	
Tax effect of partnership pass-through income	4,104
Amortization of goodwill	107
State taxes, net of federal income tax benefit	15
Adjustment to prior years' tax provisions	103
	$ 170

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2001 are presented below (in thousands):

Deferred tax asset:	
Allowance for doubtful accounts receivable	$ 14
Financial reporting accrual for compensated absences	9
Additional costs capitalized to inventories for tax purposes	13
Plant and equipment, principally due to differences in depreciation	20

Net deferred tax asset	$ 56

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in

making this assessment. Based upon the level of historical taxable income and projections for future taxable income, management believes it is more likely than not the Company will realize the benefits of these deductible differences at December 31, 2001.

The net deferred tax asset as of December 31, 2001 is included in prepaid expenses in the accompanying consolidated financial statements.

(12) MEMBERS' DEFICIT AND RECAPITALIZATION

On May 26, 1999, the Company, Ripplewood, and BRS entered into a Purchase and Redemption Agreement (the "Recapitalization"), whereby, BRS purchased a 49.96 percent equity interest from the Company for $50,870,000 (the "Purchase"). The purchase price was based on a negotiated economic value of $101,814,000 between the Company and BRS. In conjunction with the Purchase, the Company issued BRS a subordinated note for $1,228,000 and accrued a transaction fee payable for $4,000,000, as discussed in note 10.

Simultaneous with BRS' purchase, the Company redeemed all of Ripplewood's equity interest (49.96 percent) for $50,870,000. In addition, the Company paid a $750,000 loan amendment fee to the Lenders for their consent to the Recapitalization and $355,000 in other costs and expenses associated with the loan amendment (Note 10).

In conjunction with the Recapitalization, the members adopted an amended operating agreement whereby the members' equity interests were converted into Series A Senior Convertible Preferred Units and Series B Senior Convertible Preferred Units (collectively, the "Senior Convertible Preferred Units"), Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, and Class A Common Units based on an allocation as prescribed by the amended operating agreement. On December 6, 1999, the operating agreement was further amended to provide for the conversion of the accreted Senior Convertible Preferred Units into Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, and Class A Common Units. The conversion has been accounted for as a reclassification in the accompanying consolidated financial statements and, as such, has no impact on the historical basis of accounting.

The Class A Preferred Units are subordinate to all other senior indebtedness. The Class A Preferred Units accrete redemption value at a rate of return of 13.0 percent per annum, compounded semiannually and have no stated maturity or voting rights.

The Class B Preferred Units are subordinate to all other senior indebtedness and the Class A Preferred Units. The Class B Preferred Units accrete redemption value at a rate of return of 13.5 percent per annum, compounded semiannually and have no stated maturity or voting rights.

The Class C Preferred Units are subordinate to all other senior indebtedness and the Class A and the Class B Preferred Units. The Class C Preferred Units accrete redemption value at a rate of return of 14.0 percent per annum, compounded semiannually and have no stated maturity or voting rights.

The number of units, recorded value, and accreted redemption value (where applicable) for the preferred class units are summarized as follows as of December 31, 2001 (in thousands, except units):

	Total Number of Units Authorized and Outstanding	Accreted Redemption Value
Class A Preferred	40,584	$ 55,039
Class B Preferred	37,418	51,295
Class C Preferred	18,726	25,962
		$ 132,296

In accordance with the amended operating agreement, the Company's profits may be allocated annually or at the discretion of the Board of Directors to the Unitholders in the following order: First, pro rata to the Class A Preferred Units; second, pro rata to the Class B Preferred Units; third, pro rata to the Class C Preferred Units; and fourth, pro rata to the holders of the Class A Common Units.

Conversely, the Company's losses may be allocated annually or at the discretion of the Board of Directors to the Unitholders in the following order: First, pro rata to the holders of the Class A Common Units; second, pro rata to the holders of the Class C Preferred Units; third, pro rata to the holders of the Class B Preferred Units; and fourth, pro rata to the holders of the Class A Preferred Units. As of December 31, 2001, the Board of Directors has not allocated the loss from operations to the Unitholders.

(13) COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain property and rental equipment under noncancelable operating lease agreements expiring at various dates through 2018. Rent expense on property and rental equipment under noncancelable operating lease agreements for the year ended December 31, 2001 amounted to approximately $10,108,000.

Future minimum operating lease payments, in the aggregate, are as follows (in thousands):

Years ending December 31:

2002	$ 7,793
2003	5,705
2004	3,793
2005	2,919
2006	2,305
Thereafter	6,321
	$ 28,836

Capital Lease

The Company leases certain computer equipment under a capital lease. Lease expense under this agreement for the year ended December 31, 2001 amounted to approximately $315,000. Future minimum lease payments are as follows (in thousands):

Years ending December 31:	
2002	$ 315
2003	158
	473
Less: amount representing interest	(20)
	$ 453

Total assets held under the capital lease arrangement were $959,000 with accumulated amortization of $533,000 as of December 31, 2001.

Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Employment Contracts

In connection with the various acquisitions, the Company entered into employment contracts with various officers and members, which provide for annual payments to the officers and members, subject to their continued employment with the Company. The employment contracts have approximately one year remaining and require aggregate annual payments of approximately $953,000 with bonuses at the discretion of the Board of Directors. Included in selling, general, and administrative expenses for the year ended December 31, 2001 was $981,000 related to these contracts.

(14) EMPLOYEE BENEFIT PLANS

The Company offers its employees participation in a qualified 401(k)/profit-sharing plan which requires the Company to match employee contributions up to predetermined limits for qualified employees as defined by the plan. For the year ended December 31, 2001, the Company contributed $331,000 to this plan.

(15) DEFERRED COMPENSATION PLANS

In connection with an acquisition, the Company assumed a nonqualified executive deferred compensation plan under which certain employees may elect to defer a portion of their annual compensation. Compensation deferred under the plan is payable upon the termination, disability, or death of the participants. The plan accumulates interest each year at a bank's prime rate in effect as of the beginning of January. This rate remains constant throughout the year. The effective rate for the 2001 plan year was 9.5 percent. The aggregate deferred compensation (including accrued interest of $2,154,000) at December 31, 2001 was $4,141,000.

The Company also assumed, in connection with an acquisition, a liability for subordinated deferred compensation for certain officers and members of the Company. Compensation deferred is payable in February 2006 and is subordinate to all other debt. Interest is accrued quarterly at a rate of 10 percent per annum. The aggregate deferred compensation (including accrued interest of $445,000) at December 31, 2001 was $5,445,000.

(16) RELATED PARTY TRANSACTIONS

In connection with the Recapitalization, the Company entered into a management agreement with BRS. During the year ended December 31, 2001, the Company recorded $344,000 of expense related to this agreement.

For the year ended December 31, 2001, the Company leased certain facilities from companies controlled by officers and members. The lease terms range from 5 to 20 years with expiration dates ranging from 2003 to 2018. Total rent paid during the year ended December 31, 2001 was $1,877,000.

(17) SEGMENT INFORMATION

The Company has identified five reportable segments under SFAS No. 131; new equipment sales, used equipment sales, equipment rentals, sales of parts and services. These segments are based upon how management of the Company allocates resources and assesses performance. Non-segmented revenues and non-segmented costs relate to equipment support activities including transportation, hauling, parts freight and damage-waiver charges and are not allocated to the other reportable segments. There were no sales between segments for any of the periods presented. Selling, general, and administrative expenses as well as all other income and expense items below gross profit are not generally allocated to reportable segments. The Company does not compile discrete financial information by its segments other than the information presented below. The following table presents information about the Company's reportable segments as of December 31, 2001:

Revenues:		
Equipment rentals	$	77,538
New equipment sales		52,894
Used equipment sales		30,719
Parts sales		18,968
Services revenues		18,459
Total segmented revenues		198,578
Non-segmented revenues		7,351
Total revenues	$	205,929
Gross profit:		
Equipment rentals	$	28,009
New equipment sales		6,406
Used equipment sales		6,652
Parts sales		5,569
Services revenues		11,500
Total gross profit from sales		58,136
Non-segmented gross loss		(2,225)
Total gross profit	$	55,911

Segment identified assets:		
Equipment sales	$	5,586
Equipment rentals		131,290
Parts		5,654
		142,530
Non-segment identified assets		114,291
Total assets	$	256,821

The Company operates only in U.S. markets and had no international sales for any of the periods presented. No one customer accounted for more than 10% of the Company's sales on an overall or segment basis for any of the periods presented.

(18) SUBSEQUENT EVENTS

On April 13, 2002, the Credit Agreement was amended to modify the calculation of the maximum leverage ratio covenant (the "Covenant"). The Covenant is measured quarterly and is the ratio of funded debt to the last twelve-months earnings before interest, taxes, depreciation, and amortization. Certain subordinated notes to officers and members previously included in the calculation of the Covenant are now excluded. The amendment was effective March 1, 2002.

On April 13, 2002, certain officers and members holding subordinated notes (issued February 21, 2001) consented to accept accrued interest payable at maturity in place of regular cash payments for interest. Originally, the subordinated notes provided for interest computed at 10 percent per annum, payable monthly so long as the Company is in compliance with certain financial covenants. In lieu of the present cash interest payments, interest will accrue at 13 percent per annum with all principal and accrued interest due at maturity. The notes and the interest are subordinated to all other senior indebtedness.

This is a copy of the audit report previously issued by Arthur Andersen LLP in connection with ICM Equipment Company L.L.C.'s consolidated financial statements as of December 31, 2000 and for each of the two years in the period ended December 31, 2000. This audit report has not been reissued by Arthur Andersen LLP in connection with this filing on Form S-4. See Exhibit 23.6 for further discussion.

Report of Independent Public Accountants

To the Board of Directors of
ICM Equipment Company L.L.C.:

We have audited the accompanying consolidated balance sheet of ICM Equipment Company L.L.C. (a Delaware Limited Liability Company) and subsidiaries as of December 31, 2000, and the related consolidated statements of operations, members' equity (deficit) and cash flows for each of the two years in the period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICM Equipment Company L.L.C. and subsidiaries as of December 31, 2000, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP
Salt Lake City, Utah
March 9, 2001

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Balance Sheet

As of December 31, 2000
(Dollars in thousands)

Assets		
Cash	$	—
Receivables, net of allowance for doubtful accounts of $1,462		35,009
Inventories		18,418
Rental equipment, net of accumulated depreciation of $43,879		123,404
Property and equipment, net of accumulated depreciation of $3,592		6,909
Prepaid and other assets		2,022
Intangibles, net of accumulated amortization of $9,100		81,996
Total assets	$	267,758
Liabilities and Members' Deficit		
Liabilities:		
Line of credit	$	134,200
Accounts payable		40,723
Accrued liabilities		7,677
Capital lease obligation		735
Accrued interest and fees due to members		9,723
Subordinated notes payable to members (Notes 9 and 12)		48,855
Deferred compensation		10,132
Total liabilities		252,045
Commitments and contingencies (Note 13)		
Class A, B, and C preferred units (Note 12)		116,214
Members' deficit:		
Class A common units, no par, 5,882,353 units authorized, issued and outstanding		3,382
Members' deficit		(103,883)
Total members' deficit		(100,501)
Total liabilities and members' deficit	$	267,758

The accompanying notes are an integral part of this consolidated statement.

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Operations

For the Years Ended December 31, 1999 and 2000
(Dollars in thousands)

	1999	2000
Revenues:		
Equipment rentals	$ 83,508	$ 80,320
New equipment	56,469	46,766
Used equipment	32,901	35,091

Parts	19,893	19,471
Service fees	16,580	17,560
Other	7,541	7,992
Total revenues	216,892	207,200
Cost of revenues:		
Equipment rentals	53,266	52,164
New equipment	49,126	41,295
Used equipment	26,031	28,127
Parts	13,971	13,505
Service fees	6,951	6,968
Other	8,763	9,466
Total cost of revenues	158,108	151,525
Gross profit	58,784	55,675
Selling, general and administrative expenses	53,378	48,824
Income from operations	5,406	6,851
Other income (expense):		
Interest expense on revolving line of credit and other	(18,307)	(15,938)
Interest expense on subordinated notes to members	(2,136)	(7,286)
Other, net	(92)	47
Total other expense	(20,535)	(23,177)
Loss before provision for income taxes	(15,129)	(16,326)
Provision for income taxes	154	154
Net loss	$ (15,283)	$ (16,480)

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Members' Equity (Deficit)

For the Years Ended December 31, 1999 and 2000
(Dollars in thousands)

		Class A Common			
	Common Equity	Number of Units	Amount	Members' Deficit	Total Class A Common and Members' Equity (Deficit)
Balance at December 31, 1998	$ 52,135	—	$ —	$ —	$ 52,135
Issuance of common equity	50,870	—	—	—	50,870
Redemption of common equity	(50,870)	—	—	—	(50,870)
Conversion of common equity to preferred and Class A Common, net of recapitalization costs of $5,228	(47,316)	5,882,353	401	—	(46,915)
Conversion of senior convertible preferred units	—	—	2,099	223	2,322
Issuance of common units	—	—	882	—	882
Net loss	(4,819)	—	—	(10,464)	(15,283)
Accretion of preferred units (Note 12)	—	—	—	(62,725)	(62,725)
Balance at December 31, 1999	—	5,882,353	3,382	(72,966)	(69,584)
Net loss	—	—	—	(16,480)	(16,480)
Accretion of preferred units	—	—	—	(14,437)	(14,437)
Balance at December 31, 2000	$ —	5,882,353	$ 3,382	$ (103,883)	$ (100,501)

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 1999 and 2000

(Dollars in thousands)

	1999	2000
Cash Flows from Operating Activities:		
Net loss	$ (15,283)	$ (16,480)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation on property and equipment	1,405	1,620
Depreciation on rental equipment	25,279	24,970
Amortization of intangibles	3,164	3,288
Amortization of loan discount	—	176
Provision for losses on accounts receivable	826	302
Loss (gain) on sale of property and equipment	24	(44)
Changes in operating assets and liabilities:		
Receivables	6,879	(4,079)
Inventories	2,638	2,356
Prepaid and other assets	(94)	(471)
Deferred taxes	(10)	230
Accounts payable	8,939	8,650
Accrued liabilities	(697)	5,908
Deferred compensation	666	411
Net cash provided by operating activities	33,736	26,837
Cash Flows from Investing Activities:		
Purchases of rental equipment, net	(25,166)	(17,794)
Purchases of property and equipment	(1,519)	(789)
Proceeds from sale of property and equipment	223	389
Net cash used in investing activities	(26,462)	(18,194)
Cash Flows from Financing Activities:		
Net borrowings (payments) under line of credit	(21,322)	(28,804)
Proceeds from issuance of notes to members (Note 9)	20,000	18,333
Net proceeds from (payments on) cash overdraft	(2,789)	307
Payments on capital lease obligation	—	(224)
Proceeds from issuance of common equity	50,870	—
Redemption of common equity	(50,870)	—
Cash paid for loan amendment fees	(1,105)	—
Payment of additional recapitalization costs	—	(313)
Net cash used in financing activities	(5,216)	(10,701)
Net change in cash	2,058	(2,058)
Cash at beginning of year	—	2,058
Cash at end of year	$ 2,058	$ —

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

	1999	2000
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	$ 18,111	$ 16,899
Cash paid for income taxes related to GNE	830	—

Supplemental Disclosures of Non-Cash Investing and Financing Activities:

As of December 31, 2000 and 1999, the Company had $24,661,000 and $16,494,000, respectively, in floor plan payables outstanding, which were used to finance inventory and rental equipment.

In connection with the Recapitalization in May 1999 (Note 12), the Company accrued a transaction fee payable to BRS for $4,000,000. The Company also issued BRS a subordinated note for $1,228,000 for costs and expenses paid by BRS on behalf of the Company. In 2000, the Company paid an additional $313,000 in expenses related to the Recapitalization. The offsets to these obligations were recorded as reductions to members' equity or Class A, B, and C preferred units, as applicable, in the accompanying consolidated balance sheet as of December 31, 2000.

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

ICM EQUIPMENT COMPANY L.L.C. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) ORGANIZATION AND NATURE OF OPERATIONS

Organization

On February 4, 1998, ICM Equipment Company L.L.C., a Delaware Limited Liability Company, was organized by Ripplewood Partners, L.P., a private capital investment fund managed by Ripplewood Holdings L.L.C. (Ripplewood), and a group of minority investors. On May 26, 1999, ICM Equipment Company L.L.C., Ripplewood, and BRS Equipment Company, Inc. (BRS), a Delaware Corporation, entered into a Purchase and Redemption Agreement (the "Recapitalization") whereby BRS purchased common equity from ICM Equipment Company L.L.C. and ICM Equipment Company L.L.C. redeemed Ripplewood's common equity (Note 12).

Basis of Presentation

The consolidated financial statements include the results of ICM, and its wholly-owned subsidiary, Great Northern Investment Inc. (GNI) and GNI's wholly-owned subsidiary, Great Northern Equipment, Inc. (GNE); collectively referred to herein as the "Company." Intercompany balances and transactions have been eliminated in consolidation.

The nature of the Company's business is such that short-term obligations are typically met by cash flows generated from long-term assets. Consequently, consistent with industry practice, the accompanying consolidated balance sheet is presented on an unclassified basis.

Nature of Operations

The Company is primarily involved in the short-term rental of equipment and sales of parts, supplies, and used equipment to commercial and residential construction, mining, manufacturing, distribution and agriculture customers throughout the western United States. The Company also sells new equipment as a distributor for major equipment manufacturers. The Company's operations are located primarily in Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Texas, Utah, and Washington. Accordingly, the Company's consolidated results of operations can be significantly impacted by the general economic cycles of the aforementioned industries in these states.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Rental revenue is recognized in the period in which it is earned, over the contract term. Revenue from the sale of equipment and parts is recognized at the time of delivery to, or pick-up by, the customer and when all obligations under the sales contract have been fulfilled. Service revenues are recognized at the time the services are rendered. Other revenues consist of billings to customers for rental equipment delivery and damage waiver charges.

Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out or specific-identification methods.

Rental Equipment

Rental equipment is recorded at cost. Depreciation for rental equipment is computed primarily using the straight-line method over the useful lives of the underlying assets, ranging from seven to ten years.

Expenditures for additions or improvements that extend asset lives are capitalized in the period incurred. Expenditures for normal repairs and maintenance are expensed as incurred. When rental equipment is sold or disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the Company's results of operations.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the underlying assets, ranging from three to ten years.

Expenditures for additions or improvements that extend asset lives are capitalized in the period incurred. Normal repairs and maintenance costs are expensed as incurred. When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in the Company's results of operations. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the remaining life of the lease, whichever is shorter.

Long-lived Assets

The Company reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used, including goodwill, is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Intangible Assets

Intangible assets are recorded at cost and are amortized using the straight-line method over their estimated useful lives. The goodwill resulted from various business acquisitions as more fully described in Note 11 and is amortized over forty years. Deferred financing costs are amortized over the term of the loan, which is five years (Note 6). The amortization expense of deferred financing costs is included with interest expense as an overall cost of the financing.

Income Taxes

The Company (excluding GNE) has elected to be taxed as a partnership under the provisions of the Internal Revenue Code. Tax distributions to members may be made in accordance with the Company's operating agreement. The amounts to be distributed are determined by the Board of Directors, taking into account the maximum United States federal, state, and local tax rates of any member and compliance with certain debt covenants. No tax distributions were made in 1999 and 2000.

GNE, a C-corporation, utilizes the liability method of accounting for income taxes as set forth in Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes*. Under this method, deferred taxes are determined based on the difference between the financial statement

and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Recognition of deferred tax assets is limited to amounts considered by management to be more likely than not of realization in future periods.

Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts receivable, accounts payable, and debt obligations. As of December 31, 2000, the carrying amounts of these instruments approximate their fair value.

Concentrations of Credit and Supplier Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of trade accounts receivable. Credit risk with respect to trade accounts receivable is mitigated by the large number of customers and the Company's credit evaluation procedures. Although generally no collateral is required, in many cases mechanics' liens are filed and personal guarantees are signed to protect the Company's interests. The Company maintains reserves for potential losses.

The Company routinely acquires equipment from certain suppliers. Management believes that other suppliers could provide similar equipment with comparable terms.

Interest Rate Risk Management Activities

The Company uses an interest rate swap agreement (the "Swap") to manage interest rate risk, and does not actively participate in trading or speculative activities. The Company entered into the Swap with a major bank in which the Company pays a fixed rate and receives a floating rate with the interest payments being calculated on a notional amount (Note 9). Notional amounts do not represent amounts exchanged by the parties and, thus, are not a measure of exposure to the Company through its use of the Swap. The use of the Swap does not have a significant effect on the Company's consolidated results of operations or financial position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. The use of estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in 1999 have been reclassified to conform with the 2000 presentation.

Recent Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 ("SFAS No. 133"), "*Accounting for Derivative Instruments and Hedging Activities*." SFAS No. 133 requires the recognition of all derivatives as either assets or liabilities in the balance sheet and the measurement date of those instruments at fair value. Gains and losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. SFAS No. 133, as amended, is effective for

fiscal years beginning after June 15, 2000. Based upon the nature of the financial instruments and hedging activities of the Company, this pronouncement would require the Company to reflect the fair value of its derivative instruments (interest rate swaps) on the consolidated balance sheet. Changes in fair value of these derivatives will be reflected as a component of comprehensive income. The Company will adopt SFAS No. 133 effective January 1, 2001 and believes that this pronouncement will not have a material impact on its financial condition and results of operations.

(3) RECEIVABLES

Receivables consisted of the following at December 31, 2000 (in thousands):

Trade receivables	$ 35,041
Income tax receivables	678
Other	752
	36,471
Less: allowance for doubtful accounts	(1,462)
	$ 35,009

(4) INVENTORIES

Inventories consisted of the following at December 31, 2000 (in thousands):

New equipment	$ 6,981
Used equipment	2,976
Parts, supplies, and other	8,461
	$ 18,418

(5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2000 (in thousands):

Office and computer equipment	$ 3,715
Machinery and equipment	1,053
Transportation equipment	3,579
Leasehold improvements	2,154
	10,501
Less: accumulated depreciation and amortization	(3,592)
	$ 6,909

(6) INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2000 (in thousands):

Goodwill	$ 86,833
Deferred financing costs and other	4,263
	91,096
Less: accumulated amortization	(9,100)
	$ 81,996

(7) ACCOUNTS PAYABLE

Accounts payable consisted of following at December 31, 2000 (in thousands):

Trade accounts payable	$ 15,755
Manufacturer floor plans payable	24,661
Cash overdraft	307
	$ 40,723

Manufacturer floor plans payables are financing arrangements for inventory and rental equipment. The terms of these arrangements generally include a one to twelve month reduced interest rate term or deferred payment period. Payment of the manufacturer floor plans payable generally occurs at the earlier of sale of the equipment or in accordance with the terms of the financing arrangements.

(8) ACCRUED LIABILITIES

Accrued liabilities consisted of the following at December 31, 2000 (in thousands):

Payroll and related liabilities	$ 2,585
Sales, use and property taxes	1,591
Accrued interest due to others	623
Deferred tax liability	234
Deferred revenue	773
Other	1,871
	$ 7,677

(9) LINE OF CREDIT AND NOTES PAYABLE

Revolving Line of Credit

The Company has a revolving line of credit agreement with a syndicate of financial institutions (the "Revolver"). As of December 31, 2000, the Company could have borrowed up to $200,000,000 depending upon the availability of borrowing base collateral (consisting of eligible trade receivables, inventories, and other assets of the Company) plus an additional $16,666,000 in overadvance availability (the "Overadvance"). The original Overadvance of $50,000,000 decreased by one-third ($16,667,000) on November 30, 1999 and February 3, 2000 with the remaining one-third decrease scheduled on February 5, 2001. On February 2, 2001, the credit agreement was amended to extend the Overadvance

through February 19, 2001, and on February 20, 2001, the Overadvance was paid off in full (Note 17). Additionally, in accordance with the amendment, the Company's maximum borrowing availability under the Revolver was decreased to $150,000,000. The preferred units and Class A common units are pledged as collateral under the terms of the Credit Agreement.

The Revolver matures on February 4, 2003. Interest on the Revolver is calculated on term LIBOR plus any applicable variable index margin based on the Company's leverage ratio and is payable at the earlier of the last day of the applicable LIBOR term or quarterly. The applicable index margins are adjusted quarterly. As of December 31, 2000, the weighted average rate on the borrowings outstanding was 9.97 percent. As of December 31, 2000, the Company had outstanding borrowings of $134,200,000.

During 1999, the credit agreement was amended various times. The most significant amendment consented to the Recapitalization. The Company paid $1,105,000 for loan amendment fees associated with the amendment. The loan amendment fees are included in intangible assets and are being amortized over the remaining term of the loan. Under terms of the credit agreement and because the Company made use of the Overadvance as of November 30, 1999, a payment of $2,000,000 was paid. The payment is included in interest expense in the accompanying consolidated statement of operations for the year ended December 31, 1999.

Under the terms of the credit agreement, the Company must comply with certain restrictive financial covenants and must maintain certain financial ratios. The agreement contains financial covenants for the Company regarding maximum capital expenditures, minimum fixed charge coverage and maximum leverage levels, as defined, among other things. The Company has previously been required to amend the credit agreement or obtain waivers with respect to certain covenants. At December 31, 2000, the Company was in compliance with the financial covenants.

Notes Payable

On February 3, 2000, the Company issued subordinated notes in the amount of $18,333,000 to officers and members with interest computed at 13 percent per annum, compounded semi-annually. The notes mature November 1, 2004, at which time all principal and interest are due. The notes and accrued interest are subordinate to all other senior indebtedness. The proceeds from the issuance of the notes were used to pay down the Overadvance balance related to the Revolver.

On December 6, 1999, the Company issued subordinated notes for $20,000,000 to officers and members with interest computed at 13 percent per annum, compounded semi-annually. The notes mature November 1, 2004, at which time all principal and interest are due. The notes and accrued interest are subordinate to all other senior indebtedness. The proceeds from the issuance of the notes were used to reduce the balance outstanding on the Revolver. In connection with the issuance of these notes, the Company also issued Class A Common Units valued at $882,000 as determined by the Company's Board of Directors. The Company allocated the $20,000,000 between the notes and the Class A Common Units which resulted in recording a discount to the notes of $882,000. The discount is amortized to interest expense over the term of the notes using the effective interest method.

On May 26, 1999, the Company issued BRS a subordinated note for $1,228,000 for costs and expenses associated with the Recapitalization paid by BRS on behalf of the Company. The note bears interest computed at 12 percent per annum, compounded quarterly. The note matures on February 4, 2005, at which time all principal and interest are due. This note is subordinated to all other senior indebtedness and shall prepay in full (plus all accrued interest) immediately following the consummation of either a public offering or sale of debt securities resulting in net proceeds to the Company of a least $100,000,000.

The Company has a subordinated note payable to an officer and member with interest computed at 10 percent per annum. The note matures February 4, 2006 and is subordinate to all other senior indebtedness. The note requires quarterly interest only payments until maturity and had an outstanding balance of $10,000,000 at December 31, 1999 and 2000.

The annual maturities of debt as of December 31, 2000, are as follows (in thousands):

2001	$ —
2002	—
2003	134,200
2004	38,333
2005	1,228
Thereafter	10,000
	183,761
Less: unamortized discount	(706)
	$ 183,055

Interest Rate Swap

As of December 31, 2000, the Company had entered into an interest rate swap agreement with a bank to reduce the impact of changes in interest rates. The agreement has a notional principal amount of $50,000,000 and matures May 11, 2001. At December 31, 2000, the Company was paying a fixed rate of 5.89 percent and would have received approximately $140,000 to settle this agreement based on a current estimate of fair value.

(10) INCOME TAXES

GNE's (a wholly-owned subsidiary of ICM and a C-corporation) provision for income taxes for the years ended December 31, 1999 and 2000, consists of the following (in thousands):

	1999	2000
Current (benefit) provision:		
Federal	$ 142	$ (83)
State	22	(12)
	164	(95)
Deferred provision (benefit):		
Federal	(9)	216
State	(1)	33
	(10)	249
Total provision for income taxes	$ 154	$ 154

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the deferred tax accounts relate to the following as of December 31, 2000 (in thousands):

Deferred tax asset—allowance for doubtful accounts receivable	$ (14)
Deferred tax asset—accrued vacation	29
Deferred tax liability—financial reporting versus tax depreciation	219
Net deferred tax liability	$ 234

The net deferred tax liability is included in accrued liabilities in the accompanying consolidated financial statements.

(11) BUSINESS ACQUISITIONS

During 1998, the Company made five acquisitions of rental operations. The acquisitions have been accounted for under the purchase method of accounting and, accordingly, the acquired tangible and identifiable intangible assets and liabilities have been recorded at their estimated fair values at the date of acquisition with any excess purchase price reflected as goodwill. The operations of the acquired businesses are included in the accompanying consolidated statements of operations from the date of effective control of each such acquisition. A summary of the significant components of the acquisitions is as follows:

On February 4, 1998, the Company purchased substantially all of the assets and assumed certain liabilities of ICM and ACM (which operated under common control) for an aggregate purchase price of approximately $139,000,000. The purchase was financed primarily by borrowings, cash contributions and through issuance of membership interests. Goodwill of approximately $51,000,000 was recorded in connection with this acquisition.

Concurrently with the acquisition of ICM and ACM, the Company purchased substantially all of the assets of SNE, for an aggregate purchase price of approximately $69 million. The purchase was financed primarily by borrowings, cash contributions and through the issuance of membership interests. Goodwill of approximately $23,000,000 was recorded in connection with this acquisition.

On February 5, 1998, the Company purchased certain assets of Intermountain Lift Truck, Inc. for an aggregate cash purchase price of approximately $2,300,000. The purchase was financed by borrowings.

On July 31, 1998, the Company purchased all of the outstanding capital stock of Williams Brothers Construction (whose name was subsequently changed to Great Northern Investment, Inc.) and its wholly-owned subsidiary GNE and certain assets of its affiliate, Williams Brothers Construction Partnership, for an aggregate purchase price of approximately $21,000,000. The purchase was financed primarily by borrowings and issuance of membership interests. Goodwill of approximately $12,000,000 was recorded in connection with this acquisition. Prior to July 31, 1998, the Company participated in various transactions in the ordinary course of business with GNE, including sales and rentals of equipment. These transactions were consummated at prices and terms equivalent to those available to unrelated parties.

(12) MEMBERS' DEFICIT AND RECAPITALIZATION

On May 26, 1999, the Company, Ripplewood, and BRS entered into a Purchase and Redemption Agreement (the "Recapitalization"), whereby, BRS purchased a 49.96 percent equity interest from the Company for $50,870,000 (the "Purchase"). The purchase price was based on a negotiated economic value of $101,814,000 between the Company and BRS. In conjunction with the Purchase, the Company issued BRS a subordinated note for $1,228,000 for costs and expenses associated with the Recapitalization paid by BRS on behalf of the Company. The note matures on February 4, 2005, with interest computed at 12 percent per annum, compounded quarterly. The note is subordinated to all other senior indebtedness. This note is required to be paid in full (plus all accrued interest) immediately following the consummation of either a public offering or sale of debt securities resulting in net proceeds to the Company of at least $100,000,000, or at maturity. The Company also accrued a transaction fee payable to BRS for $4,000,000. The transaction fee is subordinated to all other senior indebtedness, does not accrue interest, and is to be paid at the earlier of May 31, 2006 or the consummation of either a public offering or sale of debt securities resulting in net proceeds to the Company of a least 100,000,000.

Simultaneous with BRS' purchase, the Company redeemed all of Ripplewood's equity interest (49.96 percent) for $50,870,000. In addition, the Company paid a $750,000 loan amendment fee to the Lenders for their consent to the Recapitalization and $355,000 in other costs and expenses associated with the loan amendment

(Note 9).

In conjunction with the Recapitalization, the members adopted an amended operating agreement whereby the members' equity interests were converted into Series A Senior Convertible Preferred Units and Series B Senior Convertible Preferred Units, (collectively, the "Senior Convertible Preferred Units"), Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, and Class A Common Units based on an allocation as prescribed by the amended operating agreement. On December 6, 1999, the operating agreement was further amended to provide for the conversion of the accreted Senior Convertible Preferred Units into Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, and Class A Common Units. The conversion has been accounted for as a reclassification in the accompanying consolidated financial statements and, as such, has no impact on the historical basis of accounting.

The Class A Preferred Units are subordinated to all other senior indebtedness and the Senior Convertible Preferred Units. The Class A Preferred Units accrete redemption value at a rate of return of 13.0 percent per annum, compounded semi-annually and have no stated maturity or voting rights.

The Class B Preferred Units are subordinated to all other senior indebtedness, the Senior Convertible Preferred Units, and the Class A Preferred Units. The Class B Preferred Units accrete redemption value at a rate of return of 13.5 percent per annum, compounded semi-annually and have no stated maturity or voting rights.

The Class C Preferred Units are subordinated to all other senior indebtedness, the Senior Convertible Preferred Units, the Class A and the Class B Preferred Units. The Class C Preferred Units accrete redemption value at a rate of return of 14.0 percent per annum, compounded semi-annually and have no stated maturity or voting rights.

During the year ended December 31, 1999, the accretion of Senior Convertible Preferred Units and the Class A, B and C Preferred Units totaled $62,725,000. The 1999 accretion represents the Units excess fair value over the carrying value at the date of issuance and the required accretion to redemption value at the applicable rates of return. The Units were accreted to fair value in the year of

issuance as the Units are mandatorily redeemable at any time at the option of the holders. During the year ended December 31, 2000, the Class A, B and C Preferred Units accretion totaled $14,125,000 which solely represents the required accretion to redemption value at the applicable rates of return.

The number of units and accreted redemption value (where applicable) for the various types of membership units are summarized as follows as of December 31, 2000 (in thousands, except units):

	Number Of Units	Accreted Redemption Value
Preferred Class A	40,584	$ 48,525
Preferred Class B	37,418	45,013
Preferred Class C	18,726	22,676
Class A Common	5,882,353	—
		$ 116,214

Distributions to holders of the Preferred Units are made in accordance with the Company's operating agreement. Distributions are subordinated to the senior indebtedness. The amounts to be distributed are discretionary as determined by the Board of Directors, taking into account available cash and the fair value of the Company's assets at the time of the distribution. Distributions are to be made to the Unitholders in the following order: First, to the Class A Preferred Units in proportion to and to the extent of the Class A Preferred Accreted Redemption Value; second, to the Class B Preferred Units in proportion to and to the extent of the Class B Preferred Accreted Redemption Value; third, to the Class C Preferred Units in proportion to and to the extent of the Class C Preferred Accreted Redemption Value; and fourth, pro rata to the holders of the Class A Common Units. No distributions were made in 2000 and 1999.

In accordance with the amended operating agreement, the Company's profits shall be allocated annually (and at such other times as determined by the Board of Directors) to the Unitholders in the following order: First, pro rata to the Class A Preferred Units; second, pro rata to the Class B Preferred Units; third, pro rata to the Class C Preferred Units; and fourth, pro rata to the holders of the Class A Common Units.

Conversely, the Company's losses shall be allocated annually (and at such other times as determined by the Board of Directors) to the Unitholders in the following order: First, pro rata to the holders of the Class A Common Units; second, pro rata to the Class C Preferred Units; third, pro rata to the Class B Preferred Units; and fourth, pro rata to the Class A Preferred Units.

(13) COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain property and rental equipment under non-cancelable operating lease agreements expiring at various dates through 2018. Rent expense on property and equipment amounted to approximately $10,753,000 and $12,241,000 in 1999 and 2000, respectively.

Future minimum operating lease payments, in the aggregate, are as follows (in thousands):

Years ending December 31:	
2001	$ 10,817
2002	8,380
2003	6,000
2004	3,714
2005	2,658
Thereafter	8,245

	$ 39,814

Capital Lease

The Company leases certain computer equipment under a capital lease. Lease expense amounted to approximately $263,000 in 2000. Future minimum lease payments are as follows (in thousands):

Years ending December 31:	
2001	$ 315
2002	315
2003	158
	788
Less: amount representing interest	(53)
	$ 735

Total assets held under the capital lease arrangement were $959,000 with accumulated amortization of $213,000 as of December 31, 2000.

Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Employment Contracts

In connection with the various acquisitions, the Company entered into employment contracts with various officers and members. The employment contracts have approximately two years remaining and require aggregate annual payments of approximately $1,000,000 with bonuses at the discretion of the Board of Directors.

(14) EMPLOYEE BENEFIT PLANS

The Company offers its employees participation in a qualified 401(k)/profit-sharing plan which requires the Company to match employee contributions up to predetermined limits for qualified employees as defined by the plan. For the years ended December 31, 1999 and 2000, the Company contributed $678,000 and $320,000, respectively, to this plan.

(15) DEFERRED COMPENSATION PLANS

In connection with an acquisition, the Company assumed a nonqualified executive deferred compensation plan under which certain employees may elect to defer a portion of their annual compensation. Compensation deferred under the plan is payable upon the termination, disability, or death of participants. The plan accumulates interest each year at a bank's prime rate in effect as of the beginning of January. This rate remains constant throughout the year. The effective rate for the 2000 plan year was 8.5 percent. The aggregate deferred compensation (including accrued interest) at December 31, 2000 was $4,687,000.

The Company also assumed, in connection with an acquisition, a liability for subordinated deferred compensation for certain officers and members of the Company. Compensation deferred is payable in February 2006 and is subordinate to all other debt. Interest is accrued quarterly at a rate of 10 percent per annum. The aggregate deferred compensation (including accrued interest) at December 31, 2000 was $5,445,000.

(16) RELATED PARTY TRANSACTIONS

In connection with the Recapitalization, the Company entered into a management agreement with BRS. During the years ended December 31, 1999 and 2000, the Company recorded $315,000 and $340,000, respectively, of expense related to this agreement. As of December 31, 2000, $117,000 was included in accrued liabilities for management fees due to BRS.

For the years ended December 31, 1999 and 2000, the Company leased certain facilities from companies controlled by officers and members. The lease terms range from 5 to 20 years with expiration dates ranging from 2003 to 2018. Total rent paid during the years ended December 31, 1999 and 2000 was $1,249,000 and $1,613,000, respectively. In management's opinion, the rents are reflective of those that could be obtained from an independent party.

On February 4, 1998, Ripplewood was paid $2,165,000 for fees and costs incurred relating to the acquisitions of ICM, ACM, and SNE. At the time of the organization, the Company entered into an operating agreement that governed the daily activities of the business. Under the terms of the operating agreement, and for the period from inception to December 31, 1998, the Company paid Ripplewood $458,000 in management fees. During 1999 and 2000, no management fees were paid to Ripplewood.

(17) SUBSEQUENT EVENT

On February 20, 2001, the Company issued subordinated notes in the amount of $10,000,000 to officers and members and $2,000,000 to another individual. Interest is computed at 10 percent per annum, compounded semi-annually. The notes mature May 5, 2003. The notes are subordinate to all other senior indebtedness and provide for monthly interest only payments so long as the Company is in compliance with certain financial covenants. The proceeds from the issuance of the notes were used to pay off the Overadvance (Note 9).

Through and including , 2002, (the 90th day after the date of this prospectus) all dealers that effect transactions in these securities, whether or not participating in this exchange offer, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to unsold allotments or subscriptions.

H&E Equipment Services L.L.C.
H&E Finance Corp.

12 1/2% Senior Subordinated Exchange Notes due 2013

PROSPECTUS
, 2002

Credit Suisse First Boston

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. ***Indemnification of Directors and Officers*****.**

(a) H&E Equipment Services, L.L.C. is a limited liability company organized under the laws of the State of Louisiana.

Article VIII of H&E Equipment Services, L.L.C.'s Amended and Restated Articles of Organization provides that:

Limitation of Liability and Indemnification. Representatives on the Board of Directors, officers, managers and members shall not be personally liable for monetary damages for breach of any duty provided for in La. R.S. 12:1314, and pursuant to La. R.S. 12:1315, the Company may indemnify a representative on the Board of Directors, officer, manager or a member for judgments, settlements, penalties, fines, or expenses, including attorneys' fees to the fullest extent allowed by the Louisiana Limited Liability Law.

Section 3.6 of H&E Equipment Services, L.L.C.'s Amended and Restated Operating Agreement provides that:

Indemnification. Notwithstanding Section 3.4, the Directors and officers shall not be liable, responsible or accountable for damages or otherwise to the Company, or to the Members, and, to the fullest extent allowed by law, each Director and each officer shall be indemnified and held harmless by the Company, including advancement of reasonable attorneys' fees and other expenses, but only to the extent that the Company's assets are sufficient therefor, from and against all claims, liabilities, and expenses arising out of any management of Company affairs; provided, that (A) such Director's or officer's course of conduct was pursued in good faith and believed by him to be in the best interests of the Company and was reasonably believed by him to be within the scope of authority conferred on such Director or officer pursuant to this Agreement and (B) such course of conduct did not constitute gross negligence or willful misconduct on the part of such Director or officer and otherwise was in accordance with the terms of this Agreement. The rights of indemnification provided in this Section 3.6 are intended to provide indemnification of the Directors and the officers to the fullest extent permitted by the BCL regarding a corporation's indemnification of its directors and officers and will be in addition to any rights to which the Directors or officer may otherwise be entitled by contract or as a matter of law and shall extend to his heirs, personal representatives and assigns. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Section 3.6. Each Director's and each officer's right to indemnification pursuant to this Section 3.6 may be conditioned upon the delivery by such Director or such officer of a written undertaking to repay such amount if such individual is determined pursuant to this Section 3.6 or adjudicated to be ineligible for indemnification, which undertaking shall be an unlimited general obligation.

Section 4.4 of H&E Equipment Services, L.L.C.'s Amended and Restated Operating Agreement provides that:

Limitation of Liability. Except as otherwise provided in the Louisiana Act, in this Agreement or any other contract of the Company, no Member will be obligated personally for any debt, obligation or liability of the Company or of any other Member by reason of being a Member, whether arising in contract, tort or otherwise. Except as otherwise provided in the Louisiana Act, by law or expressly in this Agreement, no Member will have any fiduciary or other duty to another Member with respect to the business and affairs of the Company. No Member will have any responsibility to contribute to or in

respect of the liabilities or obligations of the Company or return distributions made by the Company except as required by the Louisiana Act or other applicable law.

Section 6.3 of H&E Equipment Services, L.L.C.'s Amended and Restated Operating Agreement provides that:

Indemnification and Reimbursement for Payments on Behalf of a Member. Except as otherwise provided in this Agreement, if the Company is required by law to make any payment on behalf of a Member in its capacity as such, then such Member (the "Indemnifying Member") will indemnify the Company in full for the entire amount paid, including interest, penalties and expenses associated with such payment. At the option of the Board, either:

(a) promptly upon notification of an obligation to indemnify the Company, the Indemnifying Member will make a cash payment to the Company in an amount equal to the full amount to be indemnified, or

(b) the Company will reduce subsequent distributions which would otherwise be made to the Indemnifying Member until the Company has recovered the amount to be indemnified (and the amount of such reduction will be deemed to have been distributed for all purposes).

A Member's obligation to make contributions to the Company under this Section 6.3 will survive the termination, dissolution, liquidation and winding up of the Company, and for purposes of this Section 6.3, the Company will be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it

may have against each Member under this Section 6.3, including instituting a lawsuit to collect such contribution with interest calculated at a rate equal to the Company's and its Subsidiaries' effective cost of borrowed funds.

(b) H&E Finance Corp. is a corporation organized under the laws of the State of Delaware.

Article Eight of H&E Finance Corp.'s Certificate of Incorporation provides that:

To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended, a director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. Any repeal or modification of this Article Eight shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Article V of H&E Finance Corp.'s By-Laws provides that:

Section 1. *Nature of Indemnity*. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such

person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. *Procedure for Indemnification of Directors and Officers*. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. *Nonexclusivity of Article V*. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the corporation's certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. *Insurance*. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5. *Expenses*. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. *Employees and Agents*. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. *Contract Rights*. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. *Merger or Consolidation*. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had

power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

(c) GNE Investments, Inc. is a corporation organized under the laws of the State of Washington.

Section 9 of GNE Investments, Inc.'s Bylaws provides that:

Indemnification of Directors and Officers. Each Director or officer now or hereafter serving the Corporation, and each person who at the request of or on behalf of the Corporation is now serving or hereafter serves as Director or officer of any other corporation and the respective heirs, executors, and administrators of each of them shall be indemnified by the Corporation to the fullest extent provided by law against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit, or proceeding, civil or criminal, in which he/she is or may be made a party by reason of his/her being or having been such Director or officer by reason of any action alleged to have been taken or omitted by him/her as such Director or officer, whether or not he/she is a Director or officer at the time of incurring such costs, expenses, judgments, and liabilities, provided that he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Corporation. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation. The foregoing right of indemnification shall not be exclusive of other rights to which such Director or officer may be entitled as a matter of law. The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee, or agent against any liability arising out of his/her status as such, whether or not the Corporation would have power to indemnify him/her against such liability.

(d) Great Northern Equipment, Inc. is a corporation organized under the laws of the State of Montana.

Section 35-1-453 of the Montana Code Annotated, 2001 provides that:

Mandatory Indemnification. Unless limited by its articles of incorporation, a corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he is or was a director of the corporation, against reasonable expenses incurred by the director in connection with the proceeding.

Section 35-1-455 of the Montana Code Annotated, 2001 provides that:

Court-ordered Indemnification. Unless a corporation's articles of incorporation provide otherwise, a director of a corporation who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification if it determines that the director:

(1) is entitled to mandatory indemnification under 35-1-453, in which case the court shall also order the corporation to pay the director's reasonable expenses incurred in obtaining court-ordered indemnification; or

(2) is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director met the standard of conduct set forth in 35-1-452 or was adjudged liable as described in 35-1-452(4). If the director was adjudged liable as described in 35-1-452(4), the director's indemnification is limited to reasonable expenses incurred.

Section 35-1-457 of the Montana Code Annotated, 2001 provides that:

Indemnification of officers, employees, and agents. Unless a corporation's articles of incorporation provide otherwise:

(1) an officer of the corporation who is not a director is entitled to mandatory indemnification under 35-1-453 and is entitled to apply for court-ordered indemnification under 35-1-455 to the same extent as a director;

(2) the corporation may indemnify and advance expenses under 35-1-451 through 35-1-459 to an officer, employee, or agent of the corporation who is not a director to the same extent as to a director; and

(3) a corporation may also indemnify and advance expenses to an officer, employee, or agent who is not a director to the extent, consistent with public policy, that may be provided by its articles of incorporation, bylaws, general or specific action of its board of directors, or contract.

Item 21. *Exhibits and Financial Statement Schedules*.

(a) Exhibits.

See Exhibit Index.

(b) Financial Statement Schedule.

Schedule II-Valuation and Qualifying Accounts. See Page S-1.

Item 22. *Undertakings*.

The undersigned registrants hereby undertake:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which individually or in the aggregate, represent a fundamental change in the information in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 20 or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrants hereby undertake:

(d) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(e) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Salt Lake City, in the State of Utah on September 13, 2002.

H&E EQUIPMENT SERVICES, L.L.C.

By: /s/ GARY W. BAGLEY

Name: Gary W. Bagley
Title: Chairman and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lindsay C. Jones his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his or her capacity as a director and/or officer of H&E Equipment Services, L.L.C., to sign any or all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated on September 13, 2002.

Signature	Capacity
/s/ JOHN M. ENGQUIST John M. Engquist	President, Chief Executive Officer and Director (principal executive officer)
/s/ GARY W. BAGLEY Gary W. Bagley	Chairman and Director
/s/ LINDSAY C. JONES Lindsay C. Jones	Chief Financial Officer (principal financial officer)
/s/ TERENCE L. EASTMAN Terence L. Eastman	Senior Vice President, Finance (principal accounting officer)

/s/ BRUCE C. BRUCKMANN	
Bruce C. Bruckmann	Director
/s/ HAROLD O. ROSSER	
Harold O. Rosser	Director
/s/ J. RICE EDMONDS	
J. Rice Edmonds	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Salt Lake City, in the State of Utah on September 13, 2002.

H&E FINANCE CORP.

By: /s/ GARY W. BAGLEY

Name: Gary W. Bagley
Title: Chairman and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lindsay C. Jones his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his or her capacity as a director and/or officer of H&E Finance Corp. to sign any or all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated on September 13, 2002.

Signature	**Capacity**
/s/ JOHN M. ENGQUIST	President, Chief Executive Officer and Director (principal executive officer)
John M. Engquist	
/s/ GARY W. BAGLEY	
Gary W. Bagley	Chairman and Director
/s/ LINDSAY C. JONES	Chief Financial Officer (principal financial officer)
Lindsay C. Jones	
/s/ TERENCE L. EASTMAN	Senior Vice President, Finance (principal accounting officer)
Terence L. Eastman	

/s/ BRUCE C. BRUCKMANN	
Bruce C. Bruckmann	Director

/s/ HAROLD O. ROSSER	Director
Harold O. Rosser	
/s/ J. RICE EDMONDS	
J. Rice Edmonds	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Salt Lake City, in the State of Utah on September 13, 2002.

GNE INVESTMENTS, INC.

By: /s/ GARY W. BAGLEY

Name: Gary W. Bagley
Title: President and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lindsay C. Jones his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his or her capacity as a director and/or officer of GNE Investments, Inc., to sign any or all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated on September 13, 2002.

Signature	Capacity
/s/ GARY W. BAGLEY	President and Director (principal executive officer)
Gary W. Bagley	
/s/ TERENCE L. EASTMAN	Vice President (principal financial and accounting officer)
Terence L. Eastman	
/s/ DON M. WHEELER	
Don M. Wheeler	Director
/s/ DALE W. ROESENER	
Dale W. Roesener	Director

/s/ RALPH CONNOR	
Ralph Connor	Director
/s/ JOHN WILLIAMS	
John Williams	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Salt Lake City, in the State of Utah on September 13, 2002.

GREAT NORTHERN EQUIPMENT, INC.

By: /s/ GARY W. BAGLEY

Name: Gary W. Bagley
Title: President and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lindsay C. Jones his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his or her capacity as a director and/or officer of Great Northern Equipment, Inc., to sign any or all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated on September 13, 2002.

Signature	Capacity
/s/ GARY W. BAGLEY Gary W. Bagley	President and Director (principal executive officer)
/s/ TERENCE L. EASTMAN Terence L. Eastman	Vice President (principal financial and accounting officer)
/s/ DON M. WHEELER Don M. Wheeler	Director
/s/ DALE W. ROESENER Dale W. Roesener	Director
/s/ RALPH CONNOR Ralph Connor	Director
/s/ JOHN WILLIAMS John Williams	Director

Schedule II: VALUATION AND QUALIFYING ACCOUNTS

For the Years ended December 31, 2001, 2000, and 1999
(Dollars in thousands)

Description	Balance at Beginning of Year	Additions Charges to Costs and Expenses	Deductions	Balance at Beginning of Year
Year Ended December 31, 2001				
Allowance for doubtful accounts receivable	$ 708	$ 556	$ (556)	$ 708
Allowance for inventory obsolescence	291	271	(29)	533
	$ 999	$ 827	$ (585)	$ 1,241
Year Ended December 31, 2000				
Allowance for doubtful accounts receivable	$ 708	$ 708	$ (708)	$ 708
Allowance for inventory obsolescence	213	89	(11)	291
	$ 921	$ 797	$ (719)	$ 999

Year Ended December 31, 1999				
Allowance for doubtful accounts receivable	$ 708	$ 301	$ (301)	$ 708
Allowance for inventory obsolescence	169	80	(36)	213
	$ 877	$ 381	$ (337)	$ 921

Exhibit Index

3.1	Articles of Organization of Gulf Wide Industries, L.L.C.
3.2	Amended and Restated Articles of Organization of Gulf Wide Industries, L.L.C.
3.3	Amended Articles of Organization of Gulf Wide Industries, L.L.C., Changing Its Name To H&E Equipment Services L.L.C.
3.4	Certificate of Incorporation of H&E Finance Corp.
3.5	Articles of Incorporation of Great Northern Equipment, Inc.
3.6	Articles of Incorporation of Williams Bros. Construction, Inc.
3.7	Articles of Amendment to Articles of Incorporation of Williams Bros. Construction, Inc. Changing its Name to GNE Investments, Inc.
3.8	Amended and Restated Operating Agreement of H&E Equipment Services L.L.C.
3.9	Bylaws of H&E Finance Corp.
3.10	Bylaws of Great Northern Equipment, Inc.
3.11	Bylaws of Williams Bros. Construction, Inc.
4.1	Indenture, among H&E Equipment Services L.L.C., H&E Finance Corp., the guarantors party thereto and The Bank of New York, dated as of June 17, 2002.
4.2	Registration Rights Agreement, among H&E Equipment Services L.L.C., H&E Finance Corp., the guarantors party thereto and Credit Suisse First Boston Corporation, dated as of June 17, 2002.
4.3	Form of Exchange Note (Included in Exhibit 4.1 hereto).
5.1	Opinion of Kirkland & Ellis.
5.2	Opinion of Taylor, Porter, Brooks & Phillips, L.L.P.
5.3	Opinion of Garlington, Lohn & Robinson, LLP.
8.1	Opinion of Kirkland & Ellis regarding federal tax consequences.
10.1	Credit Agreement among Great Northern Equipment, Inc., H&E Equipment Services L.L.C., the other credit parties signatory thereto, General Electric Capital Corporation, Bank of America, N.A. and Fleet Capital Corporation, dated as of June 17, 2002.
10.2	Contribution Agreement and Plan of Reorganization, dated as of June 14, 2002, by and among H&E Holdings, L.L.C., BRSEC Co-Investment II, LLC.
10.3	Securityholders Agreement, dated as of June 17, 2002 by and among H&E Holdings LLC, BRSEC Co-Investment, LLC, BRSEC Co-Investment II, LLC, certain members of management and other members of H&E Holdings LLC.
10.4	Registration Rights Agreement, dated as of June 17, 2002 by and among H&E Holdings LLC, BRSEC Co-Investment, LLC, BRSEC Co-Investment II, LLC, certain members of management and other members of H&E Holdings LLC.
10.5	Management Agreement, dated May 26, 1999, by and between Bruckman, Rosser, Sherrill & Co., Inc. and ICM Equipment Company, L.L.C.
10.6	Management Agreement, dated as of August 10, 2001, by and among Bruckman, Rosser, Sherrill & Co., Inc., Head & Engquist Equipment, L.L.C. and Gulf Wide Industries, L.L.C.
10.7	First Amended and Restated Management Agreement, dated as of June 17, 2002, Bruckman, Rosser, Sherrill & Co., Inc., H&E Holdings, L.L.C. and H&E Equipment Services, L.L.C.
10.8	Employment Agreement, dated as of June 29, 1999, by and between Gulf Wide Industries, L.L.C., and John M. Engquist.
10.9	First Amendment to the Employment Agreement, dated as of August 10, 2001, by and among Gulf Wide Industries, L.L.C. and John M. Engquist.
10.10	Employment Agreement, dated as of February 4, 1998, by and between ICM Equipment Company, L.L.C., and Gary Bagley.
10.11	First Amendment to the Employment Agreement, dated as of May 26, 1999, by and between ICM Equipment Company, L.L.C., and Gary Bagley.
10.12	Second Amendment to the Employment Agreement, dated as of December 6, 1999, by and between ICM Equipment Company, L.L.C., and Gary Bagley.
10.13	Third Amendment to the Employment Agreement, dated as of June 14, 2002, by and between ICM Equipment Company, L.L.C., and Gary Bagley.
10.14	Employment Agreement, dated as of February 4, 1998, between ICM Equipment Company and Kenneth Sharp, Jr.
10.15	First Amendment to the Employment Agreement, dated as of May 26, 1999, between ICM Equipment Company, L.L.C. and Kenneth Sharp, Jr.
10.16	Second Amendment to the Employment Agreement, dated as of December 6, 1999, between ICM Equipment Company, L.L.C. and Kenneth Sharp, Jr.
10.17	Third Amendment to the Employment Agreement, dated as of June 14, 2002, between ICM Equipment Company, L.L.C. and Kenneth Sharp, Jr.
10.18	Deferred Compensation Agreement made and entered into as of June 17, 2002. by and between Gary Bagley and H&E Holdings, L.L.C.
10.19	Deferred Compensation Agreement made and entered into as of June 17, 2002. by and between Kenneth Sharp, Jr. and H&E Holdings, L.L.C.
10.20	Consulting and Noncompetition Agreement, dated as of June 29, 1999, between Head & Engquist Equipment, L.L.C. and Thomas R. Engquist.
10.21	Purchase Agreement by and among H&E Equipment Services L.L.C., H&E Finance Corp., the guarantors party thereto

	and Credit Suisse First Boston Corporation, dated June 17, 2002.
10.22	Investor Rights Agreement by and among H&E Holdings, L.L.C., BRSEC Co-Investment, LLC, BRSEC Co-Investment II, LLC and Credit Suisse First Boston Corporation, dated as of June 17, 2002.
12.1	Statement re computation of ratio of earnings to fixed charges.
21.1	Subsidiaries of the registrant.
23.1	Consent of KPMG LLP—New Orleans, Louisiana.
23.2	Consent of Hawthorn, Waymouth & Carroll L.L.P.—Baton Rouge, Louisiana.
23.3	Consent of KPMG LLP—Salt Lake City, Utah
23.4	Consent of Kirkland & Ellis (included in Exhibit 5.1).
23.5	Consent of Kirkland & Ellis with respect to opinion regarding federal tax consequences (included in Exhibit 8.1).
23.6	Potential Limitation of Remedies Against Arthur Andersen LLP.
25.1	Statement re Eligibility of Trustee.
99.1	Form of Letter of Transmittal.
99.2	Form of Notice of Guaranteed Delivery.
99.3	Form of Tender Instructions.

EXHIBIT 3.1

ARTICLES OF ORGANIZATION

OF

GULF WIDE INDUSTRIES, L.L.C.

BE IT KNOWN, that on this 22nd day of December, 1994, before me, the undersigned Notary Public, personally came and appeared John M. Engquist, the subscriber hereto, a person of the full age of majority, who declared to me in the presence of the undersigned competent witnesses that, availing himself of the provisions of the Louisiana Limited Liability Company Law (Title 12, Chapter 22, Louisiana Revised Statutes of 1950), he does hereby execute the following articles of organization for the purpose of establishing and creating a limited liability company:

ARTICLE I
NAME

The name of the company is Gulf Wide Industries, L.L.C. (hereinafter referred to as the "Company").

ARTICLE II
PURPOSE

The purpose of the Company is to engage in any lawful activity for which limited liability companies may be formed under the Louisiana Limited Liability Company Law.

ARTICLE III
MANAGEMENT BY BOARD OF MANAGERS

All powers of the Company are vested solely in, and all of the business and affairs of the Company, including but not limited to sale and mortgage of all or substantially all of the Company's assets, shall be managed without limitation by a manager who may, but need not, be a member. Except as otherwise provided by these

articles, the Operating Agreement, by special resolutions of the manager, or by the provisions of the Louisiana Limited Liability Company law, the manager and the officers shall function in a manner similar to the manner in which the board of directors and officers of a Louisiana business corporation function. The manager shall be John Engquist who shall serve for a term of ten years or until such time as his successor is elected and installed. Successor managers shall be elected by the members.

ARTICLE IV
OFFICERS

The manager shall serve also as president and may appoint a secretary and a treasurer, and may also appoint one or more vice presidents and such other officers as he deems necessary. An officer may, but need not, be a member or manager.

ARTICLE V
DELEGATION OF AUTHORITY

By resolution, the manager may delegate particular powers of the manager to a mandatary, agent or representative.

ARTICLE VI
EVIDENCE OF AUTHORITY

Any person dealing with the Company may rely upon a certificate of the manager, the president or the secretary to establish the membership of any member, the authenticity of any records, or the authority of any person to act on behalf of the Company, including but not limited to, authority to do the following:

(1) dissolve and wind-up the affairs of the Company;

(2) sell, exchange, lease, mortgage, pledge or transfer all or substantially all of the assets of the Company;

(3) merge or consolidate with any one or more limited liability companies or corporations, partnerships in commendam, partnerships, or business or nonprofit corporations;

(4) incur indebtedness other than in the ordinary course of business;

(5) alienate, lease or encumber any immovables of the Company; and

(6) amend the Articles of Organization or the Operating Agreement.

ARTICLE VII
AUTHORITY OF MEMBERS

The authority of the members to act on behalf of the Company is restricted. Unless so authorized by a resolution of the manager, members shall not act as mandataries of the Company for matters in the ordinary course of the Company's business. On all matters for which a vote of the membership may be taken, each member shall be entitled to one vote for each membership share issued and registered in his name on the books of the Company. A two-thirds (2/3) vote of the membership shall be required to approve the following actions by the Company:

(1) to dissolve or wind up the affairs of the Company,

(2) to merge or consolidate with any other foreign or domestic limited liability company, corporation, partnership or limited partnership, and

(3) to amend the articles of organization.

ARTICLE VIII
LIMITATION OF LIABILITY AND INDEMNIFICATION OF MANAGERS

Managers and members shall not be personally liable for monetary damages for breach of any duty provided for in LSA R.S. 12:1314, and, pursuant to LSA R.S. 12:1315, the Company may indemnify a manager or a member for judgments,

settlements, penalties, fines, or expenses, including attorneys' fees, incurred because he or she is or was a manager or a member.

ARTICLE IX
DISSOLUTION

The Company shall be dissolved and its affairs shall be wound up only upon the first to occur of the following:

(1) the consent of a two-thirds (2/3) vote of the membership,

(2) the occurrence of any event which causes the number of members to be reduced to one, unless within ninety days after such event, the Company is continued by the admission of one or more new members, or

(3) the entry of a decree of judicial dissolution under R.S. 12:1335.

The death, interdiction, withdrawal, expulsion, bankruptcy, or dissolution of a member shall not cause the dissolution of the Company.

ARTICLE X
ASSIGNMENTS AND OTHER TRANSFERS OF SHARES

Membership shares shall be freely assignable by a member. Upon receipt by the Company at its registered office of written notification of an assignment of a membership share, the assignee shall become a member and shall be entitled to exercise all of the rights and powers of a member. Such notice shall provide the full name and address of the member and of the assignee, the number of shares assigned or transferred, and any other information that may be required by the Company.

ARTICLE XI
TAXATION

The Company shall be taxed in accordance with La. R.S. 12:1368, and, for purposes of federal and state income taxation, the Company shall be taxed as a corporation.

ARTICLE XII
ISSUANCE OF SHARES

The Company shall have authority to issue 1,000 membership shares.

ARTICLE XIII
AMENDMENTS TO ARTICLES OF ORGANIZATION

Amendments to the articles of organization for which a larger vote is not specifically made mandatory by law may be made upon a vote of the members possessing two-thirds of the total outstanding shares eligible to vote or upon written consent of such members.

THUS DONE AND SIGNED, in Baton Rouge, Louisiana, on the date first stated hereinabove, before the undersigned notary and in the presence of the undersigned competent witnesses.

WITNESSES:

/s/ [ILLEGIBLE]
- ----------

/s/ [ILLEGIBLE]
- ----------

ORGANIZER:

/s/ John M. Engquist

John M. Engquist

/s/ [ILLEGIBLE]

NOTARY PUBLIC

Exhibit 3.2

AMENDED AND RESTATED ARTICLES OF ORGANIZATION

OF

GULF WIDE INDUSTRIES, L.L.C.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BE IT KNOWN, that on this 7th day of June, 1999, and effective on the 17th day of May, 1999, before me, the undersigned Notary Public, personally came and appeared John M. Engquist and Kristan Engquist Dunne, persons of the full age of majority, who declared to me in the presence of the undersigned competent witnesses, that being the sole members of Gulf Wide Industries, L.L.C., and availing themselves of the provisions of the Louisiana Limited Company Law (Title 12, Chapter 22, Louisiana Revised Statutes of 1950), they do hereby amend and restate the articles of organization in their entirety as follows:

ARTICLE I
NAME

The name of the limited liability company is Gulf Wide Industries, L.L.C. (hereinafter the "Company").

ARTICLE II
PURPOSE

The purpose of the Company is to engage in any lawful activity for which limited liability companies may be formed under Louisiana Law.

ARTICLE III
MANAGEMENT BY BOARD OF DIRECTORS

All powers of the Company are vested solely in, and all of the business and affairs of the Company, including but not limited to sale and mortgage of all or substantially all of the Company's assets, shall be managed by a Board of Directors as set forth in the Operating Agreement. Except as otherwise provided by these articles, the Operating Agreement, by special resolutions of the Board of Directors, or by the provisions of the Louisiana Limited Liability Company Law, the Board of Directors of the Company and the officers shall function in a manner similar to the manner in which the board of directors and officers of a Louisiana business corporation function.

ARTICLE IV
OFFICERS

The Board of Directors may appoint a chief executive officer, a president, a chief financial officer, and a secretary, and may also appoint one or more vice presidents and such other officers as the Board of Director deems necessary. An officer may, but need not, be a member.

ARTICLE V
DELEGATION OF AUTHORITY

By resolution, the Board of Directors may delegate particular powers to a manager, or to a mandatary, agent or representative.

ARTICLE VI
EVIDENCE OF AUTHORITY

Any person dealing with the Company may rely upon a certificate of the Board of Directors, the president or the secretary to establish the membership of any member, the

authenticity of any records, or the authority of any person to act on behalf of the Company, including but not limited to, authority to do the following:

(1) dissolve and wind-up the affairs of the Company;

(2) sell, exchange, lease, mortgage, pledge or transfer all or substantially all of the assets of the Company;

(3) merge or consolidate with any one or more limited liability companies or corporations, partnerships in commendam, partnerships, or business

or nonprofit corporations;

(4) incur indebtedness other than in the ordinary course of business;

(5) alienate, lease or encumber any immovables of the Company; and

(6) amend the Articles of Organization or the Operating Agreement.

ARTICLE VII
AUTHORITY OF MEMBERS

The authority of the members to act on behalf of the Company is restricted. Unless so authorized by a resolution on the Board of Directors, members shall not act as mandataries of the Company for matters in the ordinary course of the Company's business. On all matters for which a vote of the membership may be taken, each member shall be entitled to such vote as set forth in the Operating Agreement and as may be required by the Louisiana Limited Liability Company Law.

ARTICLE VIII
LIMITATION OF LIABILITY AND INDEMNIFICATION

Representatives on the Board of Directors, officers, managers and members shall not be personally liable for monetary damages for breach of any duty provided for in La. R.S. 12:1314,

and, pursuant to La. R.S. 12:1315, the Company may indemnify a representative on the Board of Directors, officer, manager or a member for judgments, settlements, penalties, fines, or expenses, including attorneys' fees to the fullest extent allowed by the Louisiana Limited Liability Law.

ARTICLE IX

DISSOLUTION

The Company shall be dissolved and its affairs shall be wound up only upon the first to occur of the following:

(1) the consent of a two-thirds (2/3) vote of the membership, or as set forth in the Operating Agreement, or

(2) the entry of a decree of judicial dissolution under La. R.S. 12:1335.

The death, interdiction, withdrawal, expulsion, bankruptcy, or dissolution of a member shall not cause the dissolution of the Company.

ARTICLE X
ASSIGNMENTS AND OTHER TRANSFERS OF SHARES

There are certain restrictions regarding the transfer of membership shares by sale, gift, assignment, or otherwise, which are more particularly provided for in the Operating Agreement and in other agreements among the members.

ARTICLE XI
TAXATION

The Company shall be taxed in accordance with La. R.S. 12:1368, and, for purposes of federal and state income taxation, the Company shall be taxed as a corporation.

ARTICLE XII
ISSUANCE OF MEMBERSHIP SHARES

The Company shall have authority to issue a maximum of 1,000,000 membership shares.

ARTICLE XIII
AMENDMENTS TO ARTICLES OF ORGANIZATION

Amendments to the articles of organization for which a larger vote is not specifically made mandatory by law may be made upon a vote of the members possessing two-thirds of the total outstanding membership shares eligible to vote or upon written consent of such members.

THUS DONE AND SIGNED, in Baton Rouge, Louisiana, on the date first stated hereinabove, before the undersigned notary and in the presence of the undersigned competent witnesses.

WITNESSES:

/s/ [ILLEGIBLE]
- ----------

/s/ [ILLEGIBLE]
- ----------

MEMBERS

/s/ John M. Engquist

John M. Engquist

/s/ John M. Engquist

Kristan Engquist Dunne, by
John M. Engquist through Power of
Attorney dated May 15, 1999.

/s/ John Ashley Moore

John Ashley Moore, Notary Public

AMENDED ARTICLES OF ORGANIZATION OF
GULF WIDE INDUSTRIES, L.L.C., CHANGING ITS NAME TO
H&E EQUIPMENT SERVICES L.L.C.

****
STATE OF LOUISIANA *
*
PARISH OF EAST BATON ROUGE *
****
****
STATE OF NEW YORK *
*
COUNTY OF NEW YORK *
****

BE IT KNOWN, that on this 30th day of May, 2002, and effective immediately upon filing in the office of the Louisiana Secretary of State, before us, the undersigned Notary(s) Public, personally came and appeared BRSEC CO-INVESTMENT II, L.L.C., JOHN M. ENGQUIST and KRISTAN ENGQUIST DUNNE, who declared in the presence of the undersigned competent witnesses, that being all members of Gulf Wide Industries, L.L.C., and availing themselves of the provisions of the Louisiana Limited Company Law (Title 12, Chapter 22, Louisiana Revised Statutes of 1950), they do hereby amend the articles of organization as follows:

ARTICLE I
NAME

The name of the limited liability company is changed and renamed "H&E Equipment Services L.L.C."

THUS DONE AND SIGNED, in Baton Rouge, Louisiana, on the date first stated hereinabove, before the undersigned notary and in the presence of the undersigned competent witnesses.

WITNESSES:

/s/ [ILLEGIBLE]
- ----------

/s/ [ILLEGIBLE]
- ----------

MEMBERS:

/s/ John M. Engquist

John M. Engquist

/s/ John M. Engquist

Kristan Engquist Dunne, by
John M. Engquist through Power of
Attorney dated May 15, 1999.

/s/ John Ashley Moore

John Ashley Moore, Notary Public
My Commission Expires With Life

THUS DONE AND SIGNED, in New York, New York, on the date first stated hereinabove, before the undersigned notary and in the presence of the undersigned competent witnesses.

WITNESSES:

/s/ DAVID N. BRITSCH
- ----------
David N. Britsch

/s/ CINDY RASHED REILLY
- ----------
Cindy Rashed Reilly

MEMBER:
BRSEC CO-INVESTMENT II, L.L.C.

By: /s/ STEPHEN EDWARDS

_____, Duly Authorized

/s/ APRIL BLANSHAFT

_____, Notary Public
My Commission Expires: _____

W. FOX McKEITHEN LIMITED LIABILITY COMPANY
SECRETARY OF STATE ANNUAL REPORT

[SEAL] For Period Ending
December 23, 2001

MAILING ADDRESS ONLY (INDICATE ANY CHANGES BELOW) (INDICATE ANY CHANGES BELOW)

34481072 K 474
GULF WIDE INDUSTRIES, L.L.C.
C/0 JOHN M. ENGQUIST
6600 AIRLINE HIGHWAY
BATON ROUGE, LA 70805

Registered Office Address in Louisiana
(Do Not Use P.O. Box)
6600 AIRLINE HIGHWAY
BATON ROUGE, LA 70805

FEDERAL TAX ID NUMBER

N/A

Our records indicate the following registered agents for the company. Indicate any changes or deletions below. All agents must have a Louisiana address. Do not use a P.0.Box. New registered agents require a notarized signature.

JOHN M. ENGQUIST
6600 AIRLINE HIGHWAY/BATON ROUGE, LA 70805

J. ASHLEY MOORE
451 FLORIDA STREET/8TH FLOOR, PREMIER BANK CENTRE/BATON ROUGE, LA 70801

I hereby accept the appointment of registered agent(s}.

Sworn to and subscribed before me on

_____ _____

_____ _____

Our records indicate the following managers or members for the company. Indicate any changes or deletions below. If space is needed for additional managers/members, attach an addendum. Include addresses. Do not use a P.O. Box.

[SEAL]

JOHN M. ENGQUIST MANAGER/MEMBER
6600 AIRLINE HIGHWAY/BATON ROUGE, LA 70805

KRISTAN ENGQUIST DUNNE MEMBER
140 HAMPTON WAY/CARROLLTON, GA 30117

NOTE: EFFECTIVE AUGUST 15, 2001, ACT 1186 OF THE 2001 REGULAR SESSION REQUIRES LIMITED LIABILITY COMPANIES TO FILE ANNUAL REPORTS. THE REPORTS ARE DUE ON THE ANNIVERSARY DATE OF ORGANIZATION OR QUALIFICATION. THE AMOUNT OF THE FILING FEE IS PRINTED AT THE BOTTOM OF THE FORM.

To be signed by a manager or member	Title	Phone	Date
SIGN /s/ John M. Engquist			

RETURN BY: December 23, 2001

CHECK IF NO CHANGE

ENCLOSE FILING FEE OF $ 10.00
MAKE REMITTANCE PAYABLE TO SECRETARY OF STATE
DO NOT SEND CASH
WEB SITE:www.sec.state.la.us

DO NOT STAPLE

TO: COMMERCIAL DIVISION
P.O. BOX 94128
BATON ROUGE, LA 70804-9125
PHONE (225) 925-4704

/ /

UNSIGNED REPORTS WILL BE RETURNED

EXHIBIT 3.4

CERTIFICATE OF INCORPORATION

OF

H&E FINANCE CORP.

ARTICLE ONE

The name of the corporation is H&E Finance Corp. (hereinafter called the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE THREE

The purpose of the Corporation is to engage is any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE FOUR

The total number of shares which the Corporation shall have the authority to issue is One Hundred Shares (100), all of which shall be shares of Common Stock, with a par value of One Cent ($0.01) per share.

ARTICLE FIVE

The name and mailing address of the incorporator is as follows:

NAME	ADDRESS
Cindy Rashed Reilly	c/o Kirkland & Ellis 153 East 53rd Street 39th Floor New York, NY 10022

ARTICLE SIX

The directors shall have the power to adopt, amend or repeal By-Laws, except as may be otherwise be provided in the By-Laws.

ARTICLE SEVEN

The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE EIGHT

To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended, a director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. Any repeal or modification of this ARTICLE EIGHT shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE NINE

The Corporation reserves the right to amend or repeal any provisions contained in this Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders and directors are granted subject to such reservation.

* * * *

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation in pursuance of the General Corporation Law of the State of Delaware, do make and file this Certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 9th day of May, 2002.

Cindy Rashed Reilly
Sole Incorporator

EXHIBIT 3.5

SECRETARY OF STATE
STATE OF MONTANA

CERTIFICATE OF INCORPORATION

I, JIM WALTERMIRE, Secretary of State of the State of Montana, do hereby certify that the Articles of Incorporation for the incorporation of GREAT NORTHERN EQUIPMENT, INC., a Montana profit corporation, duly executed pursuant to the provisions of Section 35-1-203, Montana Code Annotated, have been received in my office and conform to law.

NOW, THEREFORE, I, JIM WALTERMIRE, as such Secretary of State, by virtue of the authority vested in me by law, hereby issue this Certificate of Incorporation to GREAT NORTHERN EQUIPMENT, INC., a Montana profit corporation, and attach hereto a copy of the Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Montana, at Helena, the Capital, this July 10, A.D. 1987.

/s/ Jim Waltermire
JIM WALTERMIRE
Secretary of State

(GREAT SEAL)

[SEAL]

ARTICLES OF INCORPORATION

OF

GREAT NORTHERN EQUIPMENT, INC.

WE, the undersigned natural persons, being of sound mind and over the age of eighteen (18) years, acting as incorporators of a corporation under the Montana Business Corporation Act, hereby adopt the following Articles of Incorporation for said corporation:

FIRST

The name of the corporation is:

GREAT NORTHERN EQUIPMENT, INC.

SECOND

The period of its duration is perpetual.

THIRD

The purposes for which this corporation is organized are as follows:

a) To own, hold, rent, control, lease, operate, conduct and engage in the equipment rental, lease, sales, and service business.

b) To purchase or otherwise acquire, hold, own, mortgage, pledge, sign, transfer, manage, rent or lease personal property and equipment, and to deal with the same with all the rights, powers and privileges of ownership as may or shall be necessary in the furtherance of the business operation of this corporation as determined by the Board of Directors hereof.

c) The erection and maintenance of buildings, and the accumulation and loan of funds for the erection and maintenance of buildings and for the purchase of real estate related to said business.

d) The authorized corporation purposes

shall include any lawful business purposes which a corporation organized under the Montana Business Corporation Act may be

permitted to undertake whether in this state or any other state in which the corporation is authorized to transact business.

e) The corporation shall have all general powers possessed by a corporation under the Montana Business Corporation Act.

FOURTH

The aggregate number of shares which the corporation shall have the authority to issue shall be FIFTY THOUSAND (50,000) shares with NO PAR value. There shall be only one class of stock, which shall be dominated as common stock. That the said stock shall be nonassessable.

FIFTH

No shares of stock of this corporation, whether they are original issues, additionally authorized but unissued, treasury shares, or otherwise, may be sold, transferred, pledged, assigned, used for collateral or disposed of in any other manner without the consent of all other shareholders of record.

The shares of stock issued shall have the following language printed clearly on each stock certificate:

> Transferability of the shares represented by this certificate is restricted by the Articles of Incorporation. The corporation will furnish to any shareholder of record upon request and without charge a full statement of the restriction.

When any stock is to be sold, the selling price per share shall be determined by the Board of Directors.

SIXTH

The initial Bylaws shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or to adopt new Bylaws shall be vested in the Board of Directors. The Bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with the Act or these Articles of Incorporation.

Any contract or other transaction between the

corporation and one or more of its directors, or between the corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers or employees or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the corporation that acts upon, or in reference to, the contract or transaction, and notwithstanding his or their participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize or ratify the contract or transaction, the interested director or directors to be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable to it.

SEVENTH

The address of the registered office of the corporation is:

100 Steffes Road
Billings, Montana 59101

And the name of its registered agent at such address is:

JERRY WILLIAMS.

EIGHTH

The number of directors constituting the original Board of Directors of the corporation is three (3) and the names and addresses of those who are to serve as such directors until the first annual meeting of shareholders or until their successors are elected and shall qualify, are:

NAME	ADDRESS
JOHN D. WILLIAMS	614 West Virginia Lewistown, Montana 59457

ROBERT G. WILLIAMS
1029 Wiloma Drive
Billings, Montana 59105

GERALD R. WILLIAMS
4050 Pine Cove
Billings, Montana 59107

Exhibit 3.6

[SEAL]

ARTICLES OF INCORPORATION

OF

WILLIAMS BROS. CONSTRUCTION, INC.

The undersigned, being over the age of eighteen (18), acting as incorporator of a Corporation under the Washington Business Corporation Act hereby adopts, in duplicate, the following Articles of Incorporation for such Corporation.

ARTICLE I
NAME OF CORPORATION

The name of the Corporation shall be:

WILLIAMS BROS. CONSTRUCTION, INC.

ARTICLE II
DURATION OF CORPORATION

The period of duration of the Corporation shall be perpetual.

ARTICLE III
CORPORATE PURPOSES

The purpose or purposes for which the Corporation is organized are:

SECTION 1.

a. To carry on a general excavation, construction and contracting business, and to that end to lease, own, purchase, operate, sell, dispose of and utilize the vehicles and equipment associated therewith, and the doing of any and all other business and contracting incidental thereto, or connected therewith;

b. To engage in the excavation, mining, processing, sales and use of rock, gravel and aggregate and the products and by-products thereof and to that end to purchase, lease or otherwise acquire real and personal property incidental thereto, or connected therewith, and the doing of any and all other business and contracting incidental thereto, or connected therewith;

c. To purchase, own, hold and sell real property, improved and unimproved, or any interest therein or easement thereon;

d. To engage in the business or purchasing, selling and distributing, at wholesale or retail, construction and excavation equipment and accessories, parts and supplies therefor;

SECTION 2.

In general, to carry on any lawful business whatsoever in connection with the foregoing which is calculated, directly or indirectly, to promote the interests of the Corporation or to enhance the value of its properties.

SECTION 3.

To engage in and carry on any lawful business or trade, regardless of whether or not said business or trade is directly or indirectly related to the business referred to in subsection 1 of this Article and to exercise all powers granted to a corporation formed under the Montana Business Corporation Act, including any amendments thereto or successor statute that may hereinafter be enacted.

ARTICLE IV
CAPITALIZATION

The aggregate number of shares which the Corporation shall have the authority to issue is 50,000 shares of common stock having no par value. There shall be no other class or shares of stock in the Corporation. The Corporation shall have the right to purchase, take, receive or otherwise acquire, hold, own, pledge, transfer and dispose of its own shares, to the extent of both its unrestricted and unreserved capital surplus.

ARTICLE V
GENERAL PROVISIONS

SECTION 1.

The Board of Directors shall have full power to adopt, alter, amend, or repeal the Bylaws or adopt new Bylaws. Nothing herein shall deny the concurrent power of the shareholders to adopt, alter, amend, or repeal the Bylaws.

SECTION 2.

The Corporation reserves the right to amend, alter, change, or repeal any provisions contained in its Articles of Incorporation in any manner now or hereafter prescribed or permitted by statute. All rights of shareholders of the Corporation are granted subject to this reservation.

SECTION 3.

The Corporation may enter into contracts and otherwise transact business as vendor, purchaser, or otherwise, with its Directors, officers, and shareholders and with Corporations, associations, firms, and entities in which they are or may be or become interested as Directors, officers, shareholders, members, or otherwise, as freely as though such adverse interests did not exist, even though the vote, action, or presence of such Director, officer, or shareholder may be necessary to obligate the Corporation upon such contracts or transactions; and in the absence of fraud, no such contract or transaction shall be avoided and no such Director, officer, or shareholder shall be held liable to account to the Corporation, by reason of such adverse interests or by reason of any fiduciary relationship to the corporation arising out of such office or stock ownership, for any profit or benefit realized by him through any such contract or transaction; provided that in the case of Directors and officers of the Corporation (but not in the case of shareholders who are not Directors or officers), the nature of the interest of such Director or officer, though not necessarily the details or extent thereof, be disclosed or known to the Board of Directors of the Corporation, at the meeting thereof at which such contract or transaction is authorized or confirmed. A general notice that a Director or officer of the Corporation is interested in any Corporation, association, firm, or entity shall be sufficient disclosure as to such Director or officer with respect to all contracts and transactions with that Corporation, association, firm, or entity.

ARTICLE VI
REGISTERED OFFICE AND ADDRESS

The address of the initial registered office of the Corporation is E. 3810 Boone Avenue, Spokane, WA 99202, and the name of its initial registered agent at such address is John D. Williams.

ARTICLE VII
BOARD OF DIRECTORS

The number, qualifications, terms of office, manner of election, time and place of meetings, and powers and duties of the Directors shall be prescribed in the Bylaws, but the number of first Directors shall be three (3), and they shall serve until the first annual meeting of shareholders or until their successors are elected and qualified; the names and post office addresses of the first Directors are as follows:

NAME	ADDRESS
John D. Williams	E. 3810 Boone Spokane, WA 99202
Robert G. Williams	E. 3810 Boone Spokane, WA 99202
Gerald R. Williams	E. 3810 Boone Spokane, WA 99202

ARTICLE VIII
INCORPORATORS

The name and address of the incorporators are:

NAME	ADDRESS
John D. Williams	E. 3810 Boone Spokane, WA 99202
Robert G. Williams	E. 3810 Boone Spokane, WA 99202

Gerald R. Williams
E. 3810 Boone
Spokane, WA 99202

Executed in duplicate this 30th day of April, 1992.

/s/ Gerald R. Williams
- ----------
GERALD R. WILLIAMS - INCORPORATOR

/s/ John D. Williams

JOHN D. WILLIAMS - INCORPORATOR

/s/ Robert G. Williams

ROBERT G. WILLIAMS - INCORPORATOR

CONSENT TO SERVE AS REGISTERED AGENT

I, John D. Williams, hereby consent to serve as Registered Agent, in the State of Washington, for Williams Bros. Construction, Inc. I understand that, as agent for the corporation, it will be my responsibility to receive process in the name of the corporation; to forward all mail in the event of my resignation, or of any changes in the registered office address of the corporation for which I am agent.

DATED: April 30, 1992

/s/ John D. Williams

John D. Williams
E. 3810 Boone Avenue
Spokane, WA 99202

EXHIBIT 3.7

[SEAL]

ARTICLES OF AMENDMENT TO

ARTICLES OF INCORPORATION OF

WILLIAMS BROS. CONSTRUCTION, INC.

Pursuant to the provisions of the Washington Business Corporation Act, the undersigned hereby adopt the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is WILLIAMS BROS. CONSTRUCTION, INC.

2. The FIRST paragraph of the Articles of Incorporation shall be amended as follows:

"FIRST: The name of the corporation shall be GNE INVESTMENTS, INC."

3. The date that said amendment was adopted by the Stockholder and Directors of the corporation was December 2, 1998.

4. The number of shares of the corporation outstanding at the time of the adoption of the said amendment was Fifteen Thousand (15,000) shares and the number of shares entitled to vote upon said amendment was Fifteen Thousand (15,000) shares.

5. The number of shares voting in favor of the foregoing amendment was Fifteen Thousand (15,000) shares.

DATED and EXECUTED this 2nd day of December, 1998.

/s/ Gerald R. Williams

GERALD R. WILLIAMS, President

ATTEST:

/s/ [ILLEGIBLE] Assistant Secretary
- ---
MICHAEL TAYLOR, Secretary

EXHIBIT 3.8

AMENDED AND RESTATED OPERATING AGREEMENT

OF

H&E EQUIPMENT SERVICES L.L.C.,
A LOUISIANA LIMITED LIABILITY COMPANY

DATED AS OF JUNE 17, 2002

TABLE OF CONTENTS

ARTICLE I DEFINITIONS.....1

1.1 DEFINITIONS.....1

1.2 OTHER DEFINITIONAL PROVISIONS.....4

ARTICLE II ORGANIZATION OF THE COMPANY.....4

2.1 FORMATION.....4

2.2 NAME.....5

2.3 PRINCIPAL PLACE OF BUSINESS.....5

2.4 REGISTERED OFFICE AND REGISTERED AGENT.....5

2.5 TERM.....5

2.6 PURPOSES AND POWERS.....5

ARTICLE III MANAGEMENT OF THE COMPANY.....5

3.1 BOARD OF DIRECTORS.....5

3.2 COMMITTEES OF THE BOARD.....7

3.3 OFFICERS.....8

3.4 FIDUCIARY DUTIES.....10

3.5 PERFORMANCE OF DUTIES; LIABILITY OF DIRECTORS AND OFFICERS.....10

3.6 INDEMNIFICATION.....10

ARTICLE IV MEMBERS; VOTING RIGHTS.....11

4.1 MEETINGS OF MEMBERS.....11

4.2 VOTING RIGHTS.....12

4.3 REGISTERED MEMBERS.....12

4.4 LIMITATION OF LIABILITY.....12

4.5 WITHDRAWAL; RESIGNATION.....12

4.6 DEATH OF A MEMBER.....13

4.7 AUTHORITY.....13

4.8 OUTSIDE ACTIVITIES.....13

ARTICLE V UNITS; MEMBERSHIP.....13

5.1 UNITS GENERALLY; CONVERSION OF PRIOR UNITS INTO COMMON UNITS.....13

5.2 AUTHORIZATION AND ISSUANCE OF UNITS.....13

5.3 UNIT CERTIFICATES.....13

5.4 ISSUANCE OF UNITS.....14

5.5 NEW MEMBERS FROM THE ISSUANCE OF UNITS.....14

ARTICLE VI DISTRIBUTIONS.....14

6.1 GENERALLY.....14
6.2 DISCRETIONARY DISTRIBUTIONS.....15
6.3 INDEMNIFICATION AND REIMBURSEMENT FOR PAYMENTS ON BEHALF OF A MEMBER.....15
ARTICLE VII BOOKS AND RECORDS.....15
7.1 GENERALLY.....15
7.2 TAX STATUS.....16
ARTICLE VIII DISSOLUTION AND LIQUIDATION.....16
8.1 DISSOLUTION.....16
8.2 LIQUIDATION.....16
ARTICLE IX TRANSFER OF UNITS.....18
9.1 RESTRICTIONS.....18
9.2 GENERAL RESTRICTIONS ON TRANSFER.....18
9.3 PROCEDURES FOR TRANSFER.....18
9.4 LEGEND.....18
9.5 LIMITATIONS.....19
9.6 PLEDGE OF UNITS.....19
ARTICLE X MISCELLANEOUS PROVISIONS.....20
10.1 NOTICES.....20
10.2 GOVERNING LAW.....20
10.3 NO ACTION FOR PARTITION.....20
10.4 HEADINGS AND SECTIONS.....20
10.5 AMENDMENTS.....21
10.6 GENDER.....21
10.7 BINDING EFFECT.....21
10.8 COUNTERPARTS.....21
10.9 SEVERABILITY.....21
10.10 REMEDIES.....21
10.11 BUSINESS DAYS.....21
10.12 WAIVER OF JURY TRIAL.....21
10.13 NO STRICT CONSTRUCTION.....21
10.14 ENTIRE AGREEMENT.....22
10.15 PARTIES IN INTEREST.....22
10.16 MERGERS AND CONSOLIDATIONS.....22
10.17 TIME OF THE ESSENCE; COMPUTATION OF TIME.....22

EXHIBITS:

Exhibit A Form of Joinder to Operating Agreement

SCHEDULES:

Schedule A Officers of the Company as of June 17, 2002
Schedule B Members Schedule as of June 17, 2002

AMENDED AND RESTATED OPERATING AGREEMENT
OF
H&E EQUIPMENT SERVICES L.L.C.

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "AGREEMENT"), dated as of June 17, 2002, of H&E Equipment Services L.L.C., a Louisiana limited liability company (the "COMPANY"), is made among the Persons executing this Agreement and listed on the Members Schedule (as herein defined). Capitalized terms used herein but not otherwise defined shall have the meaning set forth in Article I.

WHEREAS, as of August 10, 2001, John M. Engquist ("ENGQUIST"), Kristan Engquist Dunne ("DUNNE"), and BRSEC Co-Investment II, LLC, a Delaware limited liability company ("BRSEC") entered into that certain Amended and Restated Operating Agreement of the Company (the "PRIOR AGREEMENT");

WHEREAS, as of May 30, 2002, the Company changed its name from Gulf Wide Industries, L.L.C. to H&E Equipment Services L.L.C.;

WHEREAS, as of the date hereof, Engquist, Dunne and BRSEC contributed all of their equity interests in the Company to H&E Holdings L.L.C., a Delaware limited liability company ("H&E HOLDINGS"), and as a result of such contribution H&E Holdings has become the sole Member of the Company;

WHEREAS, as of the date hereof, ICM Equipment Company L.L.C., a Delaware limited liability company ("ICM") and Head & Engquist Equipment, L.L.C., a Louisiana limited liability company ("OLD H&E") has merged with and into the Company, with the Company as the surviving entity;

WHEREAS, upon execution of this Agreement, pursuant to Section 5.1 hereof, the Senior Exchangeable Preferred Units, Series A Senior Preferred Units, Senior Subordinated Preferred Units, Junior Preferred Units, Class A Common Units and Class B Common Units (as such terms are defined in the Prior Agreement) outstanding as of immediately prior to the effectiveness of this Agreement shall automatically and without further action on the part of the Member(s) be converted into one hundred (100) Common Units; and

WHEREAS, as of the date hereof, H&E Holdings, being the sole Member of the Company as of the date hereof, desires to amend and restate the Prior Agreement in its entirety as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and other good and valuable consideration, the Member(s) hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 DEFINITIONS. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided in this Agreement):

"AFFILIATE" means with respect to any Person, any other Person controlling, controlled by, or under common control with such first Person.

"BANKRUPTCY" means, with respect to a Member, that (i) such Member has (A) made an assignment for the benefit of creditors; (B) filed a voluntary petition in bankruptcy; (C) been adjudged bankrupt or insolvent, or had entered against such Member an order of relief in any bankruptcy or insolvency proceeding; (D) filed a petition or an answer seeking for such Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Member in any proceeding of such nature; or (E) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Member or of all or any substantial part of such Member's properties; (ii) 120 days have elapsed after the commencement of any proceeding against such Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (iii) 90 days have elapsed since the appointment without such Member's consent or acquiescence of a trustee, receiver or liquidator of such Member or of all or any substantial part of such Member's properties and such appointment has not been vacated or stayed or the appointment is not vacated within 90 days after the expiration of such stay.

"BCL" means the Business Corporation Law of the State of Louisiana, as the same may be amended from time to time.

"BOARD" has the meaning set forth in Section 3.1(a).

"CERTIFICATE" means the Articles of Organization, as such Articles of Organization may be amended, supplemented or restated from time to time.

"COMMON UNIT" means a Unit having the rights and obligations specified with respect to "Common Units" in this Agreement.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time.

"COMMON MEMBER" means any Member who is a holder of Common Units, but solely in such Member's capacity as a holder of Common Units.

"DIRECTORS" has the meaning set forth in Section 3.1(a).

"FAIR MARKET VALUE" of any asset as of any date means the purchase price which a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's-length transaction, as determined by the Board in good faith.

"FISCAL YEAR" means a calendar year.

"LOUISIANA ACT" means the Limited Liability Company Law of the State of Louisiana as amended from time to time.

"MAJORITY IN VOTING INTEREST" means, at any time, a Member or Members which own a majority of the votes of all of the Voting Units outstanding at such time.

"MAJORITY OF THE BOARD" means, at any time, a combination of any of the Directors constituting a majority of the votes of all of the Directors who are then elected and qualified.

"MEMBER" means each Person identified on the Members Schedule as of the date hereof who has executed this Agreement or a counterpart hereof and each Person who may hereafter be admitted as a Member in accordance with the terms of this Agreement. The Members shall constitute the "members" (as that term is defined in the Louisiana Act) of the Company.

"MEMBERSHIP INTEREST" means the interest acquired by a Member in the Company, including such Member's right (based on the type and class and/or series of Unit or Units held by such Member), as applicable, (A) to a distributive share of the assets of the Company, (B) to vote on, consent to or otherwise participate in any decision of the Members, and (C) to any and all other benefits to which such Member may be entitled as provided in this Agreement or the Louisiana Act.

"PERSON" means any individual, corporation, partnership, limited liability company, trust, joint venture, governmental entity or other unincorporated entity, association or group.

"PUBLIC OFFERING" means an underwritten public offering and sale of Common Units or any securities issued with respect to, or in exchange for Common Units pursuant to an effective registration statement under the Securities Act; provided, that a Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

"PUBLIC SALE" means any sale of Restricted Securities to the public pursuant to an offering registered under the Securities Act or, after the consummation of an initial Public Offering, to the public pursuant to the provisions of Rule 144 (or any similar rule or rules then in effect) under the Securities Act.

"RESTRICTED SECURITIES" means (A) all Units issued by the Company and (B) any securities issued with respect to, or in exchange for, the Units referred to in clause (A) above in connection with a conversion, combination of units or shares, recapitalization, merger, consolidation or other reorganization, including in connection with the consummation of any reorganization plan. As to any particular Restricted Securities, such securities shall cease to be Restricted Securities when they have been Transferred pursuant to a Public Sale.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SUBSIDIARY" means, with respect to any person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation or a limited liability company with voting securities, a majority of the total voting power of shares of stock (or units) entitled (without regard to the occurrence of any contingency) to vote in the

election of directors, managers or trustees thereof is at the time owned or

controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of such person or a combination thereof, or (ii) if a limited liability company without voting securities, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any person or one or more Subsidiaries of such person or entity or a combination thereof. For purposes of this Agreement, a person or persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such person or persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"TAXABLE YEAR" means the Company's taxable year ending on or about December 31 (or part thereof in the case of the Company's first and last taxable year), or such other year as is (i) required by Section 706 of the Code or (ii) determined by the Board (if no year is so required by Section 706 of the Code).

"TRANSFER" means any direct or indirect sale, transfer, conveyance, assignment or other disposition.

"TREASURY REGULATIONS" means the final or temporary regulations that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

"UNIT" means a unit representing a fractional part of the Membership Interests of all of the Unitholders and shall include all types and classes and/or series of Units; provided, that any type or class or series of Unit shall have the designations, preferences and/or special rights set forth in this Agreement and the Membership Interests represented by such type or class or series of Unit shall be determined in accordance with such designations, preferences and/or special rights.

"UNITHOLDER" means with respect to any Unit, the record holder thereof as evidenced on the Members Schedule.

"VOTING UNITS" means the Common Units.

1.2 OTHER DEFINITIONAL PROVISIONS. Capitalized terms used in this Agreement which are not defined in this Article I have the meanings contained elsewhere in this Agreement. Defined terms used in this Agreement in the singular shall import the plural and vice versa.

ARTICLE II
ORGANIZATION OF THE COMPANY

2.1 FORMATION.

(a) The Company was formed upon the filing of the Certificate with the Secretary of State of the State of Louisiana on or about December 23, 1994, pursuant to the

Louisiana Act. This Agreement shall constitute the "operating agreement" (as that term is used in the Louisiana Act) of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Louisiana Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Louisiana Act, control.

(b) Any officer of the Company as an "authorized person" within the meaning of the Louisiana Act, is hereby authorized, at any time that the applicable Member(s) have approved an amendment to the Certificate in accordance with the terms hereof, to promptly execute, deliver and file such amendment in accordance with the Louisiana Act.

2.2 NAME. The name of the Company is "H&E Equipment Services L.L.C." or such other name or names as the Board may from time to time designate; provided, that the name shall always contain the words "Limited Liability Company", "LLC" or "L.L.C."

2.3 PRINCIPAL PLACE OF BUSINESS. The principal place of business of the Company shall initially be 11100 Mead Road, Second Floor, Baton Rouge, Louisiana 70816. The Company may locate its place or places of business (including its principal place of business) and registered office at any other place or places as the Board may from time to time deem necessary or advisable.

2.4 REGISTERED OFFICE AND REGISTERED AGENT. The Company's registered office shall be at 8550 United Plaza Boulevard, Baton Rouge, Louisiana 70809, and the name of its registered agent at such address shall be CT Corporation System.

2.5 TERM. The term of existence of the Company shall be perpetual from the date the Certificate of Formation was filed with the Secretary of State of Louisiana, unless the Company is dissolved in accordance with the provisions of this Agreement.

2.6 PURPOSES AND POWERS. The purposes and character of the business of the Company shall be to transact any or all lawful business for which limited liability companies may be organized under the Louisiana Act. The Company shall have any and all powers which are necessary or desirable to carry out the purposes and business of the Company, including the ability to incur and guaranty indebtedness, to the extent the same may be legally exercised by limited liability companies under the Louisiana Act. The Company shall carry out the foregoing activities pursuant to the arrangements set forth in this Agreement. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the Company to possess any purpose or power, or to do any act or thing, forbidden by law to a limited liability company organized under the laws of the State of Louisiana.

ARTICLE III
MANAGEMENT OF THE COMPANY

3.1 BOARD OF DIRECTORS.

(a) ESTABLISHMENT. There is hereby established a committee (the "BOARD") comprised of natural persons (the "DIRECTORS") having the authority and duties set forth in this

Agreement. Each Director shall be entitled to one vote. Any decisions to be made by the Board shall require the approval of a Majority of the Board. Except as provided in the immediately preceding sentence, no Director acting alone, or with any other Director or Directors, shall have the power to act for or on behalf of, or to bind the Company. Each Director shall be a "manager" (as that term is defined in the Louisiana Act) of the Company, but, notwithstanding the foregoing, no Director shall have any rights or powers beyond the rights and powers granted to such Director in this Agreement. Directors need not be residents of the State of Louisiana.

(b) POWERS. The business and affairs of the Company shall be managed by or under the direction of the Board. All actions outside of the ordinary course of business of the Company, to be taken by or on behalf of the Company, shall require the approval of the Board.

(c) NUMBER OF DIRECTORS; TERM OF OFFICE. The authorized number of Directors shall, as of the date hereof, be five and, thereafter, the authorized number of Directors may be increased or decreased by the Board. The Directors shall, except as hereinafter otherwise provided for filling vacancies, be elected by a Majority in Voting Interest and shall hold office until their respective successors are elected and qualified or until their earlier death, resignation or removal. As of the date hereof, the Directors are Bruce C. Bruckmann, Harold O. Rosser, J. Rice Edmonds, Gary W. Bagley and John M. Engquist.

(i) A Majority in Voting Interest may remove, with or without cause, any Director and fill the vacancy. Vacancies caused by any such removal by the Members and not filled by the Members at the meeting at which such removal shall have been made or by a Majority in Voting Interest, may be filled by a majority of the votes of the Directors then in office, although less than a quorum, and any Director so elected to fill any such vacancy shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal.

(ii) A Director may resign at any time by giving written notice to that effect to the Board. Any such resignation shall take effect at the time of the receipt of that notice or any later effective time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any vacancy caused by any such resignation or by the death of any Director or any vacancy for any other reason (including due to the authorization by the Board of a newly created directorship) and not filled by the Members may be filled by a majority of the votes of the Directors then in office, although less than a quorum, and any Director so elected to fill any such vacancy shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal.

(d) MEETINGS OF THE BOARD. The Board shall meet at such time and at such place (either within or without the State of Louisiana) as the Board may designate. Special meetings of the Board shall be held on the call of any two (2) Directors upon at least four (4) days (if the meeting is to be held in person) or two (2) days (if the meeting is to be held by telephone communications) oral or written notice to the Directors, or upon such shorter notice as may be approved by all of the Directors. Any Director may waive such notice as to himself. A record shall be maintained by the Secretary of the Company of each meeting of the Board.

(i) CONDUCT OF MEETINGS. Any meeting of the Directors may be held in person or telephonically.

(ii) QUORUM. A Majority of the Board shall constitute a quorum of the Board for purposes of conducting business. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then the Directors present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. A Director may vote or be present at a meeting either in person or by proxy.

(iii) ATTENDANCE AND WAIVER OF NOTICE. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

(iv) ACTIONS WITHOUT A MEETING. Notwithstanding any provision contained in this Agreement, any action of the Board may be taken by written consent without a meeting. Any such action taken by the Board without a meeting shall be effective only if the written consent or consents are in writing, set forth the action so taken, and are signed by a Majority of the Board, or such greater number of the Directors that would be necessary to take such action at a validly constituted meeting of the Board.

(e) COMPENSATION OF THE DIRECTORS. Directors, as such, shall not receive any stated salary for their services, but shall receive such compensation for their services as may be from time to time agreed upon by a Majority in Voting Interest. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing contained in this Agreement shall be construed to preclude any Director (including the Chief Executive Officer) from serving the Company or any of its Subsidiaries in any other capacity and receiving compensation for such service.

(f) CHAIRMAN OF THE BOARD. A Majority of the Board may elect any one of the Directors to be the Chairman of the Board (the "CHAIRMAN"). At any time, the Chairman, if any, can be removed from his or her position as Chairman by a Majority of the Board. The Chairman shall preside at all meetings of the Board and at all meetings of the Members at which he or she shall be present. As of the date hereof, the Chairman is Gary W. Bagley.

3.2 COMMITTEES OF THE BOARD.

(a) CREATION. The Board may, by resolution, designate from among the Directors one or more committees (including, but not limited to, an Audit Committee, a Nominating Committee, and a Compensation Committee), each of which shall be comprised of one or more Directors, and may designate one or more of the Directors as alternate members of any committee, who may, subject to any limitations imposed by the Board, replace absent or disqualified Directors at any meeting of that committee. Any such committee, to the extent

provided in such resolution, shall have and may exercise all of the authority of the Board, subject to the limitations set forth in the Louisiana Act or in the establishment of the committee. Any members thereof may be removed by a Majority of the Board. Unless the resolution designating a particular committee or this Agreement expressly so provides, a committee of the Board shall not have the authority to authorize or make a distribution to the Members or to authorize the issuance of Units.

(b) LIMITATION OF AUTHORITY. No committee of the Board shall have the authority of the Board in reference to:

(i) amending this Agreement, except that a committee may, to the extent provided in the resolution designating that committee or in this Agreement, exercise the authority of the Board provided in this Agreement to establish the relative rights, obligations, preferences and limitations of any type, class or Series of Preferred Units;

(ii) approving a plan of merger of the Company;

(iii) recommending to the Members a voluntary dissolution of the Company or a revocation thereof;

(iv) filling vacancies in the Board;

(v) fixing the compensation of any member or alternate members of such committee; or

(vi) altering or repealing any resolution of the Board that by its terms provides that it shall not be so amendable or repealable.

3.3 OFFICERS.

(a) APPOINTMENT OF OFFICERS. The Board shall appoint individuals as officers ("OFFICERS") of the Company, which shall include a Chief Executive Officer, a President, a Chief Financial Officer, a Secretary and such other officers (such as a Chief Operating Officer, a Treasurer or any number of Vice Presidents) as the Board deems advisable. No officer need be a Member or a Director. An individual can be appointed to more than one office. The Board may appoint a "manager" (as that term is used in the Louisiana Act) of the Company, but, notwithstanding the foregoing, no officer of the Company shall have any rights or powers beyond the rights and powers granted to such officer in this Agreement. The officers of the Company as of the date hereof are as set forth on SCHEDULE A attached hereto.

(b) DUTIES OF OFFICERS GENERALLY. Under the direction of and, at all times, subject to the authority of the Board, the officers shall have full and complete discretion to manage and control the day-to-day business, operations and affairs of the Company in the ordinary course of its business, to make all decisions affecting the day-to-day business, operations and affairs of the Company in the ordinary course of its business and to take all such actions as they deem necessary or appropriate to accomplish the foregoing, in each case, unless the Board shall have previously restricted (specifically or generally) such powers. In addition,

the officers shall have such other powers and duties as may be prescribed by the Board or this Agreement. The Chief Executive Officer and the President shall have the power and authority to delegate to any agents or employees of the Company rights and powers of officers of the Company to manage and control the day-to-day business, operations and affairs of the Company in the ordinary course of its business, as the Chief Executive Officer or the President may deem appropriate from time to time, in each case, unless the Board shall have previously restricted (specifically or generally) such powers.

(c) AUTHORITY OF OFFICERS. Subject to Section 3.3(b), any officer of the Company shall have the right, power and authority to transact business in the name of the Company or to act for or on behalf of or to bind the Company. With respect to all matters within the ordinary course of business of the Company, third parties dealing with the Company may rely conclusively upon any certificate of any officer to the effect that such officer is acting on behalf of the Company.

(d) REMOVAL, RESIGNATION AND FILLING OF VACANCY OF OFFICERS. Subject to the terms and provisions of any applicable employment agreements, the Board may remove any officer, for any reason or for no reason, at any time. Any officer may resign at any time by giving written notice to the Board, and such resignation shall take effect at the date of the receipt of that notice or any later time specified in that notice; provided, that unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any such resignation shall be without prejudice to the rights, if any, of the Company or such officer under this Agreement. A vacancy in any office because of death, resignation, removal or otherwise shall be filled in the manner prescribed in this Agreement for regular appointments to that office.

(e) COMPENSATION OF OFFICERS. The officers shall be entitled to receive compensation from the Company as determined by the Board.

(f) CHIEF EXECUTIVE OFFICER. Under the direction of and, at all times, subject to the authority of the Board, the Chief Executive Officer shall have general supervision over the day-to-day business, operations and affairs of the Company and shall perform such duties and exercise such powers as are incident to the office of chief executive officer of a corporation organized under the BCL. The Chief Executive Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the Board.

(g) PRESIDENT. Under the direction of and, at all times, subject to the authority of the Board, the President shall perform such duties and exercise such powers as are incident to the office of president of a corporation organized under the BCL. In the absence of the Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer. The President shall have such other powers and perform such other duties as may from time to time be prescribed by the Board.

(h) CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains,

losses, capital and Units, and, in general, shall

perform all the duties incident to the office of the chief financial officer of a corporation organized under the BCL. The Chief Financial Officer shall have the custody of the funds and securities of the Company, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company. The Chief Financial Officer shall have such other powers and perform such other duties as may from time to time be prescribed by the Board, the Chief Executive Officer and/or the President.

(i) SECRETARY. The Secretary shall (i) keep the minutes of the meetings of the Members and the Board in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of this Agreement and as required by law; (iii) be custodian of the company records; (iv) keep a register of the addresses of each Member which shall be furnished to the Secretary by such Member; (v) have general charge of the Members Schedule; and (vi) in general perform all duties incident to the office of the secretary of a corporation organized under the BCL. The Secretary shall have such other powers and perform such other duties as may from time to time be prescribed by the Board, the Chief Executive Officer and/or the President.

3.4 FIDUCIARY DUTIES. The Directors, in the performance of their duties as such, shall owe to the Members duties of loyalty and due care of the type owed by the directors of a corporation to the stockholders of such corporation under the laws of the State of Louisiana. The officers, in the performance of their duties as such, shall owe to the Members duties of loyalty and due care of the type owed by the officers of a corporation to the stockholders of such corporation under the laws of the State of Louisiana.

3.5 PERFORMANCE OF DUTIES; LIABILITY OF DIRECTORS AND OFFICERS. In performing his or her duties, each of the Directors and the officers shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports, or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Profits or Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid), of the following other Persons or groups: (A) one or more officers or employees of the Company; (B) any attorney, independent accountant, or other Person employed or engaged by the Company; or (C) any other Person who has been selected with reasonable care by or on behalf of the Company, in each case as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 1314 of the Louisiana Act. No individual who is a Director or an officer of the Company, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a Director or an officer of the Company or any combination of the foregoing.

3.6 INDEMNIFICATION. Notwithstanding Section 3.4, the Directors and officers shall not be liable, responsible or accountable for damages or otherwise to the Company, or to the Members, and, to the fullest extent allowed by law, each Director and each officer shall be indemnified and held harmless by the Company, including advancement of reasonable attorneys' fees and other expenses, but only to the extent that the Company's assets are sufficient therefor,

from and against all claims, liabilities, and expenses arising out of any management of Company affairs; provided, that (A) such Director's or officer's course of conduct was pursued in good faith and believed by him to be in the best interests of the Company and was reasonably believed by him to be within the scope of authority conferred on such Director or officer pursuant to this Agreement and (B) such course of conduct did not constitute gross negligence or willful misconduct on the part of such Director or officer and otherwise was in accordance with the terms of this Agreement. The rights of indemnification provided in this Section 3.6 are intended to provide indemnification of the Directors and the officers to the fullest extent permitted by the BCL regarding a corporation's indemnification of its directors and officers and will be in addition to any rights to which the Directors or officer may otherwise be entitled by contract or as a matter of law and shall extend to his heirs, personal representatives and assigns. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Section 3.6. Each Director's and each officer's right to indemnification pursuant to this Section 3.6 may be conditioned upon the delivery by such Director or such officer of a written undertaking to repay such amount if such individual is determined pursuant to this Section 3.6 or adjudicated to be ineligible for indemnification, which undertaking shall be an unlimited general obligation.

ARTICLE IV
MEMBERS; VOTING RIGHTS

4.1 MEETINGS OF MEMBERS.

(a) GENERALLY. Meetings of the Members may be called by the Board or by a Member or Members holding not less than 25% of the number of votes of the then outstanding Voting Units. Only Members who hold Voting Units shall have the right to attend meetings of the Members. All meetings of the Members shall be held telephonically or at the principal office of the Company or at such other place within or without the State of Louisiana as may be determined by the Board or Member(s) calling the meeting and set forth in the respective notice or waivers of notice of such meeting. A record shall be maintained by the Secretary of the Company of each meeting of the Members.

(b) NOTICE OF MEETINGS OF MEMBERS. Written or printed notice stating the place, day and hour of the meeting shall be delivered not fewer than 2 days before the date of the meeting, either personally or by any written method by which it is reasonable to expect that the Members would receive such notice not later than the business day prior to the date of the meeting, to each holder of Voting Units (with a copy to the Secretary of the Company), by or at the direction of the Member(s) calling the meeting or the Board, as the case may be. Such notice may, but need not, specify the purpose or purposes of such meeting and may, but need not, limit the business to be conducted at such meeting to such purpose(s).

(c) QUORUM. Except as otherwise provided herein or by applicable law, at any time, a Majority in Voting Interest, represented in person or by proxy, shall constitute a quorum of Members for purposes of conducting business. Once a quorum is present at the meeting of the Members, the subsequent withdrawal from the meeting of any Member prior to adjournment or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting. If, however, such quorum shall not be present at any meeting of the Members, the Members entitled

to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a Majority in Voting Interest shall be present or represented. Except as otherwise required by applicable law, resolutions of the Members at any meeting of Members shall be adopted by the affirmative vote of a majority of the number of votes attributable to the Voting Units represented and entitled to vote at such meeting at which a quorum is present.

(d) ACTIONS WITHOUT A MEETING. Unless otherwise prohibited by law, any action to be taken at a meeting of the Members may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by a Member or Members holding not less than a majority of the number of the votes of then outstanding Voting Units and such consent or consents are delivered to the Secretary of the Company. A record shall be maintained by the Secretary of the Company of each such action taken by written consent of a Member or Members.

4.2 VOTING RIGHTS. Except as specifically provided herein or otherwise required by applicable law, for all purposes hereunder, including for purposes of Article III hereof, each Member shall be entitled to one vote per Common Unit held by such Member. A Member which owns Voting Units may vote or be present at a meeting either in person or by proxy. There will be no cumulative voting in the election or removal of Directors.

4.3 REGISTERED MEMBERS. The Company shall be entitled to treat the owner of record of any Units as the owner in fact of such Unit for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such Unit on the part of any other person, whether or not it shall have express or other notice of such claim or interest, except as expressly provided by this Agreement or the laws of the State of Louisiana.

4.4 LIMITATION OF LIABILITY. Except as otherwise provided in the Louisiana Act in this Agreement or any other contract of the Company, no Member will be obligated personally for any debt, obligation or liability of the Company or of any other Member by reason of being a Member, whether arising in contract, tort or otherwise. Except as otherwise provided in the Louisiana Act, by law or expressly in this Agreement, no Member will have any fiduciary or other duty to another Member with respect to the business and affairs of the Company. No Member will have any responsibility to contribute to or in respect of the liabilities or obligations of the Company or return distributions made by the Company except as required by the Louisiana Act or other applicable law.

4.5 WITHDRAWAL; RESIGNATION. A Member shall not cease to be a Member as a result of the Bankruptcy of such Member. So long as a Member continues to own or hold any Units, such Member shall not have the ability to resign as a Member prior to the dissolution and winding up of the Company and any such resignation or attempted resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases

to own or hold any Units, such Person shall no longer be a Member.

4.6 DEATH OF A MEMBER. The death of any Member shall not cause the dissolution of the Company. In such event the Company and its business shall be continued by the remaining Member or Members.

4.7 AUTHORITY. No Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind the Company.

4.8 OUTSIDE ACTIVITIES. Subject to the terms of any written agreement by any Member to the contrary, a Member may have business interests and engage in business activities in addition to those relating to the Company, including business interests and activities which compete with the Company, and no Member shall have any duty or obligation to bring any "corporate opportunity" to the Company. Subject to the terms of any written agreement by any Member to the contrary, neither the Company nor any other Member shall have any rights by virtue of this Agreement in any business interests or activities of any Member.

ARTICLE V
UNITS; MEMBERSHIP

5.1 UNITS GENERALLY; CONVERSION OF PRIOR UNITS INTO COMMON UNITS. The Membership Interests of the Members shall be represented by issued and outstanding Units, which may be divided into one or more types, classes or series, with each type or class or Series having the rights and privileges, including voting rights, if any, set forth in this Agreement. All of the Senior Exchangeable Preferred Units, Series A Senior Preferred Units, Senior Subordinated Preferred Units, Junior Preferred Units, Class A Common Units and Class B Common Units (as such terms are defined in the Prior Agreement) outstanding as of immediately prior to the effectiveness of this Agreement are hereby automatically (without any further action on the part of the Member(s)) converted into one hundred (100) Common Units. The Secretary of the Company shall maintain a schedule of all Members from time to time, their respective mailing addresses and the Units held by them (as the same may be amended, modified or supplemented from time to time, the "MEMBERS SCHEDULE"), a copy of which as of the date hereof is attached hereto as SCHEDULE B. Ownership of a Unit (or fraction thereof) shall not entitle a Member to call for a partition or division of any property of the Company or for any accounting. The Membership Interests are securities governed by Title 10, Chapter 8 of the Louisiana Revised Statutes (La.R.S. 10: 8-101-8-501).

5.2 AUTHORIZATION AND ISSUANCE OF UNITS.

(a) COMMON UNITS. Effective as of the date hereof, the Company is hereby authorized to issue Common Units. As of the date hereof, 100 of such Common Units are outstanding as set forth on the Members Schedule (as in effect on the date hereof).

(b) ADDITIONAL UNITS. Except as expressly provided by this Agreement, the Company shall not authorize, issue or sell, or cause to be authorized, issued or sold, any Units.

5.3 UNIT CERTIFICATES.

(a) All Units shall be represented by certificates. Each such certificate shall be signed by an officer of the Company, certifying the number of Units owned by the holder of

such Units and stating the type, class and/or Series of such Units. All certificates for each type and class or Series of Units shall be consecutively numbered or otherwise identified. The name of the Person to whom the Units represented thereby are issued, with the number, type and class or Series of Units and date of issue, shall be entered on the books of the Company and, until such Units are transferred on the books of the Company (including the Members Schedule), such Person shall be deemed to be the owner of such Units for all purposes. Units shall only be Transferred on the books of the Company (including the Members Schedule) by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Company of the certificate(s) for such Units endorsed by the appropriate Person(s), with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the Company may reasonably require, and accompanied by all necessary transfer stamps. In that event, provided all other conditions to Transfer have been met, it shall be the duty of the Company to issue a new certificate to the Person entitled thereto, cancel the old certificate(s), and record the transaction on its books (including the Members Schedule).

(b) Any officer of the Company may direct a new certificate(s) to be issued in place of any certificate(s) previously issued by the Company alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen, or destroyed.

When authorizing such issue of a new certificate(s), such officer may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate(s), or his or her legal representative, to give the Company a bond sufficient to indemnify the Company against any claim that may be made against the Company on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

5.4 ISSUANCE OF UNITS. The Company (with the approval of the Board) shall have the right to issue any authorized but unissued Units; provided, that the Company shall not issue any Units to any Person unless such Person has executed and delivered to the Secretary of the Company the documents described in Section 5.5 hereof.

5.5 NEW MEMBERS FROM THE ISSUANCE OF UNITS. In order for a Person to be admitted as a Member of the Company pursuant to the issuance of Units to such Person, such Person shall have executed and delivered to the Secretary of the Company a written undertaking to be bound by the terms and conditions of this Agreement substantially in the form of EXHIBIT A hereto. Upon the amendment of the Members Schedule by the Secretary of the Company and the satisfaction of any other applicable conditions, including the receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his or its Units.

ARTICLE VI
DISTRIBUTIONS

6.1 GENERALLY.

(a) Subject to Section 6.2, the Board shall have sole discretion regarding the amounts and timing of distributions to Members, in each case subject to the retention and

establishment of reserves of, or payment to third parties of, such funds as it deems necessary with respect to the reasonable business needs of the Company which shall include the payment or the making of provision for the payment when due of the Company's obligations, including the payment of any management or administrative fees and expenses or any other obligations.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to Members if such distribution would violate Section 1327 of the Louisiana Act or other applicable law.

6.2 DISCRETIONARY DISTRIBUTIONS. Subject to Section 8.2(b), available cash or other assets (taking such other assets into account at their Fair Market Value at the time of distribution) shall be distributed, at such times and in such amounts as the Board determines in its discretion, to the Common Members (pro rata based upon the number of Common Units owned by such Common Members).

6.3 INDEMNIFICATION AND REIMBURSEMENT FOR PAYMENTS ON BEHALF OF A MEMBER. Except as otherwise provided in this Agreement, if the Company is required by law to make any payment on behalf of a Member in its capacity as such, then such Member (the "INDEMNIFYING MEMBER") will indemnify the Company in full for the entire amount paid, including interest, penalties and expenses associated with such payment. At the option of the Board, either:

(a) promptly upon notification of an obligation to indemnify the Company, the Indemnifying Member will make a cash payment to the Company in an amount equal to the full amount to be indemnified, or

(b) the Company will reduce subsequent distributions which would otherwise be made to the Indemnifying Member until the Company has recovered the amount to be indemnified (and the amount of such reduction will be deemed to have been distributed for all purposes).

A Member's obligation to make contributions to the Company under this Section 6.3 will survive the termination, dissolution, liquidation and winding up of the Company, and for purposes of this Section 6.3, the Company will be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 6.3, including instituting a lawsuit to collect such contribution with interest calculated at a rate equal to the Company's and its Subsidiaries' effective cost of borrowed funds.

ARTICLE VII
BOOKS AND RECORDS

7.1 GENERALLY. The Company will keep appropriate books and records with respect to the Company's business, including all books and records necessary to provide any information, lists and copies of documents required to be provided pursuant to applicable laws. The Members (subject to reasonable confidentiality

requirements that the Board may impose) shall have such right to request and receive information concerning the Company and its affairs as is required by the Louisiana Act.

7.2 TAX STATUS. The Company shall be taxed in accordance with Title 12, Section 1368, of the Louisiana Revised Statutes, and the Members intend that the Company otherwise be treated as a corporation for federal, state and local income tax purposes and the Company shall file all tax returns on the basis consistent therewith.

ARTICLE VIII
DISSOLUTION AND LIQUIDATION

8.1 DISSOLUTION. The Company shall be dissolved and its affairs wound up only upon the happening of any of the following events:

(a) The sale or other disposition by the Company of all or substantially all of the assets it then owns;

(b) Upon the election to dissolve the Company by action a Majority in Voting Interest; or

(c) The entry of a decree of judicial dissolution under Section 1335 of the Louisiana Act; provided, that, notwithstanding anything contained herein to the contrary, no Member shall make an application for the dissolution of the Company pursuant to the Louisiana Act without the unanimous approval of the Members.

Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 8.2 and the Certificate shall have been canceled.

8.2 LIQUIDATION.

(a) LIQUIDATOR. Upon dissolution of the Company, the Board will appoint a person to act as the "LIQUIDATOR," and such person shall act as the Liquidator unless and until a successor Liquidator is appointed as provided in this Section 8.2. The Liquidator will agree not to resign at any time without 30 days' prior written notice to the Board. The Liquidator may be removed at any time, with or without cause, by notice of removal and appointment of a successor Liquidator approved by the Board. Any successor Liquidator will succeed to all rights, powers and duties of the former Liquidator. The right to appoint a successor or substitute Liquidator in the manner provided in this Section 8.2 will be recurring and continuing for so long as the functions and services of the Liquidator are authorized to continue under the provisions of this Agreement, and every reference in this Agreement to the Liquidator will be deemed to refer also to any such successor or substitute Liquidator appointed in the manner provided in this Section 8.2. The Liquidator will receive as compensation for its services (i) no additional compensation, if the Liquidator is an employee of the Company or any of its Subsidiaries, or (ii) if the Liquidator is not such an employee, such compensation as the Board may approve, plus, in either case, reimbursement of the Liquidator's out-of-pocket expenses in performing its duties.

(b) LIQUIDATING ACTIONS. The Liquidator will liquidate the assets of the Company and apply and distribute the proceeds of such liquidation, in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

(i) First, to the payment of the Company's debts and obligations to its creditors (including Members), including sales commissions and other expenses incident to any sale of the assets of the Company, in order of the priority provided by law.

(ii) Second, to the establishment of and additions to such reserves as the Board deems necessary or appropriate.

(iii) Third, to the Members in accordance with Section 6.2.

The reserves established pursuant to clause (ii) above will be paid over by the Liquidator to a bank or other financial institution, to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations and, at the expiration of such period as the Board deems advisable, such reserves will be distributed to the Members in accordance with Section 6.2.

(c) DISTRIBUTION IN KIND. Notwithstanding the provisions of Section 8.2(B) which require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 8.2(b), if upon dissolution of

the Company the Board determines that an immediate sale of part or all of the Company's assets would be impractical or could cause undue loss to the Members, the Board may, in its sole discretion, defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, in its absolute discretion, distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 8.2(b), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such distribution in kind will be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such distribution, the Board will determine the Fair Market Value of any property to be distributed in accordance with any valuation procedure which the Board reasonably deems appropriate.

(d) REASONABLE TIME FOR WINDING UP. A reasonable time will be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 8.2(b) in order to minimize any losses otherwise attendant upon such winding up.

(e) TERMINATION. Upon completion of the distribution of the assets of the Company as provided in Section 8.2(b) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate in the State of Louisiana and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the State of Louisiana and shall take such other actions as may be necessary to terminate the Company.

ARTICLE IX
TRANSFER OF UNITS

9.1 RESTRICTIONS. Each Member acknowledges and agrees that such Member shall not Transfer any Unit(s) except in accordance with the provisions of this Article IX. Any attempted Transfer in violation of the preceding sentence shall be deemed null and void for all purposes, and the Company will not record any such Transfer on its books or treat any purported transferee as the owner of such Unit(s) for any purpose.

9.2 GENERAL RESTRICTIONS ON TRANSFER.

(a) Notwithstanding anything to the contrary in this Agreement, no transferee of any Unit(s) received pursuant to a Transfer (but excluding transferees that were Members immediately prior to such a Transfer, who shall automatically become a Member with respect to any additional Units they so acquire) shall become a Member in respect of or be deemed to have any ownership rights in the Unit(s) so Transferred unless the purported transferee is admitted as a Member as set forth in Section 9.3(a).

(b) Any Member who Transfers all of his or its Units (i) shall cease to be a Member upon such Transfer, and (ii) shall no longer possess or have the power to exercise any rights or powers of a Member of the Company.

9.3 PROCEDURES FOR TRANSFER. Subject in all events to the general restrictions on Transfers contained in Sections 9.1, 9.2 and 9.5, a Member may Transfer all or any part of his or its Units in accordance with this Section 9.3.

(a) No Transfer of Unit(s) may be completed until the prospective transferee is admitted as a Member of the Company by executing and delivering to the Secretary of the Company a written undertaken to be bound by the terms and conditions of this Agreement substantially in the form of EXHIBIT A hereto. Upon the amendment of the Members Schedule by the Secretary of the Company and the satisfaction of any other applicable conditions, such prospective transferee shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon the Company shall reissue the applicable Units in the name of such prospective transferee. The provisions of this Section 9.3(a) shall not apply with respect to the Transfer of any Unit(s) to a transferee that is a Member immediately prior to such Transfer.

(b) Unless waived by the Company, no Member may Transfer any Restricted Securities (except pursuant to an effective registration statement under the Securities Act) without first delivering to the Company an opinion of counsel reasonably acceptable in form and substance to the Company (which counsel will be reasonably acceptable to the Company) that registration under the Securities Act is not required in connection with such Transfer. If such opinion of counsel reasonably acceptable in form and substance to the Company further states that no subsequent Transfer of such Restricted Securities will require registration under the Securities Act, the Company will promptly upon such Transfer deliver new certificates for such securities which do not bear the Securities Act legend set forth in Section 9.4(b).

9.4 LEGEND.

(a) The certificates representing the Units will bear the following legend:

"THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE ISSUER AND ITS MEMBERS. A COPY OF SUCH LIMITED LIABILITY COMPANY AGREEMENT AS IN EFFECT FROM TIME TO TIME WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

(b) Each certificate or instrument evidencing Restricted Securities and each certificate or instrument issued in exchange for or upon the Transfer of any Restricted Securities (if such securities remain Restricted Securities after such Transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER."

Upon the request of any holder of Restricted Securities, the Company shall remove the Securities Act legend set forth above from the certificates for such Restricted Securities; provided, that such Restricted Securities are eligible for sale pursuant to Rule 144(k) (or any similar rule or rules then in effect) under the Securities Act.

9.5 LIMITATIONS.

(a) Notwithstanding anything to the contrary in this Agreement, no Unit may be Transferred or issued by the Company if such Transfer or issuance would result in the Company having more than 100 "beneficial owners" as defined and determined by the Investment Company Act of 1940, as amended from time to time.

(b) Notwithstanding anything to the contrary in this Agreement, no Unit may be Transferred and the Company may not issue any Unit unless such Transfer or issuance, as the case may be, shall not affect the Company's existence or qualification as a limited liability company under the Louisiana Act.

9.6 PLEDGE OF UNITS.

(a) Notwithstanding anything contained herein to the contrary, any Member shall have the ability to pledge any Unit(s) owned by such Member and such pledge shall not be a "Transfer" of such Unit(s) for purposes of this Agreement.

(b) Upon the Transfer of Units owned by H&E Holdings pursuant to a pledge of such Units to a lending institution in connection with the borrowing of funds by the Company or H&E Holdings from such lending institution, without need for any further action or notice under this Agreement, the transferee of such Units shall be admitted as a Member of the Company and shall acquire all right, title and interest in such Units, including all rights under this Agreement, and H&E Holdings shall be withdrawn as a Member hereunder with respect to such Units and shall have no further right, title or interest in such Units or under this Agreement.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 NOTICES.

(a) All notices, requests, demands and other communications under or in connection with this Agreement shall be given to or made upon (i) any Member, at such Member's address set forth on the Members Schedule, and (ii) the Company, at 11100 Mead Road, Second Floor, Baton Rouge, Louisiana 70816, Attention: Chief Executive Officer, with copies to Bruckmann, Rosser, Sherrill & Co., Inc., 126 East 56th Street, 29th Floor, New York, NY 10022 Attention: Bruce Bruckmann and Rice Edmonds; and Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022, Attention: W. Brian Raftery, Esq.; and Taylor, Porter, Brooks & Phillips, L.L.P., 8th Floor Bank One Center, 451 Florida Street, Baton Rouge, Louisiana 70801, Attention: J. Ashley Moore, Esq. (or in any case to such other address as the addressee may from time to time designate in writing to the sender).

(b) All notices, requests, demands and other communications given or made in accordance with the provisions of this Agreement shall be in writing,

and shall be deemed effectively given upon personal delivery or delivery by courier to the party to be notified or three (3) business days after deposit with the United States Post Office, by registered or certified mail, return receipt requested, postage prepaid and addressed as provided in Section 10.1(a).

10.2 GOVERNING LAW. ALL ISSUES AND QUESTIONS CONCERNING THE APPLICATION, CONSTRUCTION, VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND THE EXHIBITS AND SCHEDULES TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF LOUISIANA, AND SPECIFICALLY THE LOUISIANA ACT, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF LOUISIANA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF LOUISIANA.

10.3 NO ACTION FOR PARTITION. No Member shall have any right to maintain any action for partition with respect to the property of the Company.

10.4 HEADINGS AND SECTIONS. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement. Unless the context requires otherwise, all references in this Agreement to Sections, Articles, Exhibits or Schedules shall be deemed to mean and refer to Sections, Articles, Exhibits or Schedules of or to this Agreement.

10.5 AMENDMENTS. Except as otherwise expressly set forth in this Agreement, the Certificate and this Agreement may be amended, supplemented or restated only upon the written consent of a Majority in Voting Interest.

10.6 GENDER. Where the context so indicates, the masculine shall include the feminine, the neuter shall include the masculine and feminine, and the singular shall include the plural.

10.7 BINDING EFFECT. Except as otherwise provided to the contrary in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Members, their distributees, heirs, legal representatives, executors, administrators, successors and permitted assigns.

10.8 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and shall be binding upon the Member who executed the same, but all of such counterparts shall constitute the same agreement.

10.9 SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

10.10 REMEDIES. Each of the parties to this Agreement shall be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including reasonable attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Members agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

10.11 BUSINESS DAYS. If any time period for giving notice or taking action under this Agreement expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

10.12 WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

10.13 NO STRICT CONSTRUCTION. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties to this Agreement, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

10.14 ENTIRE AGREEMENT. Except as otherwise expressly set forth in this

Agreement, this Agreement and the other agreements referred to in this Agreement embody the complete agreement and understanding among the parties to this Agreement with respect to the subject matter of this Agreement and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter of this Agreement in any way. This Agreement amends and restates the Prior Agreement in its entirety.

10.15 PARTIES IN INTEREST. Nothing herein shall be construed to be to the benefit of or enforceable by any third party including, but not limited to, any creditor of the Company.

10.16 MERGERS AND CONSOLIDATIONS. Any merger or consolidation of the Company with or into another entity shall require the approval of only a Majority in Voting Interest. The approval of any such merger or consolidation as provided in the immediately preceding sentence shall be deemed to meet all of the requirements of Member approval for purposes of the Louisiana Act.

10.17 TIME OF THE ESSENCE; COMPUTATION OF TIME. Time is of the essence for each and every provision of this Agreement. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder shall fall upon a Saturday, Sunday, or any date on which commercial banks in the State of Louisiana are authorized to be closed, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a regular business day.

* * * *

IN WITNESS WHEREOF, the undersigned, has executed this Amended and Restated Operating Agreement as of the date first written above.

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer

EXHIBIT A

FORM OF JOINDER TO
OPERATING AGREEMENT

THIS JOINDER to the Amended and Restated Operating Agreement of H&E Equipment Services L.L.C., a Louisiana limited liability company (the "COMPANY"), dated as of June 17, 2002, as amended or restated from time to time, by and among and the Members of the Company (the "AGREEMENT"), is made and entered into as of _____ by and between the Company and _____ ("HOLDER"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement.

WHEREAS, on the date hereof, Holder has acquired _____ Common Units from _____ and the Agreement and the Company require Holder, as a holder of such Common Units, to become a party to the Agreement, and Holder agrees to do so in accordance with the terms hereof.

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

1. AGREEMENT TO BE BOUND. Holder hereby (i) acknowledges that it has received and reviewed a complete copy of the Agreement and (ii) agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a Member for all purposes thereof and entitled to all the rights incidental thereto.

2. MEMBERS SCHEDULE. For purposes of the Members Schedule, the address of the Holder is as follows:

[NAME]
[ADDRESS]

3. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF LOUISIANA, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

4. DESCRIPTIVE HEADINGS. The descriptive headings of this Joinder

are inserted for convenience only and do not constitute a part of this Joinder.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Joinder to the Operating Agreement of H&E Equipment Services L.L.C. as of the date first above written.

H&E EQUIPMENT SERVICES L.L.C.

By:

Name:
Title:

[HOLDER]

By:

Name:
Title:

SCHEDULE A

OFFICERS OF H&E EQUIPMENT SERVICES L.L.C.
(AS OF JUNE 17, 2002)

John M. Engquist	Chief Executive Officer and President
Terence L. Eastman	Chief Financial Officer and Assistant Secretary
Lindsay C. Jones	Secretary and Senior Vice President, Finance
William W. Fox	Vice President, Cranes and Earthmoving
Robert W. Hepler	Vice President, Hi-Lift
Kenneth R. Sharp, Jr.	Vice President, Lift Trucks
John D. Jones	Vice President, Product Support
Dale W. Roesener	Vice President, Fleet Management

SCHEDULE B

H&E EQUIPMENT SERVICES L.L.C.
MEMBERS SCHEDULE
(AS OF JUNE 17, 2002)

Name and Address of Member	Common Units
H&E Holdings L.L.C. 11100 Mead Road, 2nd Floor Baton Rouge, LA 70816 Attention: Chief Executive Officer	100
Total	100

EXHIBIT 3.9

BY-LAWS

OF

H&E FINANCE CORP.

A DELAWARE CORPORATION

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

SECTION 2. OTHER OFFICES. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. PLACE AND TIME OF MEETINGS. An annual meeting of the stockholders shall be held each year for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting may be determined by resolution of the board of directors or as set by the president of the corporation.

SECTION 2. SPECIAL MEETINGS. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships), and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by two or more members of the board of directors or the president and shall be called by the president upon the written request of holders of shares entitled to cast not less than fifty percent (50%) of the outstanding shares of the corporation's voting common stock.

SECTION 3. PLACE OF MEETINGS. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

SECTION 4. NOTICE. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 5. STOCKHOLDERS LIST. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 6. QUORUM. Except as otherwise provided by applicable law or by the

corporation's certificate of incorporation, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time in accordance with Section 7 of this Article, until a quorum shall be present or represented.

SECTION 7. ADJOURNED MEETINGS. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 8. VOTE REQUIRED. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject

matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the corporation's certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

SECTION 9. VOTING RIGHTS. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the corporation's certificate of incorporation and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

SECTION 10. PROXIES. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him, her or it by proxy. Every proxy must be signed by the stockholder granting the proxy or by his, her or its attorney-in-fact. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

SECTION 11. ACTION BY WRITTEN CONSENT. Unless otherwise provided in the corporation's certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than a majority of the shares entitled to vote, or, if greater, not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested provided, however, that no consent or consents delivered by certified or registered mail shall be deemed delivered until such consent or consents are actually received at the registered office. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

SECTION 2. NUMBER, ELECTION AND TERM OF OFFICE. The number of directors which shall constitute the first board shall be_____. Thereafter, the number of directors shall be established from time to time by resolution of the board. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 4 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3. REMOVAL AND RESIGNATION. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause or a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

SECTION 4. VACANCIES. Except as otherwise provided by the corporation's certificate of incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the corporation's outstanding stock entitled to vote thereon. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

SECTION 5. ANNUAL MEETINGS. The annual meeting of each newly elected board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

SECTION 6. OTHER MEETINGS AND NOTICE. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the president or vice president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the president must call a special meeting on the written request of at least a majority of the directors.

SECTION 7. QUORUM, REQUIRED VOTE AND ADJOURNMENT. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors

present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 8. COMMITTEES. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

SECTION 9. COMMITTEE RULES. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

SECTION 10. COMMUNICATIONS EQUIPMENT. Members of the board of directors or

any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

SECTION 11. WAIVER OF NOTICE AND PRESUMPTION OF ASSENT. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

SECTION 12. ACTION BY WRITTEN CONSENT. Unless otherwise restricted by the corporation's certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the corporation shall be elected by the board of directors and shall consist of a chairman, if any is elected, a president, one or more vice presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person, except that no person may simultaneously hold the office of president and secretary. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. The president shall appoint other officers to serve for such terms as he or she deems desirable. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3. REMOVAL. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

SECTION 5. COMPENSATION. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

SECTION 6. THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one shall have been elected, shall be a member of the board, an officer of the corporation, and, if present, shall preside at each meeting of the board of directors or shareholders. The Chairman of the Board shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. He shall advise the president, and in the president's absence, other officers of the corporation, and shall perform such other duties as may from time to time be assigned to him by the board of directors.

SECTION 7. THE PRESIDENT. The president shall be the chief executive officer of the corporation. In the absence of the Chairman of the Board or if a Chairman of the Board shall have not been elected, the president shall preside at all meetings of the stockholders and board of directors at which he or she is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The president

shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

SECTION 8. VICE-PRESIDENTS. The vice-president, if any, or if there shall be more than one, the vice-presidents in the order determined by the board of directors shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

SECTION 9. THE SECRETARY AND ASSISTANT SECRETARIES. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the president's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the president, or secretary may, from time to time, prescribe.

SECTION 10. THE TREASURER AND ASSISTANT TREASURER. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to

the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the president or treasurer may, from time to time, prescribe.

SECTION 11. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

SECTION 12. ABSENCE OR DISABILITY OF OFFICERS. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

SECTION 1. NATURE OF INDEMNITY. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee,

fiduciary or agent or in any other capacity while serving as a director, officer, employee, fiduciary or agent, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

SECTION 2. PROCEDURE FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

SECTION 3. NONEXCLUSIVITY OF ARTICLE V. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the corporation's certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 4. INSURANCE. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

SECTION 5. EXPENSES. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses

incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

SECTION 6. EMPLOYEES AND AGENTS. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

SECTION 7. CONTRACT RIGHTS. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

SECTION 8. MERGER OR CONSOLIDATION. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

SECTION 1. FORM. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such chairman of the board, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

SECTION 2. LOST CERTIFICATES. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 3. FIXING A RECORD DATE FOR STOCKHOLDER MEETINGS. In order that the corporation may determine the stockholders entitled to notice of or to vote at

any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of

business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

SECTION 4. FIXING A RECORD DATE FOR ACTION BY WRITTEN CONSENT. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

SECTION 5. FIXING A RECORD DATE FOR OTHER PURPOSES. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

SECTION 6. SUBSCRIPTIONS FOR STOCK. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the corporation, subject to the provisions of the corporation's certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the corporation's certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 2. CHECKS, DRAFTS OR ORDERS. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such

manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

SECTION 3. CONTRACTS. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 4. LOANS. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

SECTION 5. FISCAL YEAR. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SECTION 6. CORPORATE SEAL. The board of directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 7. VOTING SECURITIES OWNED BY CORPORATION. Voting securities in any other corporation held by the corporation shall be voted by the president, unless the board of directors

specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

SECTION 8. INSPECTION OF BOOKS AND RECORDS. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

SECTION 9. SECTION HEADINGS. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 10. INCONSISTENT PROVISIONS. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the corporation's certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

EXHIBIT 3.10

BY-LAWS

OF

GREAT NORTHERN EQUIPMENT, INC.

ARTICLE I - OFFICES

The principal office of the corporation in the State of Montana shall be located in the City of Billings, County of Yellowstone. The corporation may have such other offices, either within or without the State of incorporation as the board of directors may designate or as the business of the corporation may from time to time require.

ARTICLE II - STOCKHOLDERS

1. ANNUAL MEETING.

The annual meeting of the stockholders shall be held on the / day of August in each year, beginning with the year 1988 at the hour 11 o'clock A.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday such meeting shall be held on the next succeeding business day.

2. SPECIAL MEETINGS.

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the directors, and shall be called by the president at the request of the holders of not less than per cent of all the outstanding shares of the corporation entitled to vote at the meeting.

3. PLACE OF MEETING.

The directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the directors. A waiver of notice signed by all stockholders entitled to vote at a meeting may designate

any place, either within or without the state unless otherwise prescribed by statute, as the place for holding such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

4. NOTICE OF MEETING.

Written or printed notice stating the place, day and and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than nor more than days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

5. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE.

For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, days. If the stock transfer books shall be closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least days immediately preceding such meeting. In lieu of closing the stock transfer books, the directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not more than days and, in case of a meeting of stockholders, not less than days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the directors declaring such dividend is adopted, as the case may be, shall be the

record date for such determination of stockholders. When a determination of stockholders entitled to vote at any meeting of stockholders

has been made as provided in this section, such determination shall apply to any adjournment thereof.

6. VOTING LISTS.

The officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least days before each meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any stockholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any stockholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the stockholders entitled to examine such list or transfer books or to vote at the meeting of stockholders.

7. QUORUM.

At any meeting of stockholders of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than said number of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present at a duly organized meeting may continue to transact business until adjournment, nothwithstanding the withdrawal of enough stockholders to leave less than a quorum.

8. PROXIES.

At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting.

9. VOTING.

Each stockholder entitled to vote in accordance with the terms and provisions of the certificate of incorporation and these by-laws shall be entitled to one vote, in person or by

proxy, for each share of stock entitled to vote held by such stockholders. Upon the demand of any stockholder, the vote for directors and upon any question before the meeting shall be by ballot. All elections for directors shall be decided by plurality vote; all other questions shall be decided by majority vote except as otherwise provided by the Certificate of Incorporation or the laws of this State.

10. ORDER OF BUSINESS.

The order of business at all meetings of the stockholders, shall be as follows:

1. Roll Call.

2. Proof of notice of meeting or waiver of notice.

3. Reading of minutes of preceding meeting.

4. Reports of Officers.

5. Reports of Committees.

6. Election of Directors.

7. Unfinished Business.

8. New Business.

11. INFORMAL ACTION BY STOCKHOLDERS.

Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting

of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its board of directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these by-laws and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors of the corporation shall be . Each director shall hold office until the next annual meeting of stockholders and until his successor shall have been elected and qualified.

3. REGULAR MEETINGS.

A regular meeting of the directors, shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

4. SPECIAL MEETINGS.

Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them.

5. NOTICE.

Notice of any special meeting shall be given at least days previously thereto by written notice delivered personally, or by telegram or mailed to each director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6. QUORUM.

At any meeting of the directors shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

7. MANNER OF ACTING.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

8. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the stockholders. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

9. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed for cause by vote of the stockholders or by action of the board. Directors may be removed without cause only by vote of the stockholders.

10. RESIGNATION.

A director may resign at any time by giving written notice to the

board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

11. COMPENSATION.

No compensation shall be paid to directors, as such, for their services, but by resolution of the board a fixed sum and expenses for actual attendance at each regular or special meeting of the board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

12. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

13. EXECUTIVE AND OTHER COMMITTEES.

The board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the pleasure of the board.

ARTICLE IV - OFFICERS

1. NUMBER.

The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the stockholders. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the stockholders and of the directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these by-laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall

perform all duties incident to the office of president and such other duties as

may be prescribed by the directors from time to time.

6. VICE-PRESIDENT.

In the absence of the president or in event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned to him by the President or by the directors.

7. SECRETARY.

The secretary shall keep the minutes of the stockholders' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required, be custodian of the corporate records and of the seal of the corporation and keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder, have general charge of the stock transfer books of the corporation and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors.

8. TREASURER.

If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors.

9. SALARIES.

The salaries of the officers shall be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V - CONTRACTS, LOANS, CHECKS AND DEPOSITS

1. CONTRACTS.

The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS.

No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the directors. Such authority may be general or confined to specific instances.

3. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the directors.

4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the directors may select.

ARTICLE VI - CERTIFICATES FOR SHARES AND THEIR TRANSFER

1. CERTIFICATES FOR SHARES.

Certificates representing shares of the corporation shall be in such form as shall be determined by the directors. Such certificates shall be signed by the president and by the secretary or by such other officers authorized by law and by the directors. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the stockholders, the number of shares and date of issue, shall be entered on the stock transfer books

of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the

former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the directors may prescribe.

2. TRANSFERS OF SHARES.

(a) Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the corporation which shall be kept at its principal office.

(b) The corporation shall be entitled to treat the holder of record of any share as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this state.

ARTICLE VII - FISCAL YEAR

The fiscal year of the corporation shall begin on the day of in each year.

ARTICLE VIII - DIVIDENDS

The directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law.

ARTICLE IX - SEAL

The directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, year of incorporation and the words, "Corporate Seal".

ARTICLE X - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any stockholder or director of the corporation under the provisions of these by-laws or under the provisions of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI - AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by a vote of the stockholders representing a majority of all the shares issued and outstanding, at any annual stockholders' meeting or at any special stockholders' meeting when the proposed amendment has been set out in the notice of such meeting.

WE HEREBY CERTIFY that the foregoing By-Laws were duly adopted by all of the stockholders and Directors of GREAT NORTHERN EQUIPMENT, INC., on the 1st day of August, 1987.

/s/ Gerald Richard Williams

GERALD RICHARD WILLIAMS — President

/s/ John D. Williams

JOHN D. WILLIAMS — Vice President

/s/ Robert George Williams

ROBERT GEORGE WILLIAMS

Secretary-Treasurer

ATTEST:
/s/ [ILLEGIBLE]
- ----------
Secretary

STATE OF MONTANA)
:ss
COUNTY OF _____)

On this _____ day of _____, 19___, before me, a Notary Public for the State of Montana, personally appeared JOHN D. WILLIAMS, ROBERT GEORGE WILLIAMS and GERALD RICHARD WILLIAMS, known to me personally to be the President, Vice-President and Secretary-Treasurer of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public, State of Montana
Residing at _____
My Commission expires: _____

EXHIBIT 3.11

BYLAWS

OF

WILLIAMS BROS. CONSTRUCTION, INC.

1) SHAREHOLDERS' MEETINGS

.01 ANNUAL MEETINGS

The annual meeting of the shareholders of this Corporation, for the purpose of election of Directors and for such other business as may come before it, shall be held at the registered office of the Corporation, or such other places, either within or without the State of Washington, as may be designated by the notice of the meeting, on the FIRST DAY of AUGUST of each and every year, but in case such day shall be a legal holiday, the meeting shall be held at the same hour and place on the next succeeding day not a holiday.

.02 SPECIAL MEETINGS

Special meetings of the shareholders of this Corporation may be called at any time by the holders of ten percent (10%) of the voting shares of the Corporation, or by the president, or by the Board of Directors or a majority thereof. No business shall be transacted at any special meeting of shareholders except as is specified in the notice calling for said meeting. The Board of Directors may designate any place, either within or without the State of Washington, as the place of any special meeting called by the president or the Board of Directors, and special meetings called at the request of shareholders shall be held at such place in Spokane County, Washington, as may be determined by the Board of Directors and placed in the notice of such meeting.

.03 NOTICE OF MEETINGS

Written notice of annual or special meetings of shareholders stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be given by the secretary or persons authorized to call the meeting to each shareholder of record

entitled to vote at the meeting. Such notice shall be given not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, either personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his/her address as it appears on the stock transfer books of the Corporation.

.04 WAIVER OF NOTICE

Notice of the time, place, and purpose of any meeting may be waived in writing and will be waived by any shareholder by his/her attendance thereat in person or by proxy. Any shareholder so waiving shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

.05 QUORUM AND ADJOURNED MEETINGS

A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

.06 PROXIES

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his/her duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

.07 VOTING OF SHARES

Except as otherwise provided in the Articles of Incorporation or in these Bylaws, every shareholder of record shall have the right at every shareholders'

meeting to one (1) vote for every share standing in his/her name on the books of the Corporation, and the affirmative vote of a majority of the shares represented at a meeting and entitled to vote thereat shall be necessary for the adoption of a motion or for the determination of all questions and business which shall come before the meeting.

2) DIRECTORS

.01 GENERAL POWERS

The business and affairs of the Corporation shall be managed by its Board of Directors.

.02 NUMBER, TENURE, AND QUALIFICATIONS

The initial number of Directors of the Corporation shall be three (3). However, if the corporation is to have less or more than three Directors, the number of Directors to be elected at any annual meeting of the shareholders shall be fixed by the shareholders. Each Director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified. Directors need not be residents of the State of Washington or shareholders of the Corporation.

.03 ELECTION

The Directors shall be elected by the shareholders at their annual meeting each year; and if, for any cause, the Directors shall not have been elected at an annual meeting, they may be elected at a special meeting of shareholders called for that purpose in the manner provided by these Bylaws.

.04 VACANCIES

In case of any vacancy in the Board of Directors, the remaining directors, whether constituting a quorum or not, may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant, and until his/her successor shall have been duly elected and qualified.

.05 RESIGNATION

Any Director may resign at any time by delivering written notice to the secretary of the Corporation.

.06 MEETINGS

At any annual, special or regular meeting of the Board of Directors, any business may be transacted, and the Board may exercise all of its powers. Any such annual, special or regular meeting of the Board of Directors of the Corporation may be held outside of the State of Washington, and any member or members of the Board of Directors of the Corporation may participate in any such meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

A. ANNUAL MEETINGS OF DIRECTORS

Annual meetings of the Board of Directors shall be held immediately after the annual shareholders' meeting or at such time and place as may be determined by the Directors. No notice of the annual meeting of the Board of Directors shall be necessary.

B. SPECIAL MEETINGS

Special meetings of the Directors shall be called at any time and place upon the call of the president or any Director. Notice of the time and place of each special meeting shall be given by the secretary, or the persons calling the meeting, by

mail, radio, telegram, or by personal communication by telephone or otherwise at least three (3) days in advance of the time of the meeting. The purpose of the meeting need not be given in the notice. Notice of any special meeting may be waived in writing or by telegram (either before or after such meeting) and will be waived by any Director in attendance at such meeting.

C. REGULAR MEETINGS OF DIRECTORS

Regular meetings of the Board of Directors shall be held at such place and on such day and hour as shall from time to time be fixed by resolution of the Board of Directors. No notice of regular meetings of the Board of Directors shall be necessary.

.07 QUORUM AND VOTING

A majority of the Directors presently in office shall constitute a quorum for all purposes, but a lesser number may adjourn any meeting, and the meeting may be held as adjourned without further notice. At each meeting of the Board at which a quorum is present, the act of a majority of the Directors present at the meeting shall be the act of the Board of Directors. The Directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

.08 COMPENSATION

By resolution of the Board of Directors, the Directors may be paid their expenses if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

.09 PRESUMPTION OF ASSENT

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

.10 EXECUTIVE AND OTHER COMMITTEES

The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, but no such committee shall have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease, exchange, or other disposition of all or substantially all the property and assets of the Corporation otherwise than in the usual and regular course of its business, recommending to the shareholders a voluntary dissolution of the Corporation or a revocation thereof, or amending the Bylaws of the Corporation. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of Directors of any responsibility imposed by law.

.11 CHAIRMAN OF BOARD OF DIRECTORS

The Board of Directors may, in its discretion, elect a chairman of the Board of Directors from its members and, if a chairman has been elected, he/she shall, when present, preside at all meetings of the Board of Directors and shareholders and shall have such other powers as the Board may prescribe.

3) ACTIONS BY WRITTEN CONSENT

Any corporate action required by the Articles of Incorporation, Bylaws, or the laws under which this Corporation is formed, to be voted upon or approved at a duly called meeting of the Directors and/or

shareholders may be accomplished without a meeting if unanimous written consent of the respective Directors and/or shareholders, setting forth the action so taken, shall be signed before taking such action by all the Directors and/or shareholders, as the case may be.

4) OFFICERS

.01 OFFICERS DESIGNATED

The Corporation shall designate a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), and may have a

secretary, and a treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except that in the event that the Corporation shall have more than one stockholder, the offices of president and secretary shall be held by different individuals.

.02 ELECTION QUALIFICATION, AND TERM OF OFFICE

Each of the officers shall be elected by the Board of Directors. None of said officers, except the president, need be a Director but a vice president who is not a Director cannot succeed to or fill the office of president. The officers shall be elected by the Board of Directors at each annual meeting of the Board of Directors. Except as hereinafter provided, each of said officers shall hold office from the date of his/her election until the next annual meeting of the Board of Directors and until his/her successor shall have been duly elected and qualified.

.03 POWERS AND DUTIES

The powers and duties of the respective corporate officers shall be as follows:

A. PRESIDENT

The president shall be the chief executive officer of the Corporation and, subject to the direction and control of the Board of Directors, shall have general charge and supervision over its property, business, and affairs. He/she shall, unless a chairman of the Board of Directors has been elected and is present, preside at meetings of the shareholders and the Board of Directors.

B. VICE PRESIDENT

In the absence of the president or his/her inability to act, the senior vice president shall act in his/her place and stead and shall have all the powers and authority of the president, except as limited by resolution of the Board of Directors.

C. SECRETARY

The secretary shall:

(1) Keep the minutes of the shareholders' and of the Board of Directors' meetings in one or more books provided for that purpose;

(2) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(3) Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents as may be required;

(4) At all times keep a current record at the registered office or principal place of business of the names and addresses of all shareholders and the number and class of the shares held by each;

(5) Sign with the president, or a vice president, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;

(6) Have general charge of the stock transfer books of the Corporation; and

(7) In general, to perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

D. TREASURER

Subject to the direction and control of the Board of Directors, the treasurer shall have the custody, control, and disposition of the funds and securities of the Corporation and shall account for the same and, at the expiration of his/her term of office, he/she shall turn over to his/her successor all property of the Corporation in his/her possession.

E. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS

The assistant secretaries, when authorized by the Board of Directors, may sign with the president or a vice president certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The assistant treasurers shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

.04 REMOVAL

The Board of Directors shall have the right to remove any officer whenever in its judgment the best interest of the Corporation will be served thereby.

.05 VACANCIES

The Board of Directors shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his/her successor shall have been duly elected and qualified.

.06 SALARIES

The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

5) SHARE CERTIFICATES

.01 FORM AND EXECUTION OF CERTIFICATES

Certificates for shares of the Corporation shall be in such form as is consistent with the provisions of the Corporation laws of the State of Washington. They shall be signed by the president and by the secretary, and the seal of the Corporation shall be affixed thereto. Certificates may be issued for fractional shares.

.02 TRANSFERS

Shares may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by a written power of attorney to assign and transfer the same signed by the record holder of the certificate. Except as otherwise specifically provided in these Bylaws, no shares shall be transferred on the books of the Corporation until the outstanding certificate therefor has been surrendered to the Corporation.

.03 LOSS OR DESTRUCTION OF CERTIFICATES

In case of loss or destruction of any certificate of shares, another may be issued in its place upon proof of such loss or destruction, i.e., a sworn affidavit attesting to such loss. A new certificate may be issued without requiring a bond of indemnity, when in the judgment of the Board of Directors it is proper to do so.

6) BOOKS AND RECORDS

.01 BOOKS OF ACCOUNTS, MINUTES, AND SHARE REGISTER

The Corporation shall keep complete books and records of accounts and minutes of the proceedings of the Board of Directors and shareholders and shall keep at its registered office, principal place of business, or at the office of its transfer agent or registrar a share register giving the names of the shareholders in alphabetical order and showing their respective addresses and the number and class of shares held by each.

.02 COPIES OF RESOLUTIONS

Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the president or secretary.

7) CORPORATE SEAL

The following is an impression of the corporate seal of this Corporation:

8) LOANS

No loans shall be made by the Corporation to its officers or Directors, unless first approved by the holders of two-thirds of the voting shares or the Board of Directors determines that the loan benefits the corporation and thereby approves the loan. No loans shall be made by the Corporation secured by its shares.

9) INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each Director or officer now or hereafter serving the Corporation, and each person who at the request of or on behalf of the Corporation is now serving or hereafter serves as Director or officer of any other corporation and the respective heirs, executors, and administrators of each of them shall be indemnified by the Corporation to the fullest extent provided by law against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit, or proceeding, civil or criminal, in which he/she is or may be made a party by reason of his/her being or having been such Director or officer by reason of any action alleged to have been taken or omitted by him/her as such Director or officer, whether or not he/she is a Director or officer at the time of incurring such costs, expenses, judgments, and liabilities, provided that he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Corporation. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation. The foregoing right of indemnification

shall not be exclusive of other rights to which such Director or officer may be entitled as a matter of law. The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee, or agent against any liability arising out of his/her status as such, whether or not the Corporation would have power to indemnify him/her against such liability.

10) AMENDMENT OF BYLAWS

.01 BY THE SHAREHOLDERS

These Bylaws may be amended, altered, or repealed at any regular or special meeting of the shareholders if notice of the proposed alteration or amendment is contained in the notice of the meeting.

.02 BY THE BOARD OF DIRECTORS

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the whole Board of Directors at any regular or special meeting of the Board.

11) FISCAL YEAR

The fiscal year of the Corporation shall be set by resolution of the Board of Directors.

12) RULES OF ORDER

The rules contained in the most recent edition of Robert's Rules of Order, Newly Revised, shall govern all meetings of shareholders and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or special rules of order of the Corporation.

13) REIMBURSEMENT OF DISALLOWED EXPENSES

If any salary, payment, reimbursement, employee fringe benefit, expense allowance payments, or other expense incurred by the Corporation for the benefit of an employee is disallowed in whole or in part as a deductible expense of the Corporation for Federal Income Tax purposes, the employee shall reimburse the Corporation, upon notice and demand, to the full extent of the disallowance. This legally enforceable obligation is in accordance with the provisions of Revenue Ruling 69-115, 1969-1 C.B. 50, and is for the purpose of entitling such employee to a business expense deduction for the taxable year in which the repayment is made to the Corporation.

In this manner, the Corporation shall be protected from having to bear the entire burden of any disallowed expense item.

C E R T I F I C A T I O N

The undersigned secretary for WILLIAMS BROS. CONSTRUCTION, INC., a Washington corporation, hereby certifies that on the _____ day of June, 1992, the attached Bylaws consisting of 13 pages were presented and adopted by the Corporation at the First Meeting of the Board of Directors.

/s/ Gerald R. Williams

Secretary

EXHIBIT 4.1

- ---

H&E Equipment Services L.L.C.

and

H&E Finance Corp.

and each of the Guarantors named herein

12 1/2% Senior Subordinated Notes due 2013

INDENTURE

Dated as of June 17, 2002

The Bank of New York

Trustee

- ---

CROSS-REFERENCE TABLE*

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
310(a)(1)	7.10
(a)(2)	7.10
(a)	
(3)	N.A.
(a)(4)	N.A.
(a)	
(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	11.04
(c)	11.04
313(a)	7.06 (b)
(1)	N.A.
(b)(2)	7.06; 7.07
(c)	7.06; 11.03
(d)	7.06
314(a)	4.03;11.03; 11.06
(b)	N.A. (c)
(1)	11.05 (c)
(2)	11.05 (c)
(3)	N.A.
(d)	N.A.
(e)	11.06
(f)	N.A.

315(a)	7.01
(b)	7.05, 11.03
(c)	7.01
(d)	7.01
(e)	6.11 316(a) (last sentence) 2.09 (a)(1)(A) 6.05
(a)(1)(B)	6.04 (a)(2) N.A.
(b)	6.07
(c)	2.12 317(a)(1) 6.08
(a)(2)	6.09
(b)	2.04
318(a)	11.01
(b)	N.A.
(c)	11.01

N.A. means not applicable.

* This Cross Reference Table is not part of the Indenture.

TABLE OF CONTENTS

PAGE ARTICLE 1. DEFINITIONS AND INCORPORATION BY REFERENCE Section 1.01 Definitions.....1
Section 1.02 Other Definitions.....22
Section 1.03 Incorporation by Reference of Trust Indenture Act.....22 Section 1.04 Rules of Construction.....23 ARTICLE 2. THE NOTES Section 2.01 Form and Dating.....23 Section 2.02 Execution and Authentication.....24 Section 2.03 Registrar and Paying Agent.....25 Section 2.04 Paying Agent to Hold Money in Trust.....25
Section 2.05 Holder Lists.....25
Section 2.06 Transfer and Exchange.....25 Section 2.07 Replacement Notes.....37 Section 2.08 Outstanding Notes.....38 Section 2.09 Treasury Notes.....38 Section 2.10 Temporary Notes.....38 Section 2.11 Cancellation.....38
Section 2.12 Defaulted Interest.....39 Section 2.13 CUSIP Numbers.....39
ARTICLE 3. REDEMPTION AND PREPAYMENT Section 3.01 Notices to Trustee.....39 Section 3.02 Selection of Notes to Be Redeemed or Purchased.....39 Section 3.03 Notice of Redemption.....40 Section 3.04 Effect of Notice of Redemption.....41 Section 3.05 Deposit of Redemption or Purchase Price.....41 Section 3.06 Notes Redeemed or Purchased in Part.....41 Section 3.07 Optional Redemption.....41 Section 3.08 Mandatory Redemption.....42 Section

3.09 Offer to Purchase by Application of Excess Proceeds.....42 ARTICLE 4. COVENANTS Section 4.01 Payment of Notes.....44
Section 4.02 Maintenance of Office or Agency.....44 Section 4.03 Reports.....44
Section 4.04 Compliance Certificate.....45 Section 4.05 Taxes.....46
Section 4.06 Stay, Extension and Usury Laws.....46 Section 4.07 Restricted Payments.....46 Section 4.08 Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.....49 Section 4.09 Incurrence of Indebtedness and Issuance of Preferred Stock.....50

Section 4.10 Asset Sales.....53
Section 4.11 Transactions with Affiliates.....54
Section 4.12 Liens.....56
Section 4.13 Business Activities.....56
Section 4.14 Corporate Existence.....56
Section 4.15 Offer to Repurchase Upon Change of Control.....56
Section 4.16 No Senior Subordinated Debt.....58
Section 4.17 Sale and Leaseback Transactions.....58
Section 4.18 Designation of Restricted and Unrestricted Subsidiaries.....58
Section 4.19 Payments for Consent.....59
Section 4.20 Additional Subsidiary Guarantees.....59
Section 4.21 Calculation of Original Issue Discount.....59

ARTICLE 5.
SUCCESSORS

Section 5.01 Merger, Consolidation, or Sale of Assets.....59
Section 5.02 Successor Corporation Substituted.....60

ARTICLE 6.
DEFAULTS AND REMEDIES

Section 6.01 Events of Default.....60
Section 6.02 Acceleration.....62
Section 6.03 Other Remedies.....62
Section 6.04 Waiver of Past Defaults.....62
Section 6.05 Control by Majority.....63
Section 6.06 Limitation on Suits.....63
Section 6.07 Rights of Holders of Notes to Receive Payment.....63
Section 6.08 Collection Suit by Trustee.....63
Section 6.09 Trustee May File Proofs of Claim.....64
Section 6.10 Priorities.....64
Section 6.11 Undertaking for Costs.....64

ARTICLE 7.
TRUSTEE

Section 7.01 Duties of Trustee.....65
Section 7.02 Rights of Trustee.....66
Section 7.03 Individual Rights of Trustee.....67
Section 7.04 Trustee's Disclaimer.....67
Section 7.05 Notice of Defaults.....67
Section 7.06 Reports by Trustee to Holders of the Notes.....67
Section 7.07 Compensation and Indemnity.....67
Section 7.08 Replacement of Trustee.....68
Section 7.09 Successor Trustee by Merger, etc.....69
Section 7.10 Eligibility; Disqualification.....69
Section 7.11 Preferential Collection of Claims Against Company.....69

ARTICLE 8.
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.....70
Section 8.02 Legal Defeasance and Discharge.....70
Section 8.03 Covenant Defeasance.....70

Section 8.04 Conditions to Legal or Covenant Defeasance.....71

Section 8.05 Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions....72
Section 8.06 Repayment to Company....72
Section 8.07 Reinstatement....73

ARTICLE 9.
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders of Notes....73
Section 9.02 With Consent of Holders of Notes....74
Section 9.03 Compliance with Trust Indenture Act....75
Section 9.04 Revocation and Effect of Consents....75
Section 9.05 Notation on or Exchange of Notes....75
Section 9.06 Trustee to Sign Amendments, etc....75

ARTICLE 10.
SUBORDINATION

Section 10.01 Agreement to Subordinate....76
Section 10.02 Liquidation; Dissolution; Bankruptcy....76
Section 10.03 Default on Designated Senior Debt....76
Section 10.04 Acceleration of Securities....77
Section 10.05 When Distribution Must Be Paid Over....77
Section 10.06 Notice by Company....78
Section 10.07 Subrogation....78
Section 10.08 Relative Rights....78
Section 10.09 Subordination May Not Be Impaired by Company....78
Section 10.10 Distribution or Notice to Representative....78
Section 10.11 Rights of Trustee and Paying Agent....79
Section 10.12 Authorization to Effect Subordination....79
Section 10.13 Amendments....79

ARTICLE 11.
SUBSIDIARY GUARANTEES

Section 11.01 Guarantee....79
Section 11.02 Subordination of Subsidiary Guarantee....80
Section 11.03 Limitation on Guarantor Liability....81
Section 11.04 Execution and Delivery of Subsidiary Guarantee....81
Section 11.05 Guarantors May Consolidate, etc., on Certain Terms....81
Section 11.06 Releases....82

ARTICLE 12.
SATISFACTION AND DISCHARGE

Section 12.01 Satisfaction and Discharge....83
Section 12.02 Application of Trust Money....83

ARTICLE 13.
MISCELLANEOUS

Section 13.01 Trust Indenture Act Controls....84
Section 13.02 Notices....84
Section 13.03 Communication by Holders of Notes with Other Holders of Notes....85
Section 13.04 Certificate and Opinion as to Conditions Precedent....85

Section 13.05 Statements Required in Certificate or Opinion....86
Section 13.06 Rules by Trustee and Agents....86
Section 13.07 No Personal Liability of Directors, Officers, Employees and Stockholders....86
Section 13.08 Governing Law....86
Section 13.09 No Adverse Interpretation of Other Agreements....86
Section 13.10 Successors....87
Section 13.11 Severability....87
Section 13.12 Counterpart Originals....87
Section 13.13 Table of Contents, Headings, etc....87

EXHIBITS

Exhibit A1 FORM OF NOTE
Exhibit A2 FORM OF REGULATION S TEMPORARY GLOBAL NOTE
Exhibit B FORM OF CERTIFICATE OF TRANSFER
Exhibit C FORM OF CERTIFICATE OF EXCHANGE
Exhibit D FORM OF CERTIFICATE OF ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR
Exhibit E FORM OF NOTE GUARANTEE
Exhibit F FORM OF SUPPLEMENTAL INDENTURE

INDENTURE dated as of June 17, 2002 between H&E Equipment Services L.L.C., a Louisiana limited liability company ("H&E LLC"), H&E Finance Corp., a Delaware corporation ("H&E FINANCE" and together with H&E LLC, the "COMPANY"), the Guarantors (as defined) and The Bank of New York, a New York banking corporation, as trustee (the "TRUSTEE").

The Company, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined) of the 12 1/2% Senior Subordinated Notes due 2013 (the "NOTES"):

ARTICLE 1.
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 DEFINITIONS.

"144A GLOBAL NOTE" means a Global Note substantially in the form of Exhibit A1 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"ACCRETED VALUE" means for each Note having an aggregate principal amount of $1,000 as of any date of determination the sum of:

(1) $943.56 (the deemed initial offering price of each Note); and

(2) that portion of the excess of the principal amount at maturity of such Note over such deemed initial offering price as shall have been accreted thereon through such date, such amount to be so accreted on a daily basis at the rate of 1% per annum of the deemed initial offering price of such Notes, compounded semi-annually on each June 15 and December 15 from the date of issuance of the Notes through the date of determination, such that the Accreted Value of each Note will equal the principal amount thereof on June 15, 2013.

"ACQUIRED DEBT" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"ADDITIONAL NOTES" means an unlimited amount of Notes (other than the Initial Notes) issued under this Indenture in accordance with Sections 2.02 and 4.09 hereof, as part of the same class as the Initial Notes.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; PROVIDED that beneficial ownership of 10%

or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"AFFILIATE AGREEMENTS" means the Contribution Agreement, the Securityholders Agreement, the Registration Rights Agreement and the Operating Agreement, each as described in "Certain Relationships and Related Transactions" in the Offering Circular.

"AGENT" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"APPLICABLE PROCEDURES" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"ASSET SALE" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights, other than sales of inventory and equipment in the ordinary course of business; PROVIDED that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole will be governed by the provisions of this Indenture described above under the Section 4.15 and/or the provisions described

above under Section 5.01 and not by the provisions of Section 4.10; and

(2) the issuance of Equity Interests in any of the Company's Restricted Subsidiaries or the sale by the Company or any of its Restricted Subsidiaries of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a fair market value of less than $1.0 million;

(2) a transfer of assets between or among the Company and its Restricted Subsidiaries,

(3) an issuance of Equity Interests by a Subsidiary to the Company or to another Restricted Subsidiary;

(4) the sale or lease of equipment, inventory, or accounts receivable in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) a Restricted Payment or Permitted Investment that is permitted by Section 4.07;

(7) any exchange of property pursuant to Section 1031 on the Internal Revenue Code of 1986, as amended, for use in a Permitted Business; and

(8) the licensing of intellectual property.

"ATTRIBUTABLE DEBT" in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value

shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"BENEFICIAL OWNER" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"BOARD OF DIRECTORS" means:

(1) with respect to a corporation, the board of directors of the corporation;

(2) with respect to a partnership, the board of directors of the general partner of the partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"BORROWING BASE" means, as of any date, an amount equal to:

(1) 75% of the face amount of all accounts receivable owned by the Company and its Restricted Subsidiaries as of such date; PLUS

(2) 50% of the book value of all inventory owned by the Company and its Restricted Subsidiaries as of such date; PLUS

(3) 80% of the book value of the rental equipment owned by the Company and its Restricted Subsidiaries as of such date; MINUS

(4) 100% of the book value of all inventory and rental equipment owned by the Company and its Restricted Subsidiaries as of such date, that were subject to a Lien immediately prior to the use of proceeds referred to below, securing Indebtedness; MINUS

(5) $125 million.

all calculated on a consolidated basis and in accordance with GAAP and after giving effect to any incurrence of Indebtedness on such date and the use of proceeds therefrom.

In the event that information with respect to any element of the Borrowing Base is not available as of any date then the most recently available

information will be utilized.

"BROKER-DEALER" has the meaning set forth in the Registration Rights Agreement.

"BRS" means Bruckmann, Rosser, Sherrill & Co., Inc.

"BUSINESS DAY" means any day other than a Legal Holiday.

"CAPITAL LEASE OBLIGATION" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"CAPITAL STOCK" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited or common or preferred); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"CASH EQUIVALENTS" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (PROVIDED that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than one year from the date of acquisition;

(3) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having a rating of "P-2" (or higher) from Moody's Investors Service, Inc. or "A-3" (or higher) from Standard & Poor's Rating Services and in each case maturing within one year after the date of acquisition; and

(6) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition.

"CLEARSTREAM" means Clearstream Banking, S.A.

"CHANGE OF CONTROL" means the occurrence of any of the following:

(1) the transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than a Principal or a Related Party of a Principal;

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties or a Permitted Group, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured

by voting power rather than number of shares; or

(4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

"COMPANY" means the issuers, and any and all successors thereto.

"CONSOLIDATED CASH FLOW" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period PLUS:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; PLUS

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; PLUS

(3) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; PLUS

(4) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (including impairment charges but excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; PLUS

(5) any management fee payable to BRS or an Affiliate pursuant to the Management Agreement as is in effect on the date of this Indenture or as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Holders than the contract or agreement as in effect on the date of this Indenture; PLUS

(6) any non-recurring expenses and charges of the Company or any of its Restricted Subsidiaries; MINUS

(7) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with GAAP.

"CONSOLIDATED NET INCOME" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; PROVIDED that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;

(4) the cumulative effect of a change in accounting principles will

be excluded; and

(5) the Net Income (but not loss) of any Unrestricted Subsidiary will be included only to the extent distributed to the specified Person or one of its Restricted Subsidiaries.

"CONSOLIDATED TANGIBLE ASSETS" means, with respect to the Company as of any date, the aggregate of the Tangible Assets of the Company and its Restricted Subsidiaries as of such date, on a consolidated basis, determined in accordance with GAAP. In the event that information relating to Consolidated Tangible Assets is not available as of any date, then the most recently available information will be utilized.

"CONTINUING DIRECTORS" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the date of this Indenture;

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election; or

(3) was nominated by the Principals pursuant to a stockholders', voting or similar agreement.

"CORPORATE TRUST OFFICE OF THE TRUSTEE" will be at the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"CREDIT AGREEMENT" means that certain Credit Agreement, dated as of the date of this Indenture, by and among the Company and the other borrowers named therein and the credit parties and lenders named therein as well as General Electric Capital Corporation as Arranger and Administrative Agent, providing for up to $150.0 million of revolving credit borrowings, including any related notes,

guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time, including increases in principal amount and extensions of term loans of other financings.

"CREDIT AGREEMENT AGENT" means, at any time, the Person serving at such time as the "Agent" or "Administrative Agent" under (and as such term is defined in) the Credit Agreement.

"CREDIT FACILITIES" means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time; PROVIDED, that no document or facility, other than the Credit Agreement, will constitute a Credit Facility unless the Company so identifies such document or facility in an Officers' Certificate and delivers such certificate to the Trustee; PROVIDED FURTHER, that while the Credit Agreement remains in effect, the Company is entitled to so identify such document or facility only in accordance with the terms of the Credit Agreement (or deliver an Officers' Certificate to the Trustee that the Credit Agreement is no longer in effect).

"CUSTODIAN" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"DEFAULT" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"DEFINITIVE NOTE" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A1 hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"DEPOSITARY" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"DESIGNATED SENIOR DEBT" means any Indebtedness outstanding under H&E LLC's Credit Agreement; and any other Senior Debt permitted under this Indenture the principal amount of which is $25.0 million or more and that in each case has

been designated by H&E LLC as "Designated Senior Debt."

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07.

"DOMESTIC RESTRICTED SUBSIDIARY" means any Restricted Subsidiary of the Company that was formed under the laws of the United States or any state of the United States or the District of Columbia or that guarantees or otherwise provides direct credit support for any Indebtedness of the Company.

"EQUITY INTERESTS" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"EUROCLEAR" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

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

"EXCHANGE NOTES" means the Notes issued in the Exchange Offer pursuant to Section 2.06(f) hereof.

"EXCHANGE OFFER" has the meaning set forth in the Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" has the meaning set forth in the Registration Rights Agreement.

"EXISTING INDEBTEDNESS" means Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of this Indenture, until such amounts are repaid.

"FIXED CHARGES" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations but excluding the amortization of debt issuance costs; PLUS

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period (other than debt issuance costs); PLUS

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; PLUS

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, excluding dividends on Equity Interests payable or accruing solely in Equity Interests of the Company that are not Disqualified Stock, or to the Company or a Restricted Subsidiary of the Company, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"FIXED CHARGE COVERAGE RATIO" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes,

Guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(2) the Consolidated Cash flow attributable to discontinued operations, as determined in accordance with GAAP and operations or businesses disposed of prior to the Calculation Date, will be excluded; and

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of this Indenture, PROVIDED that charges for impairments to goodwill will be disregarded for all purposes under this Indenture.

"GLOBAL NOTES" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A1 hereto issued in accordance with Section 2.01, 2.06(b)(3), 2.06(b)(4), 2.06(d)(2) or 2.06(f) hereof.

"GLOBAL NOTE LEGEND" means the legend set forth in Section 2.06(g)(2), which is required to be placed on all Global Notes issued under this Indenture.

"GOVERNMENT SECURITIES" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"GUARANTEE" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness

"GUARANTORS" means each of:

(1) GNE Investments, Inc.;

(2) Great Northern Equipment, Inc.; and

(3) any other subsidiary that executes a Subsidiary Guarantee in accordance with the provisions of this Indenture;

and their respective successors and assigns.

"HEDGING OBLIGATIONS" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates, currency rates or commodity prices.

"HOLDER" means a Person in whose name a Note is registered.

"HOLDINGS" means H&E Holdings L.L.C.

"IAI GLOBAL NOTE" means a Global Note substantially in the form of Exhibit A1 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold to Institutional Accredited Investors.

"INDEBTEDNESS" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense, trade payable or representing secured floor plan financing; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any indebtedness of any other Person; PROVIDED that Indebtedness shall not include the pledge of the Capital Stock of an Unrestricted Subsidiary to secure Indebtedness of such Unrestricted Subsidiary.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"INDENTURE" means this Indenture, as amended or supplemented from time to time.

"INDIRECT PARTICIPANT" means a Person who holds a beneficial interest in a Global Note through a Participant.

"INITIAL NOTES" means the first $53.0 million aggregate principal amount of Notes issued under this Indenture on the date hereof.

"INITIAL PURCHASER" means Credit Suisse First Boston Corporation.

"INSTITUTIONAL ACCREDITED INVESTOR" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"INTANGIBLE ASSETS" means goodwill, patents, trade names, trade marks, copyrights, franchises, experimental expense, organization expenses and any other assets properly classified as intangible assets in accordance with GAAP.

"INVESTMENTS" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Company's Investments in such Subsidiary that were not sold

or disposed of in an amount determined as provided in the final paragraph of Section 4.07. The acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the fair market value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07.

"LEGAL HOLIDAY" means a Saturday, a Sunday or a day on which banking institutions in The City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"LETTER OF TRANSMITTAL" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"LIQUIDATED DAMAGES" means all liquidated damages then owing pursuant to the Registration Rights Agreement.

"MANAGEMENT AGREEMENT" means the agreement the Company entered into in connection with the ICM Equipment Company L.L.C. recapitalization and the Head & Engquist Equipment, L.L.C. recapitalizations with each of BRS and Bruckmann, Rosser, Sherrill & Co., L.L.C. ("BRS LLC"), whereby BRS and BRS LLC agreed to provide certain advisory and consulting services to the Company.

"NET INCOME" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"NET PROCEEDS" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"NON-RECOURSE DEBT" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) (other than the stock of an Unrestricted Subsidiary pledged to secure Indebtedness of such Unrestricted Subsidiary), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its stated maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries (other than the stock of an Unrestricted

Subsidiary pledged to secure Indebtedness of such Unrestricted Subsidiary).

"NON-U.S. PERSON" means a Person who is not a U.S. Person.

"NOTES" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"NOTE DOCUMENTS" means this Indenture, the Notes and the Subsidiary Guarantees.

"OBLIGATIONS" means any principal, interest, penalties, fees, taxes, costs, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing, securing or relating to any Indebtedness, whether or not a claim in respect thereof has been asserted.

"OBLIGOR" means a Person obligated as an issuer or guarantor of the Notes.

"OFFERING CIRCULAR" means the offering circular dated June 14, 2002 relating to the Notes.

"OFFICER" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person.

"OFFICERS' CERTIFICATE" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, or the principal accounting officer of the Company, that meets the requirements of Section 13.05 hereof.

"OPINION OF COUNSEL" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Trustee.

"PARTICIPANT" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"PERMITTED BUSINESS" means the equipment sale, rental and leasing business, the fleet management business and any business that is complementary, incidental, ancillary or related thereto.

"PERMITTED GROUP" means any group of investors that is deemed to be a "person" (as that term is used in Section 13(d)(3) of the Exchange Act) at any time prior to the Company's initial public offering of common stock, by virtue of the Securityholders Agreement, as the same may be amended, modified or supplemented from time to time, PROVIDED that no single Person (other than the Principals and their Related Parties) Beneficially Owns (together with its Affiliates) more of the Voting Stock of the Company that is Beneficially Owned by such group of investors than is then collectively Beneficially Owned by the Principals and their Related Parties in the aggregate.

"PERMITTED INVESTMENTS" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10;

(5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise of obligations of such

persons incurred in the ordinary course of trade creditors or customers that were incurred in the ordinary course of

business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(7) Hedging Obligations; and

(8) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (8) since the date of this Indenture not to exceed $10.0 million at any one time outstanding.

"PERMITTED JUNIOR SECURITIES" means:

(1) Equity Interests in the Company or any Guarantor; or

(2) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Notes and the Subsidiary Guarantees are subordinated to Senior Debt under this Indenture.

"PERMITTED LIENS" means:

(1) Liens on assets of the Company or any Guarantor securing Senior Debt that was permitted by this Indenture to be incurred;

(2) Liens in favor of the Company or the Guarantors;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Subsidiary of the Company; PROVIDED that such Liens were not incurred in contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by the Company or any Subsidiary of the Company, PROVIDED that such Liens were not incurred in contemplation of such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) purchase money security interests (as defined in Article 9 of the New York Uniform Commercial Code) to secure Indebtedness permitted by clause (4) of the second paragraph of Section 4.09 covering only inventory held for sale or lease (including rental equipment) purchased as described therein and the proceeds thereof;

(7) Liens existing on the date of this Indenture and securing Indebtedness outstanding on the date of this Indenture;

(8) Liens to secure Permitted Refinancing Indebtedness incurred to refinance Existing Debt or Permitted Refinancing Indebtedness which is secured by Liens permitted by this clause (8); PROVIDED, that such Liens do not extend to any categories of assets other than the categories of assets securing Existing Debt as of the date of this Indenture;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, PROVIDED that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(10) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;

(11) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred or imposed, as applicable, in the ordinary course of business and consistent with industry practices;

(12) any interest or title of a lessor under any Capital Lease Obligation;

(13) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property

relating to such letters of credit and products and proceeds thereof;

(14) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of the Company or any of its Restricted Subsidiaries, including rights of offset and set-off;

(15) Liens securing Hedging Obligations;

(16) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries;

(17) Liens arising from filing Uniform Commercial Code financing statements regarding leases; and

(18) Liens incurred in the ordinary course of business of the Company, or any Restricted Subsidiary of the Company with respect to obligations that do not exceed $10.0 million at any one time outstanding.

"PERMITTED REFINANCING INDEBTEDNESS" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); PROVIDED that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"PERSON" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"PREFERRED STOCK" means Capital Stock with a preference upon liquidation or on dividends.

"PRINCIPALS" means Bruckmann, Rosser, Sherrill & Co., L.P., a Delaware limited partnership, BRS Partners, LP and BRSE LLC.

"PRIVATE PLACEMENT LEGEND" means the legend set forth in Section 2.06(g)(1) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of June 17, 2002, among the Company, the Guarantors and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements among the Company, the Guarantors and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act.

"REGULATION S" means Regulation S promulgated under the Securities Act.

"REGULATION S GLOBAL NOTE" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as appropriate.

"REGULATION S PERMANENT GLOBAL NOTE" means a permanent Global Note in the form of Exhibit A1 hereto bearing the Global Note Legend and the Private

Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"REGULATION S TEMPORARY GLOBAL NOTE" means a temporary Global Note in the form of Exhibit A2 hereto deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"RELATED PARTY" means:

(1) any controlling stockholder, a majority owned Subsidiary, or immediate family member (in the case of an individual) of any Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a majority interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

"REPRESENTATIVE" means the indenture trustee or other trustee, agent or representative for any Senior Debt.

"RESPONSIBLE OFFICER," when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"RESTRICTED DEFINITIVE NOTE" means a Definitive Note bearing the Private Placement Legend.

"RESTRICTED GLOBAL NOTE" means a Global Note bearing the Private Placement Legend.

"RESTRICTED INVESTMENT" means an Investment other than a Permitted Investment.

"RESTRICTED PERIOD" means the 40-day distribution compliance period as defined in Regulation S.

"RESTRICTED SUBSIDIARY" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"RULE 144" means Rule 144 promulgated under the Securities Act.

"RULE 144A" means Rule 144A promulgated under the Securities Act.

"RULE 903" means Rule 903 promulgated under the Securities Act.

"RULE 904" means Rule 904 promulgated the Securities Act.

"SEC" means the Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SENIOR DEBT" means:

(1) all Indebtedness of the Company or any Guarantor outstanding under Credit Facilities and all Hedging Obligations that are secured under the documents that secure the Indebtedness under a Credit Facility;

(2) the Senior Secured Notes and all the Obligations with respect thereto;

(3) any other Indebtedness of the Company or any Guarantor either (a) permitted to be incurred under the terms of this Indenture or (b) was advanced (or, in the case of any reimbursement obligation, relates to a letter of credit that was issued) upon delivery to the Credit Agreement Agent of a written document executed by an officer of the Company to the effect that such Indebtedness was permitted to be incurred by clause (1) or clause (12) of the definition of "Permitted Debt", unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes or any Subsidiary Guarantee; and

(4) all Obligations with respect to the items listing in the preceding clauses (1), (2) and (3).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by the Company;

(2) any intercompany Indebtedness of the Company or any of its Subsidiaries to the Company;

(3) any trade payables;

(4) any Indebtedness of the Company or any of its Subsidiaries to any Affiliate of the Company or any of its Subsidiaries; or

(5) the portion of any Indebtedness that is incurred in violation of this Indenture.

"SENIOR GUARANTEES" means the Guarantees by the Guarantors of Obligations under the Credit Agreement.

"SENIOR SECURED NOTES" means the Company's senior secured notes due 2012 to be issued concurrently with the closing of the offering of the Notes.

"SHELF REGISTRATION STATEMENT" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

"SPECIFIED SENIOR DEBT" means all outstanding Senior Debt under:

(1) the Credit Agreement;

(2) the Senior Secured Note indenture; and

(3) any other series of Senior Debt that is designated by the Company as being Specified Senior Debt.

"STATED MATURITY" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"SUBSIDIARY" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"SUBSIDIARY GUARANTEE" means the Guarantee by each Guarantor of the Company's payment obligations under this Indenture and on the Notes, executed pursuant to the provisions of this Indenture.

"TANGIBLE ASSETS" means all assets of the Company and its Restricted Subsidiaries, excluding all Intangible Assets.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA, except as provided in Section 9.03.

"TRUSTEE" means the party named as such in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"UNASSERTED CONTINGENT OBLIGATIONS" means, at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for (i) the principal of and interest or premiums (if any) on, and fees

relating to, Indebtedness and (ii) contingent reimbursement obligations in respect of amounts that may be drawn under letters of credit) in respect of which no claim or demand for payment has been made (or, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"UNRESTRICTED DEFINITIVE NOTE" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"UNRESTRICTED GLOBAL NOTE" means a permanent global Note substantially in the form of Exhibit A1 attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"UNRESTRICTED SUBSIDIARY" means any Subsidiary of the Company (and any Subsidiary of such Subsidiary) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution (if that designation would not cause a Default), but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries (other than through the pledge of Equity Interests in such Subsidiary); and

(5) has at least one director on its Board of Directors that is not a director or executive officer of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.07. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09, the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation (including without limitation under Section 4.18).

"U.S. PERSON" means a U.S. Person as defined in Rule 902(o) under the Securities Act.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"WHOLLY OWNED RESTRICTED SUBSIDIARY" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) will at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

Section 1.02 OTHER DEFINITIONS.

Defined in Term Section ---- ------- "AFFILIATE TRANSACTION"..... 4.11 "ASSET SALE OFFER"..... 3.09 "AUTHENTICATION ORDER"..... 2.02 "CHANGE OF CONTROL OFFER"..... 4.15 "CHANGE OF CONTROL PAYMENT"..... 4.15 "CHANGE OF CONTROL PAYMENT DATE"..... 4.15 "COVENANT DEFEASANCE"..... 8.03 "DTC"..... 2.03 "EVENT OF DEFAULT"..... 6.01 "EXCESS PROCEEDS"..... 4.10 "INCUR"..... 4.09 "LEGAL DEFEASANCE"..... 8.02 "OFFER AMOUNT"..... 3.09 "OFFER PERIOD"..... 3.09 "PAYING AGENT"..... 2.03 "PAYMENT BLOCKAGE NOTICE"..... 10.03 "PERMITTED DEBT"..... 4.09 "PURCHASE DATE"..... 3.09 "REGISTRAR"..... 2.03 "RESTRICTED PAYMENTS"..... 4.07

Section 1.03 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"INDENTURE SECURITIES" means the Notes;

"INDENTURE SECURITY HOLDER" means a Holder of a Note;

"INDENTURE TO BE QUALIFIED" means this Indenture;

"INDENTURE TRUSTEE" or "INSTITUTIONAL TRUSTEE" means the Trustee; and

"OBLIGOR" on the Notes and the Subsidiary Guarantees means the Company and the Guarantors, respectively, and any successor obligor upon the Notes and the Subsidiary Guarantees, respectively.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.04 RULES OF CONSTRUCTION.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2.
THE NOTES

Section 2.01 FORM AND DATING.

(a) GENERAL. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A1 hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) GLOBAL NOTES. Notes issued in global form will be substantially in the form of Exhibits A1 or A2 attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A1 attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) TEMPORARY GLOBAL NOTES. Notes offered and sold in reliance on Regulation S will be issued initially in the form of the Regulation S Temporary Global Note, which will be deposited on behalf of the

purchasers of the Notes represented thereby with the Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream Bank, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Restricted Period will be terminated upon the receipt by the Trustee of:

(1) a written certificate from the Depositary, together with copies of certificates from Euroclear and Clearstream Bank certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a 144A Global Note or an IAI Global Note bearing a Private Placement Legend, all as contemplated by Section 2.06(b) hereof); and

(2) an Officers' Certificate from the Company.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Note will be exchanged for beneficial interests in Regulation S Permanent Global Notes pursuant to the Applicable Procedures. Simultaneously with the authentication of Regulation S Permanent Global Notes, the Trustee will cancel the Regulation S Temporary Global Note. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(3) EUROCLEAR AND CLEARSTREAM PROCEDURES APPLICABLE. The provisions

of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes that are held by Participants through Euroclear or Clearstream.

Section 2.02 EXECUTION AND AUTHENTICATION.

Two Officers must sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Company signed by two Officers (an "AUTHENTICATION ORDER"), authenticate Notes for original issue up to the aggregate principal amount stated in the Notes. There may be an unlimited aggregate principal amount of Notes outstanding at any time.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 REGISTRAR AND PAYING AGENT.

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("REGISTRAR") and an office or agency where Notes may be presented for payment ("PAYING AGENT"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04 PAYING AGENT TO HOLD MONEY IN TRUST.

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 HOLDER LISTS.

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company will furnish to the Trustee at least 15 days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA Section 312(a).

Section 2.06 TRANSFER AND EXCHANGE.

(a) TRANSFER AND EXCHANGE OF GLOBAL NOTES. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary,

by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under

the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary; or

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; PROVIDED that in no event shall the Regulation S Temporary Global Note be exchanged by the Company for Definitive Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL NOTES. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) TRANSFER OF BENEFICIAL INTERESTS IN THE SAME GLOBAL NOTE. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; PROVIDED, HOWEVER, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than the Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) ALL OTHER TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS IN GLOBAL NOTES. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial

interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; provided that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(2) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(3) TRANSFER OF BENEFICIAL INTERESTS TO ANOTHER RESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Note or the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(4) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial

interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial

interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) TRANSFER OR EXCHANGE OF BENEFICIAL INTERESTS FOR DEFINITIVE NOTES.

(1) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO RESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who

takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the

Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) BENEFICIAL INTERESTS IN REGULATION S TEMPORARY GLOBAL NOTE TO DEFINITIVE NOTES. Notwithstanding Sections 2.06(c)(1)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior

to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(2) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note

issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the

Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR BENEFICIAL INTERESTS.

(1) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof, the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, in the

case of clause (C) above, the Regulation S Global Note, and in all other cases, the IAI Global Note.

(2) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) UNRESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR DEFINITIVE NOTES. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) RESTRICTED DEFINITIVE NOTES TO RESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) RESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a broker-dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) UNRESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) EXCHANGE OFFER. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate:

(1) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered into the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers, (B) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company; and

(2) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer.

Concurrently with the issuance of such Notes, the Trustee will cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company will execute and the Trustee will authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

(g) LEGENDS. The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT

FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(3), (c)(4), (d)(2), (d)(3), (e)(2), (e)(3) or (f) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) GLOBAL NOTE LEGEND. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE

REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(3) REGULATION S TEMPORARY GLOBAL NOTE LEGEND. The Regulation S Temporary Global Note will bear a legend in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON."

(4) ORIGINAL ISSUE DISCOUNT LEGEND. Each Note shall bear a legend in substantially the following form:

"THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTION 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY CONTACT TERENCE L. EASTMAN, THE CHIEF FINANCIAL OFFICER OF THE COMPANY, AT 11100 MEAD ROAD, SUITE 200, BATON ROUGE, LOUISIANA 70816, TELEPHONE NUMBER (225) 298-5200, WHO WILL PROVIDE YOU WITH ANY REQUIRED INFORMATION REGARDING THE ORIGINAL ISSUE DISCOUNT."

(h) CANCELLATION AND/OR ADJUSTMENT OF GLOBAL NOTES. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive

Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) GENERAL PROVISIONS RELATING TO TRANSFERS AND EXCHANGES.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(2) No service charge will be made to a Holder of a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) The Company will not be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

(9) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07 REPLACEMENT NOTES.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the

Company, the Trustee, any Agent and any

authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 OUTSTANDING NOTES.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 TREASURY NOTES.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned will be so disregarded.

Section 2.10 TEMPORARY NOTES.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 CANCELLATION.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will dispose of such cancelled Notes in accordance with its customary procedures (subject to the record retention requirement of the Exchange

Act). The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 DEFAULTED INTEREST.

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date, PROVIDED that no such special record date may be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon

the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 CUSIP NUMBERS.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; PROVIDED that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 3.
REDEMPTION AND PREPAYMENT

Section 3.01 NOTICES TO TRUSTEE.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 SELECTION OF NOTES TO BE REDEEMED OR PURCHASED.

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

(1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not listed on any national securities exchange, on a PRO RATA basis, by lot or by such method as the Trustee shall deem fair and appropriate.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

The Trustee will promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of $1,000 or whole multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 NOTICE OF REDEMPTION.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Articles 8 or 12 of this Indenture.

The notice will identify the Notes to be redeemed (including CUSIP numbers) and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; PROVIDED, HOWEVER, that the Company has delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05 DEPOSIT OF REDEMPTION OR PURCHASE PRICE.

One Business Day prior to the redemption or purchase price date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Liquidated Damages, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Liquidated Damages, if any, on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 NOTES REDEEMED OR PURCHASED IN PART.

Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 OPTIONAL REDEMPTION.

(a) At any time prior to June 15, 2005, the Company may on one or more occasions redeem an aggregate of up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 112.50% of the Accreted Value thereof, plus accrued and unpaid Liquidated Damages, if any, to the redemption date, with the net cash proceeds of an offering of Equity Interests (other than Disqualified Stock) of the Company or Holdings (so long as such net cash proceeds are contributed to the Company from Holdings as common equity); PROVIDED that:

(1) at least 65% of the aggregate principal amount of Notes issued under this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption occurs within 60 days of the date of the closing of such offering.

(b) Except pursuant to the preceding paragraph, the Notes will not be redeemable at the Company's option prior to June 15, 2007.

(c) After June 15, 2007, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of Accreted Value) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

Year	Percentage
2007	106.250%
2008	104.167%
2009	102.083%
2010 and thereafter	100.000%

Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

Section 3.08 MANDATORY REDEMPTION.

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09 OFFER TO PURCHASE BY APPLICATION OF EXCESS PROCEEDS.

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "ASSET SALE OFFER"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales and assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "OFFER PERIOD"). No later than three Business Days after the termination of the Offer Period (the "PURCHASE DATE"), the Company will apply all Excess Proceeds (the "OFFER AMOUNT") to the purchase of Notes and such other PARI PASSU Indebtedness (on a pro rata basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, and Liquidated Damages, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Offer Amount, the purchase price and the Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrete or accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrete or accrue interest after the Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an

Asset Sale Offer may elect to have Notes purchased in integral multiples of $1,000 only;

(6) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other PARI PASSU Indebtedness surrendered by Holders exceeds the Offer Amount, the Company will select the Notes and other PARI PASSU Indebtedness to be purchased on a PRO RATA basis based on the principal amount of Notes and such other PARI PASSU Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a PRO RATA basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company will authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4.
COVENANTS

Section 4.01 PAYMENT OF NOTES.

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Liquidated Damages, if any, on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Liquidated Damages, if any will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company will pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 MAINTENANCE OF OFFICE OR AGENCY.

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any

change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 REPORTS.

Whether or not required by the Commission, so long as any Notes are outstanding, the Company will furnish to the Holders of Notes, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In addition, following the consummation of the exchange offer contemplated by the registration rights agreement, whether or not required by the Commission, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. In addition, the Company and the Subsidiary Guarantors have agreed that, for so long as any Notes remain outstanding, they will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.04 COMPLIANCE CERTIFICATE.

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the Company shall use its best efforts to ensure that the year-end financial

statements delivered pursuant to Section 4.03(a) above shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company has violated any provisions of Article 4 or Article 5 hereof or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, forthwith upon any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05 TAXES.

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06 STAY, EXTENSION AND USURY LAWS.

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 RESTRICTED PAYMENTS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes or the Subsidiary Guarantees, except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "RESTRICTED PAYMENTS"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(2) the Company would, at the time of such Restricted Payment after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by clauses (2) through (10) inclusive, of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of this Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), PLUS

(b) 100% of the aggregate net cash proceeds received by the Company since the date of this Indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock and other than Equity Interests sold to members of management) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company), PLUS

(c) to the extent that any Restricted Investment that was made after the date of this Indenture is sold for cash or otherwise liquidated or repaid for cash, the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), PLUS

(d) if any Unrestricted Subsidiary (i) is redesignated as a Restricted Subsidiary, the fair market value of such redesignated Subsidiary (as determined in good faith by the Board of Directors) as of the date of its redesignation or (ii) pays any cash dividends or cash distributions to the Company or any of its Restricted Subsidiaries, 100% of any such cash dividends or cash distributions made after the date of this Indenture.

The preceding provisions will not prohibit:

(1) so long as no Default has occurred and is continuing or would be caused thereby, the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of this Indenture;

(2) so long as no Default has occurred and is continuing or would be caused thereby, the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or any Restricted Subsidiary or of any Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock); PROVIDED that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3)(b) of the preceding paragraph;

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of the Company or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis;

(5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of (including any disbursements to Holdings for such purpose) any Equity Interests of Holdings, the Company or any Restricted Subsidiary of the Company held by any member or former member of Holdings, the Company's (or any of its Restricted Subsidiaries') management pursuant to any equity subscription agreement, stock option agreement or similar agreement; PROVIDED that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed (a) $1.0 million in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to clause (b)) of $2.0 million in any calendar year), PLUS (b) the aggregate cash proceeds received by the Company and its Restricted Subsidiaries from any issuance or reissuance of Equity Interests to members of management and the proceeds of any "key man" life insurance policies in any calendar year; PROVIDED, FURTHER that the cancellation of Indebtedness owing to the Company or its Restricted Subsidiaries from members of management in connection with such repurchase of Equity Interests will not be deemed to be a Restricted Payment;

(6) distributions or payments (a) to Holdings in amounts necessary to permit Holdings to satisfy income tax obligations of Holdings that are actually due and owing and are attributable to its ownership of the Company, PROVIDED that such amounts do not exceed the amount that would otherwise be due and owing if the Company and its Restricted Subsidiaries filed separate tax returns, PROVIDED HOWEVER, that (1) notwithstanding the foregoing, in the case of determining the amount payable by the Company to Holdings for income tax obligations, such payment shall not exceed an amount determined on the basis of assuming that the Company is the parent company of an affiliated group filing a consolidated Federal income tax return and that Holdings and the Restricted Subsidiaries are members of such affiliated group and (2) any payments for income tax obligations shall either be used by Holdings to pay tax liabilities within 90 days of Holding's receipt of such payment or refunded to the Company and (b) to Holdings to pay the necessary fees and expenses to maintain its corporate existence and good standing and, so long as no Default has occurred and is continuing, other general and administrative expenses (which amounts in the aggregate shall not exceed $500,000 per year);

(7) so long as no Default has occurred and is continuing, the declaration and payment of dividends on Disqualified Stock, that was issued in compliance with this Indenture;

(8) repurchases of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price thereof;

(9) purchases of fractional Equity Interests of the Company, or distributions to Holdings to permit it to purchase fractional Equity Interests of Holdings, for aggregate consideration not to exceed $100,000 since the date of this Indenture; and

(10) so long as no Default has occurred and is continuing, other Restricted Payments in an amount not to exceed $1.0 million.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Board of Directors whose resolution with respect thereto will be delivered to the Trustee. The Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $15.0 million. Not later than the date of making any Restricted Payment, the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted under the terms of this Indenture and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

Section 4.08 DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING RESTRICTED SUBSIDIARIES.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the date of this Indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements, PROVIDED that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements or the Security Documents on the date

of this Indenture;

(2) this Indenture, the security documents relating to the Senior Secured Notes, the Notes, the Senior Secured Notes and the related Subsidiary Guarantees and the Exchange Notes and related Subsidiary Guarantees, relating to the Notes and the Senior Secured Notes;

(3) applicable law, rule, regulation or order;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, PROVIDED that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(8) Permitted Refinancing Indebtedness, PROVIDED that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of Section 4.12 that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business; and

(11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Section 4.09 INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "INCUR") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; PROVIDED, HOWEVER, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.5 to 1 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "PERMITTED DEBT"):

(1) the incurrence by the Company and any Guarantor of additional Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) not to exceed a maximum of $150.0 million, LESS the aggregate amount of all Net Proceeds from Asset Sales applied by H&E or any of its Restricted Subsidiaries since the date of this Indenture to repay, repurchase, or redeem Senior Debt pursuant to clause (1) of the third paragraph of Section 4.10 to the extent such Net Proceeds so applied exceed $25 million in the aggregate since the date of this Indenture, PROVIDED

that if after giving effect to the incurrence of any Indebtedness pursuant to this clause (1), the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are then available would exceed 2.5 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), then such maximum amount shall be the greater of (x) $150.0 million, LESS the aggregate amount of all Net Proceeds from Asset Sales applied by H&E or any of its Restricted Subsidiaries since the date of this Indenture to repay, repurchase, or redeem Senior Debt pursuant to clause (1) of the third paragraph of Section 4.10 to the extent such Net Proceeds so applied exceed $25 million in the aggregate since the date of this Indenture or (y) the Borrowing Base;

(2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the incurrence by the Company and the Guarantors of Indebtedness represented by the Notes, the Senior Secured Notes and the related Subsidiary Guarantees to be issued on the date of this Indenture and the Exchange Notes and the related Subsidiary Guarantees relating to the Notes and the Senior Secured Notes to be issued pursuant to the respective registration rights agreements;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by purchase money obligations to finance the purchase of inventory held for sale or lease (including rental equipment) in the ordinary course of business not to exceed $125.0 million in aggregate principal amount at any one time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), or (10) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that:

(a) if the Company or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes in the case of the Company, or the Subsidiary Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company; will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred in the ordinary course of business for the purpose of fixing or hedging interest rate risk, currency risk or commodity risk and not for speculative purposes;

(8) the guarantee by the Company or any of the Guarantors of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant;

(9) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; PROVIDED, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued;

(10) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation letters of credit in respect to workers' compensation claims or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; PROVIDED, HOWEVER that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(11) obligations in respect of performance and surety bonds and completion guarantees provided by the Company or any of its Restricted Subsidiaries in the ordinary course of business; and

(12) the incurrence by the Company or the Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding under this clause (12), including all Permitted Refinancing indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (12), not to exceed $15.0 million.

The Company will not incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company unless such Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms; PROVIDED, HOWEVER, that no Indebtedness of the Company will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured, being secured to a lesser extent or being secured by a Lien of lower priority.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, in any manner that complies with this covenant. Indebtedness under Credit Facilities

outstanding on the date on which Notes are first issued and authenticated under this Indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt. In addition, the Company may, at any time, change the classification of an item of Indebtedness (or any portion thereof) to any other clause or to the first paragraph of this covenant provided that the Company or its Restricted Subsidiaries would be permitted to incur such item of Indebtedness (or portion thereof) pursuant to such other clause or the first paragraph of this covenant, as the case may be, at such time of reclassification.

Section 4.10 ASSET SALES.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) the fair market value is determined by the Company's Board of Directors and evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee; and

(3) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days, to the extent of the cash received in that conversion.

The 75% limitation referred to in clause (3) above will not apply to any Asset Sale in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the subclauses (a) and (b), is equal to or greater than what the after-tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply those Net Proceeds:

(1) to repay or repurchase Senior Debt, including repayment of any revolving advance; PROVIDED, to the extent that the aggregate amount applied pursuant to this clause (1) exceeds $25.0 million since the date of

this Indenture such excess will be used to repay, repurchase, or redeem Senior Debt and to the extent used to repay revolving borrowings, to effect a reduction of the commitments thereunder;

(2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business;

(3) to make a capital expenditure or purchase construction or industrial equipment; or

(4) to acquire other long-term assets that are used or useful in a Permitted Business,

PROVIDED, HOWEVER, that in the case of any Asset Sale involving assets having a fair market value of 5.5% or greater of the Company's Consolidated Tangible Assets as of the date of such Asset Sale, not more than one-third of the Net Proceeds from such Asset Sale may be applied to those items listed in clauses (2), (3) and (4) above.

Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $10.0 million, the Company will make an Asset Sale Offer to all Holders of Notes and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other PARI PASSU Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and other PARI PASSU Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other PARI PASSU Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will he reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such conflict.

Section 4.11 TRANSACTIONS WITH AFFILIATES.

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "AFFILIATE TRANSACTION"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $3.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors (or a majority of the Board of Directors if there are no disinterested members); and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $7.5 million, an opinion as to the fairness to the Company

of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Company or such Restricted Subsidiary;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) transactions with a Person that is an Affiliate of the Company solely because the Company owns an Equity Interest in, or controls, such Person;

(4) sales of Equity Interests (other than Disqualified Stock) to Affiliates of the Company;

(5) Restricted Payments that are permitted by the provisions of this Indenture described above under Section 4.07;

(6) customary loans, advances, fees and compensation paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any of its Restricted Subsidiaries;

(7) so long as no Default has occurred and is continuing, transactions pursuant to the Management Agreement and the other Affiliate Agreements as all are in effect on the date of this Indenture or as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is no less favorable to the Holders than the contract or agreement as in effect on the date of this Indenture; and

(8) payments in connection with the Transactions (including the payment of fees and expenses with respect thereto), on the terms described in this offering circular under the caption "Certain Relationships and Related Transactions" in the Offering Circular.

Notwithstanding anything to the contrary in this Section 4.11, the Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment pursuant to the Management Agreement if any Default has occurred and is continuing or would be caused by such payment.

Section 4.12 LIENS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness or Attributable Debt on any assets now owned or hereafter acquired, except Permitted Liens.

Section 4.13 BUSINESS ACTIVITIES.

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Section 4.14 CORPORATE EXISTENCE.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate or limited liability company existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; PROVIDED, HOWEVER, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.15 OFFER TO REPURCHASE UPON CHANGE OF CONTROL.

(a) Upon the occurrence of a Change of Control, the Company will make an

offer (a "CHANGE OF CONTROL OFFER") to each Holder to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000) of each Holder's Notes at a purchase price in cash equal to 101% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages on the Notes repurchased, if any, to the date of purchase (the "CHANGE OF CONTROL PAYMENT"). Within 60 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and stating:

(1) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment;

(2) the purchase price and the purchase date, which shall be no later than 30 business days from the date such notice is mailed (the "CHANGE OF CONTROL PAYMENT DATE");

(3) that any Note not tendered will continue to accrete or accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrete or accrue interest after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount or an integral multiple thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change in Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Sections 3.09 or 4.15 of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Section 3.09 or this Section 4.15 by virtue of such conflict.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; PROVIDED that each new Note will be in a principal amount of $1,000 or an integral multiple of $1,000.

Prior to complying with any of the provisions of this Section 4.15, but in any event within 90 days following a Change of Control, the Company will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Notes required by this Section 4.15.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of this Indenture are applicable. Except as described above

with respect to a Change of Control, this Indenture does not

contain provisions that permit the Holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

(c) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 and Section 3.09 hereof and purchases all Notes validly tendered and not withdrawn under the Change of Control Offer.

Section 4.16 NO SENIOR SUBORDINATED DEBT

The Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of the Company and senior in any respect in right of payment to the Notes. No Guarantor shall incur, create, issue assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to the Senior Debt of such Guarantor and senior in any respect in right of payment to such Guarantor's Subsidiary Guarantee. Indebtedness shall not be considered subordinate or junior in right of payment to any other Indebtedness solely by virtue of being unsecured or secured to a greater or lesser extent or with greater or lower priority.

Section 4.17 SALE AND LEASEBACK TRANSACTIONS.

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; PROVIDED that the Company or any Guarantor may enter into a sale and leaseback transaction if:

(1) the Company or that Guarantor, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the Fixed Charge Coverage Ratio test in the first paragraph of Section 4.09 and (b) incurred a Lien to secure such Indebtedness pursuant to Section 4.12;

(2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Trustee, of the property that is the subject of that sale and leaseback transaction; and

(3) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10.

Section 4.18 DESIGNATION OF RESTRICTED AND UNRESTRICTED SUBSIDIARIES.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the first paragraph of Section 4.07 or Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

Section 4.19 PAYMENTS FOR CONSENT.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.20 ADDITIONAL SUBSIDIARY GUARANTEES.

If the Company or any of its Restricted Subsidiaries acquires or creates another Domestic Restricted Subsidiary after the date of this Indenture, then that newly acquired or created Domestic Restricted Subsidiary shall become a Guarantor and execute a supplemental indenture and deliver an Opinion of Counsel

satisfactory to the Trustee within 10 Business Days of the date on which it was acquired or created.

Section 4.21 CALCULATION OF ORIGINAL ISSUE DISCOUNT.

The Company shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Notes as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE 5.
SUCCESSORS

Section 5.01 MERGER, CONSOLIDATION, OR SALE OF ASSETS.

The Company may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made is either (i) a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia or (ii)) is a limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia that has at least one Restricted Subsidiary that is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia which corporation becomes a co-issuer of the Notes pursuant to a supplemental indenture duly and validly executed by the Trustee;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Company under the Notes, this Indenture and

the registration rights agreement pursuant to written agreements reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of Section 4.09.

The preceding clause (4) shall not prohibit (i) a merger between the Company and a Restricted Subsidiary or (ii) a merger between the Company and an Affiliate with no substantial assets or liabilities for the sole purpose of incorporating or reincorporating or organizing or reorganizing the Company in another state of the United States, or the District of Columbia.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Section 5.01 will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Restricted Subsidiaries.

Section 5.02 SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; PROVIDED, HOWEVER, that

the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6.
DEFAULTS AND REMEDIES

Section 6.01 EVENTS OF DEFAULT.

Each of the following is an "Event of Default":

(1) the Company defaults for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes (whether or not prohibited by Article 10);

(2) the Company defaults in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes (whether or not prohibited by Article 10);

(3) the Company or any of its Subsidiaries fails to comply with the provisions of Section 4.15 hereof;

(4) the Company or any of its Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in this Indenture for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class;

(5) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(6) a final non-appealable judgment or final non-appealable judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Restricted Subsidiaries, which judgment or judgments are not paid, discharged or stayed for a period of 60 days; PROVIDED that the aggregate of all such undischarged judgments exceeds $10.0 million;

(7) the Company or any of its Restricted Subsidiaries pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due; or

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries in an involuntary case;

(B) appoints a custodian of the Company or any of its Restricted Subsidiaries or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries; or

(C) orders the liquidation of the Company or any of its Restricted Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(9) except as permitted by this Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Subsidiary Guarantee.

Section 6.02 ACCELERATION.

In the case of an Event of Default specified in clause (7) or (8) of Section 6.01 hereof, with respect to the Company, the Accreted Value of all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare the Accreted Value of all the outstanding Notes to be due and payable immediately; PROVIDED that so long as any Indebtedness permitted to be incurred pursuant to the Credit Agreement shall be outstanding, such acceleration shall not be effective until the earlier of (i) the acceleration of such Indebtedness under the Credit Agreement or (ii) five Business Days after receipt by the Company and the Credit Agreement Agent of written notice of such acceleration.

Upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (7) or (8) of Section 6.01 hereof occurs with respect to the Company all outstanding Notes shall be due and payable immediately without further action or notice. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

Section 6.03 OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Liquidated Damages, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 WAIVER OF PAST DEFAULTS.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the

payment of the principal of, premium and Liquidated Damages, if any, or interest on, the Notes (including in connection with an offer to purchase); PROVIDED, HOWEVER, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 CONTROL BY MAJORITY.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06 LIMITATION ON SUITS.

A Holder of a Note may pursue a remedy with respect to this Indenture or

the Notes only if:

(1) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(5) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07 RIGHTS OF HOLDERS OF NOTES TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium and Liquidated Damages, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 COLLECTION SUIT BY TRUSTEE.

If an Event of Default specified in Section 6.01(1) or (2) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as Trustee of an express trust against the Company for the whole amount of principal of, premium and Liquidated Damages, if any, and interest remaining

unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 PRIORITIES.

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

FIRST: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

SECOND: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

THIRD: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11 UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its

discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7.
TRUSTEE

Section 7.01 DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions by which any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 RIGHTS OF TRUSTEE.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such matters as it may see fit.

(h) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

Section 7.03 INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04 TRUSTEE'S DISCLAIMER.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money

received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05 NOTICE OF DEFAULTS.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium or Liquidated Damages, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06 REPORTS BY TRUSTEE TO HOLDERS OF THE NOTES.

(a) Within 60 days after each May 15 beginning with the May 15 following the date of the first issuance of the Notes under this Indenture, and for so long as Notes remain outstanding, the Trustee will mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also will comply with TIA Section 313(b)(2). The Trustee will also transmit by mail all reports as required by TIA Section 313(c).

(b) A copy of each report at the time of its mailing to the Holders of Notes will be mailed by the Trustee to the Company and filed by the Trustee with the SEC and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company will promptly notify the Trustee when the Notes are listed on any stock exchange or any delisting thereof.

Section 7.07 COMPENSATION AND INDEMNITY.

(a) The Company will pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for its acceptance of this Indenture and services hereunder. The Trustee's compensation will not be limited by any law on compensation of a Trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Guarantor will indemnify each of the Trustee and any predecessor Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture including taxes (other than taxes based on the income of the Trustee), including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Company, the Guarantors or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Guarantors of their obligations hereunder. The Company or such Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Guarantor need pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Guarantors under this Section 7.07 will survive the satisfaction and discharge of this Indenture.

(d) To secure the Company's payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(7) or (8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) The Trustee will comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08 REPLACEMENT OF TRUSTEE.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one year after the successor

Trustee takes office, the Holdersof a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee, PROVIDED all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

Section 7.09 SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.10 ELIGIBILITY; DISQUALIFICATION.

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate Trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

This Indenture will always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8.
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 LEGAL DEFEASANCE AND DISCHARGE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Subsidiary Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "LEGAL DEFEASANCE"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Subsidiary Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Subsidiary Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Liquidated Damages, if any, on such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's and the Guarantors' obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 COVENANT DEFEASANCE.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17, 4.18, 4.19 and 4.20 hereof and clause (4) of Section 5.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "COVENANT DEFEASANCE"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with

respect to the outstanding Notes and Subsidiary Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Subsidiary Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(3) through 6.01(5) hereof will not constitute Events of Default.

Section 8.04 CONDITIONS TO LEGAL OR COVENANT DEFEASANCE.

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in amounts as will be

sufficient, in the opinion of a nationally-recognized firm of independent public accountants, to pay the principal of, or interest and premium and Liquidated Damages, if any, on the outstanding Notes on the stated maturity thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company has delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, which opinion may be subject to customary assumptions and exclusions, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05 DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying Trustee, collectively for purposes of this Section 8.05, the "TRUSTEE") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Liquidated Damages, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the written request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification

thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 REPAYMENT TO COMPANY.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium or Liquidated Damages, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium or Liquidated Damages, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as Trustee thereof, will thereupon cease; PROVIDED, HOWEVER, that the Trustee or such Paying Agent, before being required to make any such repayment, shall at the expense of the Company cause to be published once, in the New York Times and

The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantor's obligations under this Indenture and the Notes and the Subsidiary Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; PROVIDED, HOWEVER, that, if the Company makes any payment of principal of, premium or Liquidated Damages, if any, or interest on any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9.
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 WITHOUT CONSENT OF HOLDERS OF NOTES.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Subsidiary Guarantees or the Notes without the consent of any Holder of a Note:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;

(3) to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 or Article 11 hereof;

(4) to allow any Subsidiary to guarantee the Notes

(5) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note; or

(6) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Company and the Guarantors in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be

therein contained, but the Trustee will not be obligated to enter into such

amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 WITH CONSENT OF HOLDERS OF NOTES.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof), the Subsidiary Guarantees and the Notes with the consent of the Holders of at least a majority in principal amount of the Notes (including, without limitation, Additional Notes, if any) then outstanding voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Liquidated Damages, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Subsidiary Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). An amendment or supplement to, or waiver of, any of the provisions of Article 10 or any defined term used therein will become effective only as set forth in Section 10.14.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Company in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental Indenture.

It is not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof;

(3) reduce the rate of or change the time for payment of interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium or Liquidated Damages, if any, on the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under Sections 4.10 or 4.15);

(8) release any Guarantor from any of its obligations under its Subsidiary Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(9) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions.

Section 9.03 COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment or supplement to this Indenture or the Notes will be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04 REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 NOTATION ON OR EXCHANGE OF NOTES.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 TRUSTEE TO SIGN AMENDMENTS, ETC.

The Trustee will sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall receive and

(subject to Section 7.01 hereof) will be fully protected in conclusively relying upon, in addition to the documents required by Section 13.04 hereof, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental Indenture is authorized or permitted by this Indenture.

ARTICLE 10.
SUBORDINATION

Section 10.01 AGREEMENT TO SUBORDINATE.

The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full in cash of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

Section 10.02 LIQUIDATION; DISSOLUTION; BANKRUPTCY.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or any marshaling of the Company's assets and liabilities:

(i) holders of Senior Debt shall be entitled to receive payment in full in cash of all Obligations due in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt whether or not a claim for such interest is an allowed claim) before Holders of the Notes shall be entitled to receive any payment with respect to the Notes (except that Holders may receive (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust created in compliance with this Article 10 pursuant to Section 8.01 hereof); and

(ii) until all Obligations with respect to Senior Debt (as provided in clause (i) above) are paid in full, any distribution to which Holders would be entitled but for this Article 10 shall be made to holders of Senior Debt (except that Holders of Notes may receive (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust in compliance with this Article 10 created pursuant to

Section 8.01 hereof), as their interests may appear.

Section 10.03 DEFAULT ON DESIGNATED SENIOR DEBT.

(a) The Company may not make any payment or distribution to the Trustee or any Holder in respect of Obligations with respect to the Notes and may not acquire from the Trustee or any Holder any Notes for cash or property or create any defeasance trust pursuant to Section 8.01 hereof (other than (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust in compliance with this Section 10 created pursuant to Section 8.01 hereof) until all principal and other Obligations with respect to the Senior Debt have been paid in full in cash if:

(i) a default in the payment of any principal or other Obligations with respect to Designated Senior Debt occurs and is continuing beyond any applicable grace period in the agreement, indenture or other document governing such Designated Senior Debt; or

(ii) a default, other than a payment default, on any series of Designated Senior Debt that permits holders of that series of Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of the default (a "PAYMENT BLOCKAGE NOTICE") from a Person who may give it pursuant to Section 10.11 hereof. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until at least 360 days shall have elapsed since the delivery of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless such default shall have been waived for a period of not less than 180 days.

(b) The Company may and shall resume payments on and distributions in respect of the Notes and may acquire them upon the earlier of:

(i) the date upon which the default is cured or waived, or

(ii) in the case of a default referred to in clause (ii) of Section 10.03(a) hereof, 179 days pass after notice is received if the maturity of such Designated Senior Debt has not been accelerated,

if this Article 10 otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

Section 10.04 ACCELERATION OF SECURITIES.

If payment of the Securities is accelerated because of an Event of Default, the Company shall promptly notify holders of Senior Debt of the acceleration.

Section 10.05 WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Notes at a time when the Trustee or such Holder, as applicable, has actual knowledge that such payment is prohibited by Section 10.03 hereof, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon proper written request, to, the holders of Senior Debt as their interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in cash in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 10.06 NOTICE BY COMPANY.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 10, but failure to give such notice shall not affect the subordination of the Notes to the Senior Debt as provided

in this Article 10.

Section 10.07 SUBROGATION.

After all Senior Debt is paid in full in cash and all commitments under the Credit Agreement are terminated and until the Notes are paid in full, Holders of Notes shall be subrogated (equally and ratably with all other Indebtedness PARI PASSU with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 10 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 10.08 RELATIVE RIGHTS.

This Article 10 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture shall:

(i) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms;

(ii) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(iii) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 10 to pay principal of or interest on a Note on the due date, the failure is still a Default or Event of Default.

Section 10.09 SUBORDINATION MAY NOT BE IMPAIRED BY COMPANY.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Section 10.10 DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 10, the Trustee and the Holders of Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes in each case which is

consistent with this Article 10, for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

Section 10.11 RIGHTS OF TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee shall have received at its Corporate Trust Office at least three Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 10. Only the Company or a Representative may give such notice. Nothing in this Article 10 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 10.12 AUTHORIZATION TO EFFECT SUBORDINATION.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be

necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Credit Agreement Agent or Representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 10.13 AMENDMENTS.

The provisions of this Article 10 shall not be amended or modified without the written consent of:

(1) the holders of at least 80% in principal amount of the Indebtedness outstanding under the Credit Agreement, voting as a single class;

(2) the holders of at least 80% of all outstanding Senior Debt under the Senior Secured Note Indenture; and

(3) the holders of at least 66 2/3% in principal amount of each outstanding series of Specified Senior Debt.

ARTICLE 11.
SUBSIDIARY GUARANTEES

Section 11.01 GUARANTEE.

(a) Subject to this Article 11, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the

Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(1) the principal of, premium and Liquidated Damages, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(2) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Subsidiary Guarantee will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

(d) Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the

obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Subsidiary Guarantee.

Section 11.02 SUBORDINATION OF SUBSIDIARY GUARANTEE

The Obligations of each Guarantor under its Subsidiary Guarantee pursuant to this Article 11 shall be junior and subordinated to the Senior Guarantee of such Guarantor on the same basis as the Notes are junior and subordinated to Senior Debt of the Company. For the purposes of the foregoing sentence,

the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guarantors only at such times as they may receive and/or retain payments in respect of the Notes pursuant to this Indenture, including Article 10 hereof.

Section 11.03 LIMITATION ON GUARANTOR LIABILITY.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Subsidiary Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Subsidiary Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 11, result in the obligations of such Guarantor under its Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

Section 11.04 EXECUTION AND DELIVERY OF SUBSIDIARY GUARANTEE.

To evidence its Subsidiary Guarantee set forth in Section 11.01, each Guarantor hereby agrees that a notation of such Subsidiary Guarantee substantially in the form attached as Exhibit E hereto will be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Subsidiary Guarantee set forth in Section 11.01 will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

If an Officer whose signature is on this Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee will be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Subsidiary Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that the Company creates or acquires any Domestic Subsidiary after the date of this Indenture, if required by Section 4.10 hereof, the Company will cause such Domestic Subsidiary to comply with the provisions of Section 4.10 hereof and this Article 11, to the extent applicable.

Section 11.05 GUARANTORS MAY CONSOLIDATE, ETC., ON CERTAIN TERMS.

Except as otherwise provided in Section 11.06, no Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(2) either:

(a) subject to Section 11.06 hereof, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all the

obligations of that Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under this Indenture, the Subsidiary Guarantee and the Registration Rights Agreement on the terms set forth herein or therein; and

(b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture, including without limitation, Section 4.10 hereof.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person will succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued will in all respects have the same legal rank and benefit under this Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Indenture or in any of the Notes will prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or will prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 11.06 RELEASES.

In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or any sale of Capital Stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) a Restricted Subsidiary of the Company, then such Guarantor (in the event of a sale, by way of merger, consolidation or otherwise, of the Capital Stock of such Guarantor and so long as immediately following such sale such Guarantor is no longer a Restricted Subsidiary) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture, including without limitation Section 4.10 hereof. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.10 hereof, the Trustee will execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

If the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with Section 4.18 then such Guarantor will be released and relieved of any obligations under its Subsidiary Guarantee

Any Guarantor not released from its obligations under its Subsidiary Guarantee will remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 11.

ARTICLE 12.
SATISFACTION AND DISCHARGE

Section 12.01 SATISFACTION AND DISCHARGE.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the

benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in amounts as will be sufficient without consideration of any reinvestment of interest, in the opinion of an accounting, appraisal or investment banking firm of national standing, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Liquidated Damages, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (b) of clause (1) of this Section, the provisions of Section 12.02 and Section 8.06 will survive. In addition, nothing in this Section 12.01 will be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

Section 12.02 APPLICATION OF TRUST MONEY.

Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company

acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; PROVIDED that if the Company has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 13.
MISCELLANEOUS

Section 13.01 TRUST INDENTURE ACT CONTROLS.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties will control.

Section 13.02 NOTICES.

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

H&E Equipment Services L.L.C.
H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Telecopier No.: (225) 298-5332
Attention: Chief Financial Officer

With a copy to:

Kirkland & Ellis
Citicorp Center
153 East 53rd Street
New York, New York 10022
Telecopier No.: (212) 446-4900
Attention: Joshua Korff, Esq.

If to the Trustee:

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Telecopier No.: (212) 896-7299
Attention: Corporate Trust Administration

The Company, any Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication will also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 13.03 COMMUNICATION BY HOLDERS OF NOTES WITH OTHER HOLDERS OF NOTES.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 13.04 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Company to the Trustee to take any action under this Indenture (except in connection with the original issuance of Notes), the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) must comply with the provisions of TIA Section 314(e) and must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her

to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 RULES BY TRUSTEE AND AGENTS.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS.

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Subsidiary Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 GOVERNING LAW.

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 SUCCESSORS.

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors, except as otherwise provided in Section 13.05.

Section 13.11 SEVERABILITY.

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 COUNTERPART ORIGINALS.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Section 13.13 TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of June 17, 2002

H&E EQUIPMENT SERVICES L.L.C.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Senior Vice President, Finance, and Secretary

H&E FINANCE CORP.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Senior Vice President,
Finance and Secretary

GNE INVESTMENTS, INC.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Secretary

GREAT NORTHERN EQUIPMENT, INC.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Secretary

THE BANK OF NEW YORK, AS TRUSTEE

By: /s/ Margaret Ciesmelewski

Name: Margaret Ciesmelewski
Title: Authorized Signatory

SCHEDULE I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Indenture as of the date of the Indenture:

GNE Investments, Inc.
Great Northern Equipment, Inc.

EXHIBIT A1

[Face of Note]

CUSIP/CINS _____

12 1/2% Senior Subordinated Notes due 2013

No. ___ $_____

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

promises to pay to CEDE & CO.

or registered assigns,

the principal sum of _____

Dollars on June 15, 2013.

Interest Payment Dates: June 15 and December 15

Record Dates: June 1 and December 1

H&E EQUIPMENT SERVICES L.L.C.

By:

Name:
Title:

By:

Name:
Title:

H&E FINANCE CORP.

By:

Name:
Title:

By:

Name:
Title:

This is one of the Notes referred to

in the within-mentioned Indenture:

THE BANK OF NEW YORK,
as Trustee

By:

Authorized Signatory

Dated: _____, 2002

- ---

[Back of Note]
12 1/2% Senior Subordinated Notes due 2013

[INSERT GLOBAL NOTE LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS OF THE INDENTURE]

[INSERT PRIVATE PLACEMENT LEGEND, IF APPLICABLE PURSUANT TO THE PROVISIONS OF THE INDENTURE]

[INSERT ORIGINAL ISSUE DISCOUNT LEGEND, IF APPLICABLE.]

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) INTEREST. H&E Equipment Services L.L.C., a Louisiana limited liability company ("H&E LLC) and H&E Finance Corp., a Delaware corporation ("H&E Finance" and together with H&E LLC, the "Company"), promises to pay interest on the principal amount of this Note at 12 1/2% per annum from June 17, 2002 until maturity and shall pay the Liquidated Damages, if any, payable pursuant to the Registration Rights Agreement referred to below. The Company will pay interest and Liquidated Damages, if any, semi-annually in arrears on June 15 and December of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be December 15, 2002. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages, if any, (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Liquidated Damages, if any, to the Persons who are registered Holders of Notes at the close of business on the June 1 or December 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium and Liquidated Damages, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Liquidated Damages, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; PROVIDED that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Liquidated Damages, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts..

(3) PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

(4) INDENTURE. The Company issued the Notes under an Indenture dated as of June 17, 2002 (the "Indenture") among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are secured obligations of the Company.

(5) OPTIONAL REDEMPTION.

(a) Except as set forth in subparagraph (b) of this Paragraph 5, after June 15, 2007, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of Accreted Value) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

Year	Percentage
2007	106.250%
2008	104.167%
2009	102.083%
2010 and thereafter	100.000%

(b) At any time prior to June 15, 2005, the Company may on one or more occasions redeem an aggregate of up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 112.50% of the Accreted Value thereof, plus accrued and unpaid Liquidated Damages, if any, to the redemption date, with the net cash proceeds of an offering of Equity Interests (other than Disqualified Stock) of the Company or Holdings (so long as such net cash proceeds are contributed to the Company from Holdings as common equity); PROVIDED that: (1) at least 65% of the aggregate principal amount of Notes issued under this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and (2) the redemption occurs within 60 days of the date of the closing of such offering.

(c) Except pursuant to the preceding paragraph, the Notes will not be redeemable at the Company's option prior to June 15, 2007.

(6) MANDATORY REDEMPTION.

The Company will not be required to make mandatory redemption payments with respect to the Notes.

(7) REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company will be required to make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price in cash equal to 101% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 60 days following any Change of Control, the Company will mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) If the Company or a Subsidiary consummates any Asset Sales, within five days of each date on which the aggregate amount of Excess Proceeds exceeds $5 million, the Company will commence an offer to all Holders of Notes and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes (including any Additional Notes) and other PARI passu Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages thereon, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes (including any Additional Notes) and other PARI PASSU Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and

other PARI PASSU Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and other PARI PASSU Indebtedness to be purchased on a PRO RATA basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

(8) NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

(9) DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

(11) AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the

consent of the Holders of at least a majority in principal amount of the then outstanding Notes and Additional Notes, if any, voting as a single class, and any existing default or compliance with any provision of the Indenture, the Subsidiary Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes and Additional Notes, if any, voting as a single class. Without the consent of any Holder of a Note, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency; to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 of the Indenture (including the related definitions) in a manner that does not materially adversely affect any Holder; to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 or Article 11 of the Indenture; to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note; to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA; to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date hereof; or to allow any Guarantor to execute a supplemental indenture and/or a Subsidiary Guarantee with respect to the Notes.

(12) DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (1) the Company defaults for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes; (2) the Company defaults in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes; (3) the Company or any of its Subsidiaries fails to comply with the provisions of Section 4.15 of the Indenture; (4) the Company or any of its Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in this Indenture for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class; (5) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, if that default: (A) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT"); or (B) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been

a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (6) a final non-appealable judgment or final non-appealable judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Restricted Subsidiaries, which judgment or judgments are not paid, discharged or stayed for a period of 60 days; PROVIDED that the aggregate of all such undischarged judgments exceeds $10.0 million; (7) the Company or any of its Restricted Subsidiaries pursuant to or within the meaning of Bankruptcy Law: (A) commences a voluntary case, (B)consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a custodian of it or for all or substantially all of its property, (D) makes a general assignment for the benefit of its creditors, or (E) generally is not paying its debts as they become due; (8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (A) is for relief against the Company or any of its Restricted Subsidiaries in an involuntary case; (B) appoints a custodian of the Company or any of its Restricted Subsidiaries or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries; or (C) orders the liquidation of the Company or any of its Restricted Subsidiaries; and the order or decree remains unstayed and in effect for 60

consecutive days; or (9) except as permitted by this Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Subsidiary Guarantee.

(13) SUBORDINATION. Payment of principal, interest and premium and Liquidated Damages, if any, on the Notes is subordinated to the prior payment of Senior Debt on the terms provided in the Indenture.

(14) TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(15) NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or such Guarantor under the Notes, the Subsidiary Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(16) AUTHENTICATION. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(17) ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TENENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(18) ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes will have all the rights set forth in the Registration Rights Agreement dated as of June 17, 2002, among the Company, the Guarantors and the other parties named on the signature pages thereof (the "Registration Rights Agreement").

(19) CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

(20) GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Telecopier No.: (225) 298-5332
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____
(Insert assignee's legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint_____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*:
---

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

/ / Section 4.10 / / Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_____

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:_____

Signature Guarantee*:
---

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Principal

Amount of At Maturity of This Global Note Authorized Principal Amount	Amount of Decrease in Principal Amount of This Global Note Following Such Decrease (Or Increase)	Amount of Increase in Principal Amount of This Global Note At Maturity	Signature of Authorized Signatory Of Trustee Or Custodian	Date of Exchange

* THIS SCHEDULE SHOULD BE INCLUDED ONLY IF THE NOTE IS ISSUED IN GLOBAL FORM.

EXHIBIT A2

[Face of Regulation S Temporary Global Note]

CUSIP/CINS _____

12 1/2% Senior Subordinated Notes due 2013

No. ___ $_____

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

promises to pay to CEDE & CO.

or registered assigns,

the principal sum of _____

Dollars on June 15, 2013.

Interest Payment Dates: June 15 and December 15

Record Dates: June 1 and December 1

H&E EQUIPMENT SERVICES L.L.C.

By:

Name:
Title:

H&E FINANCE CORP.

By:

Name:
Title:

By: ----------
Name:
Title:

By: ----------
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

THE BANK OF NEW YORK,
as Trustee

By: ----------
Authorized Signatory

Dated: _____, 2002.

- ---

[Back of Regulation S Temporary Global Note]
12 1/2% Senior Subordinated Notes due 2013

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[INSERT ORIGINAL ISSUE DISCOUNT LEGEND AS APPLICABLE.]

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) INTEREST. H&E Equipment Services L.L.C., a Louisiana limited liability company ("H&E LLC") and H&E Finance Corp., a Delaware corporation ("H&E Finance" and together with H&E LLC, the "Company"), promises to pay interest on the principal amount of this Note at 12 1/2% per annum from June 17 until maturity and shall pay the Liquidated Damages, if any, payable pursuant to the Registration Rights Agreement referred to below. The Company will pay interest and Liquidated Damages, if any, semi-annually in arrears on June 15 and December 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if

there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; PROVIDED, FURTHER, that the first Interest Payment Date shall be December 15, 2002. The Company will pay interest (including post-petition interest in any proceeding under any

Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages, if any, (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Until this Regulation S Temporary Global Note is exchanged for one or more Regulation S Permanent Global Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Note shall in all other respects be entitled to the same benefits as other Notes under the Indenture.

(2) METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) and Liquidated Damages, if any, to the Persons who are registered Holders of Notes at the close of business on the June 1 or December 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, interest and Liquidated Damages, if any, at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Liquidated Damages, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; PROVIDED that payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Liquidated Damages, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

(4) INDENTURE. The Company issued the Notes under an Indenture dated as of June 17, 2002 (the "Indenture") among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code Sections 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are secured obligations of the Company.

(5) OPTIONAL REDEMPTION.

(a) Except as set forth in subparagraph (b) of this Paragraph 5, after June 15, 2007, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of Accreted Value) set forth

below plus accrued and unpaid interest and Liquidated Damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on June 15 of the years indicated below:

Year	Percentage
2007	106.250%
2008	104.167%
2009	102.083%
2010 and thereafter	100.000%

(b) At any time prior to June 15, 2005, the Company may on one or more occasions redeem an aggregate of up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 112.50% of the Accreted Value thereof, plus accrued and unpaid Liquidated Damages, if any, to the redemption date, with the net cash proceeds of an offering of Equity Interests (other than Disqualified Stock) of the Company or Holdings (so long as such net cash proceeds are contributed to the Company from Holdings as common equity); PROVIDED that: (1) at least 65% of the aggregate principal amount of Notes issued under

this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and (2) the redemption occurs within 60 days of the date of the closing of such offering.

(6) MANDATORY REDEMPTION.

The Company will not be required to make mandatory redemption payments with respect to the Notes.

(7) REPURCHASE AT OPTION OF HOLDER.

(a) If there is a Change of Control, the Company will be required to make an offer (a "Change of Control Offer") to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price equal to 101% of the Accreted Value thereof on the date of purchase plus accrued and unpaid interest and Liquidated Damages, if any, thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 60 days following any Change of Control, the Company will mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) If the Company or a Subsidiary consummates any Asset Sales, within five days of each date on which the aggregate amount of Excess Proceeds exceeds $5 million, the Company will commence an offer to all Holders of Notes and all holders of other Indebtedness that is PARI PASSU with the Notes containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets (an "Asset Sale Offer") pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes (including any Additional Notes) and other PARI PASSU Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the Accreted Value thereof plus accrued and unpaid Liquidated Damages thereon, if any, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes (including any Additional Notes) and other PARI PASSU Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other PARI PASSU Indebtedness surrendered by holders thereof exceeds the

amount of Excess Proceeds, the Trustee shall select the Notes and other PARI PASSU Indebtedness to be purchased on a PRO RATA basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

(8) NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

(9) DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

This Regulation S Temporary Global Note is exchangeable in whole or in part for one or more Global Notes only (i) on or after the termination of the 40-day restricted period (as defined in Regulation S) and (ii) upon presentation of certificates (accompanied by an Opinion of Counsel, if applicable) required by Article 2 of the Indenture. Upon exchange of this Regulation S Temporary Global Note for one or more Global Notes, the Trustee shall cancel this Regulation S Temporary Global Note.

(10) PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

(11) AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions,

the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes and Additional Notes, if any, voting as a single class, and any existing default or compliance with any provision of the Indenture, the Subsidiary Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes and Additional Notes, if any, voting as a single class. Without the consent of any Holder of a Note, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency; to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 of the Indenture (including the related definitions) in a manner that does not materially adversely affect any Holder; to provide for the assumption of the Company's or a Guarantor's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 or Article 11 of the Indenture; to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note; to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA; or to provide for the issuance of Additional Notes in accordance with the limitations set

forth in this Indenture as of the date hereof; to allow any Guarantor to execute a supplemental indenture and/or a Subsidiary Guarantee with respect to the Notes.

(12) DEFAULTS AND REMEDIES. Each of the following is an Event of Default: (1) the Company defaults for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes (whether or not prohibited by Article 10 of the Indenture); (2) the Company defaults in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes (whether or not prohibited by Article 10 of the Indenture); (3) the Company or any of its Subsidiaries fails to comply with the provisions of Section 4.15 of the Indenture; (4) the Company or any of its Subsidiaries fails to observe or perform any other covenant, representation, warranty or other agreement in this Indenture for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class; (5) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, if that default: (A) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "PAYMENT DEFAULT"); or (B) results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (6) a final non-appealable judgment or final non-appealable judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Restricted Subsidiaries, which judgment or judgments are not paid, discharged or stayed for a period of 60 days; PROVIDED that the aggregate of all such undischarged judgments exceeds $10.0 million; (7) the Company or any of its Restricted Subsidiaries pursuant to or within the meaning of Bankruptcy Law: (A) commences a voluntary case, (B)consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a custodian of it or for all or substantially all of its property, (D) makes a general assignment for the benefit of its creditors, or (E) generally is not paying its debts as they become due; (8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (A) is for relief against the Company or any of its Restricted Subsidiaries in an involuntary case; (B) appoints a custodian of the Company or any of its Restricted Subsidiaries or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries; or (C) orders the liquidation of the Company or any of its Restricted Subsidiaries; and the order or decree remains unstayed and in effect for 60 consecutive days; or (9) except as permitted by this Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Subsidiary Guarantee.

(13) SUBORDINATION. Payment of principal, interest and premium and Liquidated Damages, if any, on the Notes is subordinated to the prior payment of Senior Debt on the terms provided in the Indenture.

(14) TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or

any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(15) NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or such Guarantor under the Notes, the Subsidiary Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(16) AUTHENTICATION. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(17) ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(18) ADDITIONAL RIGHTS OF HOLDERS OF RESTRICTED GLOBAL NOTES AND RESTRICTED DEFINITIVE NOTES. In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes will have all the rights set forth in the Registration Rights Agreement dated as of June 17, 2002, among the Company, the Guarantors and the other parties named on the signature pages thereof (the "Registration Rights Agreement").

(19) CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

(20) GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

H&E Equipment Services L.L.C.
H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Telecopier No.: (225) 298-5332
Attention: Chief Financial Officer

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____
(Insert assignee's legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint_____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*:

---

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

/ / Section 4.10 / / Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_____

Date: _____

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:

Signature Guarantee*:

---

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF REGULATION S TEMPORARY GLOBAL NOTE

The following exchanges of a part of this Regulation S Temporary Global Note for an interest in another Global Note, or of other Restricted Global Notes for an interest in this Regulation S Temporary Global Note, have been made:

Date of Exchange	Amount of Decrease in Principal Amount of This Global Note	Amount of Increase in Principal Amount of This Global Note	Principal Amount of This Global Note Following Such Decrease or Increase	Signature of Authorized Signatory of Trustee or At Maturity

Global Note This Global Note (Or Increase)	Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

H&E Equipment Services L.L.C.
H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Attention: Corporate Trust Administration

Re: 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013

Reference is hereby made to the Indenture, dated as of June 17, 2002 (the "INDENTURE"), among H&E Equipment Services L.L.C. and H&E Finance Corp., together as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and The Bank of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "TRANSFEROR") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $_____ in such Note[s] or interests (the "TRANSFER"), to _____ (the "TRANSFEREE"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. " CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. " CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE TEMPORARY REGULATION S GLOBAL NOTE, THE REGULATION S GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or

Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than the Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note, the Temporary Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. " CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE IAI GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) " such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) " such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) " such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) " such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Note and/or the Definitive Notes and in the Indenture and the Securities Act.

4. " CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.

(a) " CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) " CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global

Notes, on Restricted Definitive Notes and in the Indenture.

(c) " CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) " a beneficial interest in the:

(i) " 144A Global Note (CUSIP _____), or

(ii) " Regulation S Global Note (CUSIP _____), or

(iii) " IAI Global Note (CUSIP _____); or

(b) " a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) " a beneficial interest in the:

(i) " 144A Global Note (CUSIP _____), or

(ii) " Regulation S Global Note (CUSIP _____), or

(iii) " IAI Global Note (CUSIP _____); or

(iv) " Unrestricted Global Note (CUSIP _____); or

(b) " a Restricted Definitive Note; or

(c) " an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

H&E Equipment Services L.L.C.
H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Attention: Corporate Trust Administration

Re: 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 (CUSIP_____)

Reference is hereby made to the Indenture, dated as of June 17, 2002 (the "INDENTURE"), among H&E Equipment Services L.L.C. and H&E Finance Corp., together as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and The Bank of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "OWNER") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $_____ in such Note[s] or interests (the "EXCHANGE"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE

(a) " CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "SECURITIES ACT"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) " CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) " CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) " CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES

(a) " CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) " CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL

INTEREST IN A RESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] 144A Global Note, Regulation S Global Note, IAI Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By:

Name:
Title:

Dated: _____

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

H&E Equipment Services L.L.C.
H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer

The Bank of New York
101 Barclay Street, Floor 8 West
New York, New York 10286
Attention: Corporate Trust Administration

Re: 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 (CUSIP_____)

Reference is hereby made to the Indenture, dated as of June 17, 2002 (the "INDENTURE"), among H&E Equipment Services L.L.C. and H&E Finance Corp., together as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and The Bank of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $_____ aggregate principal amount of:

(a) " a beneficial interest in a Global Note, or

(b) " a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "SECURITIES ACT").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an

Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any Person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the

requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Accredited Investor]

By:

Name:
Title:

Dated: _____

EXHIBIT E

[FORM OF NOTATION OF GUARANTEE]

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of June 17, 2002 (the "INDENTURE") among H&E Equipment Services L.L.C. and H&E Finance Corp., (together the "COMPANY"), the Guarantors listed on Schedule I thereto and The Bank of New York, as trustee (the "TRUSTEE"), (a) the due and punctual payment of the principal of, premium and Liquidated Damages, if any, and interest on the Notes (as defined in the Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal of and interest on the Notes, if any, if lawful, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Subsidiary Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee. Each Holder of a Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; PROVIDED, HOWEVER, that the Indebtedness evidenced by this Subsidiary Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Note in accordance with the provisions of the Indenture.

GNE INVESTMENTS, INC.

By:

Name:
Title:

GREAT NORTHERN EQUIPMENT, INC.

By:

Name:
Title:

EXHIBIT F

[FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS]

SUPPLEMENTAL INDENTURE (this "SUPPLEMENTAL INDENTURE"), dated as of _____, 200__, among _____ (the "GUARANTEEING SUBSIDIARY"), a subsidiary of H&E Equipment Services L.L.C. (or its permitted successor), a Louisiana limited liability company ("H&E LLC") or H&E Finance Corp. ("H&E FINANCE") (or its permitted successor), a Delaware corporation (collectively H&E LLC and H&E Finance Corp. are referred to herein as the "COMPANY"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and The Bank of New York, as trustee under this Indenture referred to below (the "TRUSTEE").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "INDENTURE"), dated as of June 17, 2002 providing for the issuance of an aggregate principal amount of up to $53.0 million of 12 1/2% Senior Subordinated Notes due 2013 (the "NOTES");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "SUBSIDIARY GUARANTEE"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, and premium and Liquidated Damages, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated

maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay

the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture, and the Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Subsidiary Guarantee.

(i) Pursuant to Section 11.03 of the Indenture, after giving effect to any maximum amount and all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 11 of the Indenture, this new Subsidiary Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guarantor under this Subsidiary Guarantee will not constitute a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Subsidiary Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not sell or otherwise dispose of all substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor unless:

(i) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(ii) either (A) subject to Sections 11.05 and 11.06 of the Indenture, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all the obligations of that Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, the

Indenture and the Subsidiary Guarantee on the terms set forth herein or therein; or (B) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation, Section 4.10 thereof.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5 and Section 11.06 of Article 11 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the capital stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of

the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee; PROVIDED that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

(b) Any Guarantor not released from its obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 11 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: _____, 20___

[GUARANTEEING SUBSIDIARY]

By:

Name:
Title:

H&E EQUIPMENT SERVICES L.L.C.

By:

Name:
Title:

H&E FINANCE CORP.

By:

Name:
Title:

GNE INVESTMENTS, INC.

By:

Name:
Title:

GREAT NORTHERN EQUIPMENT, INC.

By:

Name:
Title:

THE BANK OF NEW YORK,
as Trustee

By:

Name:
Title:

EXHIBIT 4.2

EXECUTION COPY

$53,000,000

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

12 1/2 % SENIOR SUBORDINATED NOTES DUE 2013

REGISTRATION RIGHTS AGREEMENT

June 17, 2002

CREDIT SUISSE FIRST BOSTON CORPORATION
Eleven Madison Avenue
New York, New York 10010-3629

Ladies and Gentlemen:

H&E Equipment Services L.L.C., a Louisiana limited liability company ("H&E EQUIPMENT SERVICES"), and H&E Finance Corp., a Delaware corporation and a wholly-owned subsidiary of H&E Equipment Services ("H&E FINANCE," and together with H&E Equipment Services, the "ISSUERS"), propose to issue and sell to Credit Suisse First Boston Corporation (the "INITIAL PURCHASER"), upon the terms set forth in a purchase agreement of even date herewith (the "PURCHASE AGREEMENT"), $53,000,000 aggregate principal amount of their 12 1/2% Senior Subordinated Notes due 2013 (the "INITIAL SECURITIES") to be guaranteed (the "GUARANTEES") by GNE Investments, Inc., a Washington corporation, and Great Northern Equipment, Inc., a Montana corporation (together, the "GUARANTORS" and, collectively with the Issuers, the "COMPANY"). The Initial Securities will be issued pursuant to an indenture, dated as of June 17, 2002 (the "INDENTURE"), among the Issuers, the Guarantors and The Bank of New York, as trustee (the "TRUSTEE"). As an inducement to the Initial Purchaser to enter into the Purchase Agreement, the Company agrees with the Initial Purchaser, for the benefit of the Initial Purchaser and the holders of the Securities (as defined below) (collectively, the "HOLDERS"), as follows:

1 REGISTERED EXCHANGE OFFER. Unless not permitted by applicable law (after the Company has complied with the ultimate paragraph of this Section 1), the Company shall prepare and, on or prior to 90 days after the date on which the Initial Purchaser purchases the Initial Securities pursuant to the Purchase Agreement (the "CLOSING DATE"), file with the Securities and Exchange Commission (the "COMMISSION") a registration statement (the "EXCHANGE OFFER REGISTRATION STATEMENT") on an appropriate form under the Securities Act of 1933, as amended (the "SECURITIES ACT"), with respect to a proposed offer (the "REGISTERED EXCHANGE OFFER") to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Company issued under the Indenture, identical in all material respects to the Initial Securities and registered under the Securities Act (the "EXCHANGE SECURITIES"). The Company shall use its best efforts to (i) have the Exchange Offer Registration Statement declared effective by the Commission on or prior to

180 days after the Closing Date and (ii) keep the Exchange Offer Registration Statement effective for not less than 30 days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "EXCHANGE OFFER REGISTRATION PERIOD").

Unless the Exchange Offer would not be permitted by applicable law or Commission policy, the Company will commence the Exchange Offer and use its best efforts to issue on or prior to 30 days, or longer if required by the federal securities laws, after the date on which the Exchange Offer Registration Statement is declared effective by the Commission, Exchange Securities in exchange for all notes tendered prior thereto in the Exchange Offer.

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business, has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities

laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "EXCHANGING DEALER"), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) if the Initial Purchaser elects to sell Securities (as defined below) acquired in exchange for Initial Securities constituting any portion of an unsold allotment, it is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; PROVIDED, HOWEVER, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or the Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchaser have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any

broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, the Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to the Initial Purchaser upon the written request of the Initial Purchaser, in exchange (the "PRIVATE EXCHANGE") for the Initial Securities held by the Initial Purchaser, a like principal amount of debt securities of the Company issued under the Indenture and identical in all material respects to the Initial Securities (the "PRIVATE EXCHANGE SECURITIES"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "SECURITIES."

In connection with the Registered Exchange Offer, the Company shall:

(a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 30 business days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;

(c) utilize the services of a depositary for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If following the date hereof there has been announced a change in Commission policy with respect to exchange offers that in the reasonable opinion of counsel to the Company raises a substantial question as to whether the Registered Exchange Offer is permitted by applicable federal law, the Company will seek a no-action letter or other favorable decision from the Commission allowing the Company to consummate the Registered Exchange Offer. The Company will pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company will take all such other actions as may be requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (i) participating in telephonic conferences with the Commission, (ii) delivering to the Commission staff an analysis prepared by counsel to the Company setting

forth the legal bases, if any, upon which such counsel has concluded that the Registered Exchange Offer should be permitted and (iii) diligently pursuing a resolution (which need not be favorable) by the Commission staff.

2 SHELF REGISTRATION. If, (i) the Company is not (a) required to file the Exchange Offer Registration Statement; or (b) permitted to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy; or (ii) any Holder of Transfer Restricted Securities notifies the Issuers prior to the 20th day following consummation of the Exchange Offer that (a) it is prohibited by law or Commission policy from participating in the Exchange Offer; (b) that it may not resell the Exchange Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales; or (c) that it is a broker-dealer and owns Securities acquired directly from the Issuers or an affiliate of the Issuers, the Company shall take the following actions (the date on which any of the conditions described in the foregoing clauses (i) and (ii) occur being a "TRIGGER DATE"):

(a) The Company will use its best efforts to file a registration statement (the "SHELF REGISTRATION STATEMENT" and, together with the Exchange Offer Registration Statement, a "REGISTRATION STATEMENT") with the

Commission on or prior to 60 days after such filing obligation arises and to cause the Shelf Registration Statement to be declared effective by the Commission on or prior to 180 days after such obligation arises. Such Shelf Registration Statement shall be on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the "SHELF REGISTRATION"); PROVIDED, HOWEVER, that no Holder (other than the Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). The Company shall be deemed not to have used its best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the

applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3 REGISTRATION PROCEDURES. In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) furnish to the Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that the Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its best efforts to reflect in each such document, when so filed with the Commission, such comments as the Initial Purchaser reasonably may propose; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by the Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchaser, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT")) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "PARTICIPATING BROKER-DEALER"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchaser based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell Securities pursuant to the Shelf Registration Statement as selling securityholders.

(b) The Company shall give written notice to the Initial Purchaser, the Holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a

Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus does not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company shall deliver to each Exchanging Dealer and the Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference).

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of

the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to the Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by the Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities pursuant to any Registration Statement the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of

such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; PROVIDED, HOWEVER, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchaser, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchaser, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement

provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchaser, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as

the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(p) The Company shall use its best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4 REGISTRATION EXPENSES. All expenses incident to the Company's performance of and compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement is ever filed or becomes effective, including without limitation:

(a) all registration and filing fees and expenses;

(b) all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;

(c) all expenses of printing (including printing certificates for the Securities to be issued in the Registered Exchange Offer and the Private Exchange and printing of Prospectuses), messenger and delivery services and telephone;

(d) all fees and disbursements of counsel for the Company; and

(e) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

5 INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "INDEMNIFIED PARTIES") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; PROVIDED, HOWEVER, that (i) the Company shall not be liable in any such case to

the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Company had previously furnished

copies thereof to such Holder or Participating Broker-Dealer; PROVIDED FURTHER, HOWEVER, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental

investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be

determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d),

the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6 LIQUIDATED DAMAGES UNDER CERTAIN CIRCUMSTANCES.

(a) Liquidated Damages ("LIQUIDATED DAMAGES") with respect to the Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "REGISTRATION DEFAULT"):

(i) the Company fails to file any of the Registration Statements required by this Agreement on or prior to the date specified for such filing;

(ii) the Company fails to have any of the Registration Statements required by this Agreement declared effective by the Commission on or prior to the date specified for such effectiveness (the "EFFECTIVENESS TARGET DATE");

(iii) the Company fails to consummate the Exchange Offer within 30 business days of the Effectiveness Target Date with respect to the Exchange Offer Registration Statement; or

(iv) the Shelf Registration Statement or the Exchange Offer Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with resales of Transfer Restricted Securities during the periods specified herein.

Each of the foregoing will constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or pursuant to operation of law or as a result of any action or inaction by the Commission.

The Company shall pay Liquidated Damages to each Holder, with respect to the first 90-day period immediately following the occurrence of the first Registration Default in an amount equal to $0.05 per week per $1,000 in principal amount of Securities held by such Holder. The amount of Liquidated Damages shall increase by an additional $0.05 per week per $1,000 principal amount of Securities with respect to each subsequent 90-day period until all Registration Defaults shall have been cured, up to a maximum amount of Liquidated Damages for all Registration Defaults of $0.25 per week per $1,000 in principal amount of Securities. Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease.

(b) A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such

Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; PROVIDED, HOWEVER, that in any case if such Registration Default occurs for a continuous period in excess of 90 days, Liquidated Damages shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Liquidated Damages due pursuant to Section 6(a) will be payable in cash on the regular interest payment dates with respect to the Securities.

(d) "TRANSFER RESTRICTED SECURITIES" means each Security until (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7 RULES 144 AND 144A. The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent

required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchaser upon request. Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8 MISCELLANEOUS.

(a) REMEDIES. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under Section 1 and 2 hereof may result in material irreparable injury to the Initial Purchaser or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchaser or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Sections 1 and 2 hereof. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) NO INCONSISTENT AGREEMENTS. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(c) AMENDMENTS AND WAIVERS. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents.

(d) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class

mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchaser:

Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, New York 10010-3629
Attention: Transactions Advisory Group
Fax No.: (212) 325-8278

with a copy to:

Latham & Watkins
885 Third Avenue, Suite 1000
New York, New York 10022
Attention: Kirk Davenport, Esq.
Fax No.: (212) 751-4864

(3) if to the Company, at its address as follows:

H&E Equipment Services L.L.C.
H&E Finance Corp.
c/o H&E Equipment Services L.L.C.
11100 Mead Road, Suite 200
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer
Fax No.: (225) 298-5332

with a copy to:

Kirkland & Ellis
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675
Attention: Joshua Korff, Esq.
Fax No.: (212) 446-4900

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(e) THIRD PARTY BENEFICIARIES. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchaser, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

(f) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon the Company and its successors and assigns.

(g) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(j) SEVERABILITY. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) SECURITIES HELD BY THE COMPANY. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed

to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Issuers a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchaser, the Issuers and the Guarantors in accordance with its terms.

Very truly yours,

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Senior Vice President, Finance and Secretary

GNE INVESTMENTS, INC.
GREAT NORTHERN EQUIPMENT, INC.

By: /s/ Lindsay Jones

Name: Lindsay Jones
Title: Secretary

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Jana Ernakovich

Name: Jana Ernakovich
Title: Vice President

ANNEX A

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ANNEX B

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution."

ANNEX C

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2002, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.(1)

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

- ----------

(1) In addition, the legend required by Item 502(e) of Regulation S-K will appear on the back cover page of the Exchange Offer prospectus.

ANNEX D

/ / CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name:

Address:

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

EXHIBIT 5.1

[LETTERHEAD OF KIRKLAND & ELLIS]

To Call Writer Directly:
(212) 446-4800

September 13, 2002

H&E Finance Corp.
11100 Mead Road, Suite 200
Baton Rouge, LA 70816

Re: EXCHANGE OFFER FOR $53,000,000 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 FOR UP TO $53,000,000 12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

Dear Ladies and Gentlemen:

We have acted as counsel to H&E Finance Corp. (the "Company" or the "Registrant") in connection with the proposed offer (the "Exchange Offer") to exchange an aggregate principle amount of up to $53,000,000 12 1/2% Senior Subordinated Notes due 2013 (the "Old Notes") for up to $53,000,000 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "Exchange Notes"), pursuant to a Registration Statement on Form S-4 filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). Such Registration Statement, as amended or supplemented, is hereinafter referred to as the "Registration Statement." The Exchange Notes are to be issued pursuant to the Indenture (the "Indenture"), dated as of June 17, 2002 by and among the Registrant, H&E Equipment Services L.L.C., the Guarantors (as defined therein) and The Bank of New York, as the trustee, in exchange for and in replacement of the Company's outstanding Old Notes, of which $53,000,000 in aggregate principal amount at maturity is outstanding.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including (i) the corporate and organizational documents of the Registrant, (ii) minutes and records of the corporate proceedings of the Registrant with respect to the issuance of the Exchange Notes, (iii) the Registration Statement and exhibits thereto and (iv) the Registration Rights Agreement, dated as of June 17, 2002, by and among the Registrant, H&E Equipment Services L.L.C., the Guarantors (as defined therein) and Credit Suisse First Boston Corporation.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto other than the Registrant, and the due authorization, execution and delivery of all documents by the parties thereto other than the Registrant. As to any facts material to the

opinions expressed herein which we have not independently established or verified, we have relied upon statements and representations of officers and other representatives of the Registrant and others.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, we are of the opinion that:

(i) H&E Finance Corp. is in good standing under the laws of the State of Delaware.

(ii) The sale and issuance of the Exchange Notes has been validly authorized by H&E Finance Corp.

(iii) When the Exchange Notes are issued pursuant to the Exchange Offer, the Exchange Notes will constitute valid and binding obligations of the Registrant, and the Indenture will be enforceable in accordance with its terms.

Our opinions expressed above are subject to the qualifications that we express no opinion as to the applicability of, compliance with, or effect of (i) any bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar law affecting the enforcement of creditors' rights generally, (ii) general principals of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and (iii) except for purposes of the opinion in paragraph (i), any laws except the laws of the State of New York.

We hereby consent to the filing of this opinion in Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of the rules and regulations of the Commission.

We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or "Blue Sky" laws of the various states to the issuance of the Exchange Notes.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. We assume no obligation to revise or supplement this opinion should the present laws of the State of New York be changed by legislative action, judicial decision or otherwise.

This opinion is furnished to you in connection with the filing of the Registration Statement, and is not to be used, circulated, quoted or otherwise relied upon for any other purposes.

Yours very truly,

KIRKLAND & ELLIS

EXHIBIT 5.2

September 13, 2002

WRITER'S DIRECT DIAL NUMBER
(225) 381-0218

H&E Equipment Services L.L.C.
11100 Mead Road, Suite 200
Baton Rouge, LA 70816

RE: EXCHANGE OFFER FOR $53,000,000 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 FOR UP TO $53,000,000 12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

Dear Ladies and Gentlemen:

We have acted as counsel to H&E Equipment Services L.L.C. (the "COMPANY" or the "REGISTRANT") in connection with the proposed offer (the "EXCHANGE OFFER") to exchange an aggregate principal amount of up to $53,000,000 12 1/2% Senior Subordinated Notes due 2013 (the "OLD NOTES") for up to $53,000,000 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "EXCHANGE NOTES"), pursuant to a Registration Statement on Form S 4 filed with the Securities and Exchange Commission (the "COMMISSION") under the Securities Act of 1933, as amended (the "SECURITIES ACT"). Such Registration Statement, as amended or supplemented, is hereinafter referred to as the "REGISTRATION STATEMENT." The Exchange Notes are to be issued pursuant to the Indenture (the "INDENTURE"), dated as of June 17, 2002, by and among the Registrant, H&E Finance Corp., the Guarantors (as defined therein) and The Bank of New York, as the trustee, in exchange for and in replacement of the Company's outstanding Old Notes, of which $53,000,000 in aggregate principal amount at maturity is outstanding.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, company records and other instruments as we have deemed

necessary for the purposes of this opinion, including (i) the company and organizational documents of the Registrant, (ii) minutes and records of the company proceedings of the Registrant with respect to the issuance of the Exchange Notes, (iii) the Registration Statement and exhibits thereto and (iv) the Registration Rights Agreement, dated as of June 17, 2002, by and among the Registrant, H&E Finance Corp., the Guarantors (as defined therein) and Credit Suisse First Boston Corporation.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto other than the Registrant, and the due authorization, execution and delivery of all documents by the parties thereto other than the Registrant. As to any facts material to the opinions expressed herein which we have not independently established or verified, we have relied upon statements and representations of officers and other representatives of the Registrant and others.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, we are of the opinion that:

1. H&E Equipment Services L.L.C. is a limited liability company, existing and in good standing under the Louisiana Limited Liability Company Law.

2. The sale and issuance of the Exchange Notes has been validly authorized by H&E Equipment Services L.L.C.

3. When the Exchange Notes are issued pursuant to the Exchange Offer, the Exchange Notes will constitute valid and binding obligations of H&E Equipment Services L.L.C., and the Indenture will be enforceable in accordance with its terms.

Our opinions expressed above are subject to the qualifications that we express no opinion as to the applicability of, compliance with, or effect of (i) any bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, revocatory, avoidance, moratorium or other similar law affecting the enforcement of creditors' rights generally, (ii) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and (iii) any laws except the laws of the State of Louisiana.

We hereby consent to the filing of this opinion in Exhibit 5.2 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons

whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission. We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or "Blue Sky" laws of the various states to the issuance of the Exchange Notes.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. We assume no obligation to revise or supplement this opinion should the present laws of the State of Louisiana be changed by legislative action, judicial decision or otherwise.

This opinion is furnished to you in connection with the filing of the Registration Statement, and is not to be used, circulated, quoted or otherwise relied upon for any other purposes.

Yours very truly,

TAYLOR, PORTER, BROOKS & PHILLIPS, L.L.P.

EXHIBIT 5.3

[GARLINGTON, LOHN & ROBINSON, PLLP LETTERHEAD]

September 13, 2002

GNE Investments, Inc.
Great Northern Equipment, Inc.
4899 West 2100 South
Salt Lake City, Utah 84120

Re: EXCHANGE OFFER FOR $53,000,000 12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 FOR UP TO $53,000,000 12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

Dear Ladies and Gentlemen:

We have acted as counsel to GNE Investments, Inc. and Great Northern Equipment, Inc. (together, the "Registrants") in connection with the proposed offer (the "Exchange Offer") to exchange an aggregate principle amount of up to $53,000,000 12 1/2% Senior Subordinated Notes due 2013 (the "Old Notes") for up to $53,000,000 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "Exchange Notes"), pursuant to a Registration Statement on Form S-4 filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). Such Registration Statement, as amended or supplemented, is hereinafter referred to as the "Registration Statement." The Exchange Notes are to be issued pursuant to the Indenture (the "Indenture"), dated as of June 17, 2002 by and among the Registrants, H&E Equipment Services L.L.C., H&E Finance Corp. and The Bank of New York, as the trustee, in exchange for and in replacement of the outstanding Old Notes, of which $53,000,000 in aggregate principal amount at maturity is outstanding.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including: (i) the corporate and organizational documents of the Registrants; (ii) minutes and records of the corporate proceedings of the Registrants with respect to the issuance of the Exchange Notes; (iii) the Registration Statement and exhibits thereto; and (iv) the Registration Rights

Agreement, dated as of June 17, 2002, by and among the Registrants, H&E Equipment Services L.L.C., H&E Finance Corp. and Credit Suisse First Boston Corporation.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto other than the Registrants, and the due authorization, execution and delivery of all documents by the parties thereto other than the Registrants. As to any facts material to the opinions expressed herein which we have not independently established or verified, we have relied upon statements and representations of officers and other representatives of the Registrants and others.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, we are of the opinion that:

(i) GNE Investments, Inc. is in good standing under the laws of the State of Washington. Great Northern Equipment, Inc. is in good standing under the laws of the State of Montana.

(ii) The issuance of the guarantees for the Exchange Notes have been validly authorized by the Registrants.

(iii) When the guarantees are issued pursuant to the Exchange Offer, the guarantees will constitute valid and binding obligations of the Registrants, and the Indenture will be enforceable in accordance with its terms.

Our opinions expressed above are subject to the qualifications that we express no opinion as to the applicability of, compliance with, or effect of: (i) any bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar law affecting the enforcement of creditors' rights generally; (ii) general principals of equity (regardless of whether enforcement is considered in a proceeding in equity or at law); and (iii) except for purposes of the opinion in paragraph (i), any laws except the laws of the States of Washington and Montana.

We hereby consent to the filing of this opinion in Exhibit 5.3 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of the rules and regulations of the Commission.

We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or "Blue Sky" laws of the various states to the issuance of the Exchange Notes.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. We assume no obligation to revise or supplement this opinion should the present laws of the States of Washington and Montana be changed by legislative action, judicial decision or otherwise.

This opinion is furnished to you in connection with the filing of the Registration Statement, and is not to be used, circulated, quoted or otherwise relied upon for any other purposes.

Very truly yours,

GARLINGTON, LOHN & ROBINSON, PLLP

WDS\ld

EXHIBIT 8.1

[LETTERHEAD OF KIRKLAND & ELLIS]

To Call Writer Directly:
(212) 446-4800

September 13, 2002

H & E Equipment Services L.L.C.
H & E Finance Corp.
11100 Mead Road
Suite 200
Baton Rouge, LA 70816

Re: Exchange Offer of up to $53,000,000 12 1/2% Senior Subordinated Notes due 2013 for up to $53,000,000 12 1/2% Senior Subordinated Exchange Notes due 2013

Dear Ladies and Gentlemen:

We have acted as counsel to H & E Equipment Services L.L.C. and H & E Finance Corp. (together, the "COMPANY") in connection with the Company's proposed offer (the "EXCHANGE OFFER") to exchange an aggregate principal amount at maturity of up to $53,000,000 12 1/2% Senior Subordinated Notes due 2013 (the "OLD NOTES") for up to $53,000,000 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "EXCHANGE NOTES"), pursuant to A Registration Statement on Form S-4 filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended. Such Registration Statement, as amended or supplemented, is hereinafter referred to as the "REGISTRATION STATEMENT."

You have requested our opinion as to certain United States federal income tax consequences of the Exchange Offer. In preparing our opinion, we have reviewed and relied upon the Registration Statement and such other documents as we deemed necessary.

On the basis of the foregoing, it is our opinion that under current law the exchange of the Old Notes for the Exchange Notes pursuant to the Exchange Offer should not be treated as an "exchange" for United States federal income tax purposes, because the Exchange Notes should not be considered to differ materially in kind or extent from the Old Notes. Rather, the Exchange Notes received by a holder should be treated as a continuation of the Old Notes in the hands of that holder. Accordingly, there should be no federal income tax consequences to holders solely as a result of the exchange of the Old Notes for Exchange Notes under the Exchange Offer.

The opinion set forth above is based upon the applicable provisions of the Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated or proposed thereunder, current positions of the Internal Revenue Service (the "IRS") contained in published revenue rulings, revenue procedures, and announcements, existing judicial decisions and other applicable authorities, all of which are subject to change, which changes may be retroactively applied. A change in the authorities upon which our opinion is based could affect our

conclusions. No tax ruling has been sought from the IRS with respect to any of the matters discussed herein. Unlike a ruling from the IRS, an opinion of counsel is not binding on the IRS. Hence, no assurance can be given that the opinion stated in this letter will not be successfully challenged by the IRS or that a court would reach the same conclusion. We express no opinion concerning any tax consequences of the Exchange Offer except as expressly set forth above.

We consent to the filing of this opinion as an exhibit to the Registration Statement, to the reference to this firm and the inclusion of our opinion in the section entitled "Certain U.S. Federal Income Tax Considerations" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commissions promulgated thereunder.

Yours very truly,

KIRKLAND & ELLIS

EXHIBIT 10.1

EXECUTION COPY

H&E EQUIPMENT SERVICES L.L.C.,

and

GREAT NORTHERN EQUIPMENT, INC.,
as Borrowers,

THE OTHER CREDIT PARTIES SIGNATORY HERETO,
as Credit Parties,

THE LENDERS SIGNATORY HERETO
FROM TIME TO TIME,
as Lenders

GENERAL ELECTRIC CAPITAL CORPORATION,
as Arranger

BANK OF AMERICA, N.A.,
as Syndication Agent

FLEET CAPITAL CORPORATION,
as Documentation Agent

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Administrative Agent

CREDIT AGREEMENT
Dated as of June 17, 2002

TABLE OF CONTENTS

CLAUSE PAGE 1. AMOUNT AND TERMS OF
CREDIT.....3 1.1
Credit
Facilities.....3 1.2
Letters of
Credit.....7 1.3
Prepayments.....7
1.4 Use of
Proceeds.....10 1.5
Interest and Applicable
Margins.....10 1.6 Eligible
Accounts.....13 1.6A
Eligible Rolling
Stock.....15 1.6B
Eligible
Rentals.....16
1.7 Eligible Parts and Tools
Inventory.....18 1.7A Eligible
Equipment
Inventory.....19 1.8 Cash
Management Systems.....21 1.9
Fees.....21
1.10 Receipt of
Payments.....22 1.11
Application and Allocation of
Payments.....22 1.12 Loan Account and
Accounting.....23 1.13
Indemnity.....23
1.14
Access.....25
1.15
Taxes.....25
1.16 Capital Adequacy; Increased Costs;
Illegality.....26 1.17 Single
Loan.....28 2.
CONDITIONS
PRECEDENT.....29
2.1 Conditions to the Initial
Loans.....29 2.2 Further Conditions
to Each Loan.....31 3.
REPRESENTATIONS AND

WARRANTIES.....32 3.1 Corporate or Limited Liability Company Existence; Compliance with Law.....32 3.2 Executive Offices; Collateral Locations; FEIN.....32 3.3 Corporate or Limited Liability Company Power, Authorization, Enforceable Obligations.....32

TABLE OF CONTENTS
(CONTINUED)

CLAUSE PAGE 3.4 Financial Statements and Projections.....33 3.5 Material Adverse Effect.....34 3.6 Ownership of Property; Liens.....35 3.7 Labor Matters.....36 3.8 Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness.....36 3.9 Government Regulation.....37 3.10 Margin Regulations.....37 3.11 Taxes.....37 3.12 ERISA.....38 3.13 No Litigation.....39 3.14 Brokers.....39 3.15 Intellectual Property.....39 3.16 Full Disclosure.....39 3.17 Environmental Matters.....40 3.18 Insurance.....41 3.19 Deposit and Disbursement Accounts.....41 3.20 Government Contracts.....41 3.21 Customer and Trade Relations.....41 3.22 Agreements and Other Documents.....41 3.23 Solvency.....42 3.24 Contribution Agreement and Plan of Reorganization.....42 3.25 Status of Holdings.....43 3.26 Senior Debt.....43 4. FINANCIAL STATEMENTS AND INFORMATION.....43 4.1 Reports and Notices.....43 4.2 Communication with Accountants.....43 5. AFFIRMATIVE COVENANTS.....44 5.1 Maintenance of Existence and Conduct of Business.....44

TABLE OF CONTENTS
(CONTINUED)

CLAUSE PAGE 5.2 Payment of Charges.....44 5.3 Books and Records.....45 5.4 Insurance; Damage to or Destruction of Collateral.....45 5.5 Compliance with Laws.....47 5.6 Supplemental Disclosure.....47 5.7 Intellectual Property.....48 5.8 Environmental Matters.....48 5.9 Landlords' Agreements, Mortgagee Agreements, Bailee Letters, Real Estate Purchases and Vendor Inter-Creditor Agreements.....49 5.10 Government Accounts.....50 5.11 Further Assurances.....50 6. NEGATIVE COVENANTS.....51 6.1 Acquisitions, Subsidiaries, Etc.....51 6.2 Investments; Loans

and Advances.....54 6.3 Indebtedness.....54 6.4 Employee Loans and Affiliate Transactions.....56 6.5 Capital Structure and Business.....56 6.6 Guaranteed Indebtedness.....57 6.7 Liens.....57 6.8 Disposition of Stock and Assets.....58 6.9 ERISA.....59 6.10 Financial Covenants.....59 6.11 Hazardous Materials.....59 6.12 Designated Senior Debt.....59 6.13 Cancellation of Indebtedness.....59 6.14 Restricted Payments.....59 6.15 Change of Name or Location; Change of Fiscal Year.....60 6.16 No Impairment of Intercompany Transfers.....60 6.17 No Speculative Transactions.....60

TABLE OF CONTENTS
(CONTINUED)

CLAUSE PAGE 6.18 Changes Relating to Senior Debt; Subordinated Debt Designation of Credit Facility.....61 6.19 Changes in Depreciation Schedules.....61 6.20 Credit Parties Other than Borrowers.....62 6.21 Lock Box Remittances; Vendor Payments.....62 7. TERM.....62 7.1 Termination.....62 7.2 Survival of Obligations Upon Termination of Financing Arrangements.....62 7.3 Default Purchase Option.....63 8. EVENTS OF DEFAULT: RIGHTS AND REMEDIES.....64 8.1 Events of Default.....64 8.2 Remedies.....66 8.3 Waivers by Credit Parties.....67 9. ASSIGNMENT AND PARTICIPATIONS; APPOINTMENT OF AGENT.....67 9.1 Assignment and Participations.....67 9.2 Appointment of Agent.....70 9.3 Agent's Reliance, Etc.....71 9.4 GE Capital and Affiliates.....71 9.5 Lender Credit Decision.....72 9.6 Indemnification.....72 9.7 Successor Agent.....72 9.8 Co-Agents.....73 9.9 Setoff and Sharing of Payments.....73 9.10 Advances; Payments; Non-Funding Lenders; Information; Actions in Concert.....74 10. SUCCESSORS AND ASSIGNS.....77 10.1 Successors and Assigns.....77 11. MISCELLANEOUS.....77 11.1 Complete Agreement; Modification of Agreement.....77 11.2 Amendments and Waivers.....77

TABLE OF CONTENTS
(CONTINUED)

CLAUSE PAGE 11.3 Fees and Expenses.....79 11.4 No Waiver.....81 11.5 Remedies.....81 11.6 Severability.....81 11.7 Conflict of Terms.....82 11.8 Confidentiality.....82 11.9 Governing Law.....82 11.10 Notices.....83 11.11 Section Titles.....84 11.12

Counterparts.....84
11.13 Waiver of Jury
Trial.....84 11.14 Press
Releases and Related Matters.....84 11.15
Reinstatement.....85
11.16 Advice of
Counsel.....85 11.17 No
Strict Construction.....85 12.
CROSS-
GUARANTY.....85
12.1 Cross-
Guaranty.....85 12.2
Waivers by Borrowers.....86
12.3 Benefit of
Guaranty.....86 12.4
Subordination of Subrogation, Etc.....86
12.5 Election of
Remedies.....87 12.6
Limitation.....87
12.7 Contribution with Respect to Guaranty
Obligations.....88 12.8 Liability
Cumulative.....89

INDEX OF APPENDICES

Exhibit 1.1(a)(i) - Form of Notice of Revolving Credit Advance Exhibit 1.1(a)(ii) - Form of Revolving Note Exhibit 1.1(b)(ii) - Form of Swing Line Note Exhibit 1.5(e) - Form of Notice of Conversion/Continuation Exhibit 1.6B(a) - Form of Lease Exhibit 4.1(b) - Form of Borrowing Base Certificate Exhibit 6.7(d)(iii)(A) - Form of Intercreditor Agreement (Floor Plan Inventory) Exhibit 6.7(d)(iii)(B) - Form of Intercreditor Agreement (Off Balance Sheet Inventory) Exhibit 9.1(a) - Form of Assignment Agreement Exhibit B-1(a) Form of Notice of Issuance of Letter of Credit Schedule 1.1 - Responsible Individual Schedule 1.4 - Sources and Uses; Funds Flow Memorandum Schedule 2.1(b) - Terminating Prior Lenders Schedule 3.2 - Executive Offices; FEIN Schedule 3.4(A) - Financial Statements Schedule 3.4(B) - Pro Forma Schedule 3.4(C) - Projections Schedule 3.4(D) - Fair Salable Balance Sheet Schedule 3.4(E) - Financial Statements Schedule 3.6 - Real Estate and Leases Schedule 3.7 - Labor Matters Schedule 3.8 - Ventures, Subsidiaries and Affiliates; Outstanding Stock Schedule 3.11 - Tax Matters Schedule 3.12 - ERISA Plans Schedule

3.13 - Litigation
Schedule 3.15 - Intellectual Property
Schedule 3.17 - Hazardous Materials
Schedule 3.18 - Insurance Schedule
3.19 - Deposit and Disbursement Accounts
Schedule 3.20 - Government Contracts
Schedule 3.22 - Material Agreements
Schedule 5.1 - Trade Names Schedule 5.9 - Real Estate Liens
Schedule 6.2 - Investments Schedule
6.3 - Indebtedness
Schedule 6.4(a) - Extraordinary Transactions Schedule
6.4(b) - Transactions with Affiliates
Schedule 6.6 - Guaranteed Indebtedness Schedule
6.7 - Existing Liens
Annex A (Recitals) - Definitions Annex B
(Section 1.2) - Letters of Credit

Annex C (Section 1.8) - Cash Management Systems
Annex D (Section 2.1(a)) - Closing Checklist
Annex E (Section 4.1(a)) - Financial Statements and Projections -- Reporting
Annex F (Section 4.1(b)) - Collateral Reports
Annex G (Section 6.10) - Financial Covenants
Annex H (Section 9.9(a)) - Lenders' Wire Transfer Information
Annex I (Section 11.10) - Notice Addresses

CREDIT AGREEMENT, dated as of June 17, 2002 (this "CREDIT AGREEMENT"), among GREAT NORTHERN EQUIPMENT, INC., a Montana corporation ("GREAT NORTHERN"), H&E EQUIPMENT SERVICES L.L.C., a Louisiana limited liability company (f/k/a/ Gulf Wide Industries, L.L.C., a Louisiana limited liability company ("GULF WIDE")) ("H&E" and together with Great Northern, each individually, a "BORROWER", and collectively and jointly and severally, the "BORROWERS"), the other Credit Parties signatory hereto, GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation (in its individual capacity, "GE CAPITAL"), for itself as Lender, as Administrative Agent for the Lenders and the other Lenders signatory hereto from time to time, GENERAL ELECTRIC CAPITAL CORPORATION, as Arranger ("ARRANGER"), BANK OF AMERICA, N.A., as Syndication Agent ("SYNDICATION AGENT") and FLEET CAPITAL CORPORATION, as Documentation Agent ("DOCUMENTATION AGENT").

WHEREAS:

(A) ICM Equipment Company, L.L.C., a Delaware limited liability company ("ICM"), owns all of the outstanding shares of capital stock of GNE Investments, Inc., a Washington corporation ("GNE INVESTMENTS");

(B) GNE Investments owns all of the outstanding shares of capital stock of Great Northern;

(C) H&E, owns all of the outstanding membership interests of Head & Engquist Equipment L.L.C, a Louisiana limited liability company ("HEAD & ENGQUIST EQUIPMENT");

(D) Pursuant to that certain Contribution Agreement and Plan of Reorganization dated as of June 14, 2002 (the "CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION") among H&E Holdings L.L.C., a Delaware limited liability company ("H&E HOLDINGS"), H&E, Head & Engquist Equipment, ICM and the equity holders of ICM and H&E, all common and preferred equity of ICM and H&E will be contributed to H&E Holdings (the "H&E CONTRIBUTION") in exchange for membership interests in H&E Holdings so that H&E Holdings will own all of the outstanding membership interests of ICM and H&E;

(E) As provided in the Contribution Agreement and Plan of Reorganization, immediately following the H&E Contribution, H&E Holdings will contribute all of the membership interests in ICM to H&E so that H&E will own all of the outstanding membership interests of ICM, and immediately prior to the execution of this Credit Agreement, Head & Engquist Equipment and ICM will merge with and into H&E (the "MERGERS");

(F) Upon consummation of the Mergers, H&E will own all of the outstanding shares of capital stock of (i) GNE Investments, which will hold all of the outstanding shares of capital stock of Great Northern and (ii) H&E Finance Corp., a Delaware corporation ("H&E FINANCE"), which is being organized prior to the execution of this Credit Agreement for the purpose of entering into and consummating the transactions under the Senior Note Indenture and Senior Subordinated Note Indenture (as each such term is defined below);

(G) Borrowers have requested that Lenders extend a revolving credit facility to Borrowers of up to One Hundred Fifty Million Dollars ($150,000,000) in aggregate principal amount for the purpose of refinancing certain indebtedness of Borrowers and to provide (a) working capital financing for Borrowers, (b) funds for other general corporate purposes of Borrowers and (c) funds for other purposes permitted hereunder, and for these purposes, Lenders are willing to make certain loans and other extensions of credit to Borrowers of up to such amount upon the terms and conditions set forth herein;

(H) H&E and H&E Finance have agreed to finance certain of its indebtedness through the issuance of (i) $200,000,000 of senior secured notes (together with any other senior notes issued pursuant to the Senior Note Indenture, as amended, modified or supplemented from time to time in accordance with their terms and the terms hereof, the "SENIOR NOTES") pursuant to an Indenture dated as of the date hereof (as amended, modified or supplemented from time to time in accordance with its terms and the terms hereof, the "SENIOR NOTE INDENTURE") among H&E, H&E Finance and Bank of New York, as trustee and (ii) $50,000,000 of senior unsecured subordinated notes (together with any other senior unsecured subordinated notes issued pursuant to the Senior Subordinated Note Indenture, as amended, modified or supplemented from time to time in accordance with their terms and the terms hereof, the "SENIOR SUBORDINATED NOTES") pursuant to an Indenture dated as of the date hereof (as amended, modified or supplemented from time to time in accordance with its terms and the terms hereof, the "SENIOR SUBORDINATED NOTE INDENTURE") among H&E, H&E Finance and Bank of New York, as trustee;

(I) Borrowers have agreed to secure all of their obligations under the Loan Documents by granting to Agent, for the benefit of Agent and Lenders, a security interest in and lien upon all of their existing and after-acquired personal and real property;

(J) GNE Investments, H&E Holdings and H&E Finance are willing to guarantee all of the obligations of Borrowers to Agent and Lenders under the Loan Documents and (i) H&E Holdings is willing to pledge to Agent, for the benefit of Agent and Lenders, all of the membership interests of H&E to secure such guaranty and all Obligations (as defined in Annex A), (ii) H&E is willing to pledge to Agent, for the benefit of Agent and Lenders, all of the Stock of H&E Finance and GNE Investments to secure such guaranty and all Obligations, and (iii) GNE Investments is willing to pledge to Agent, for the benefit of Agent and Lenders, all of the Stock of Great Northern to secure the Obligations; and

(K) Capitalized terms used in this Agreement have the meanings ascribed to them in Annex A and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Annex A shall govern. All Annexes, Disclosures Schedules, Exhibits and other attachments (collectively, "APPENDICES") hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute but a single agreement. These Recitals shall be construed as part of the Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES HERETO AGREE AS FOLLOWS:

1. AMOUNT AND TERMS OF CREDIT

1.1 Credit Facilities

(a) Revolving Credit Facility

(i) Subject to the terms and conditions hereof and to the last sentence of Section 1.1(c), each Revolving Lender agrees to

make available to Borrowers from time to time until the Commitment Termination Date its Pro Rata Share of advances (each, a "REVOLVING CREDIT ADVANCE"). The Pro Rata Share of the Revolving Loan of any Revolving Lender shall not at any time exceed its separate Revolving Loan Commitment. The obligations of each Revolving Lender hereunder shall be several and not joint. Until the Commitment Termination Date, Borrowers may borrow, repay and reborrow under this Section 1.1(a); PROVIDED, that the amount of any Revolving Credit Advance to be made to any Borrower at any time shall not exceed Borrowing Availability of such Borrower at such time or, cause the Borrowing Availability of all Borrowers to be exceeded. Moreover, the sum of the Revolving Loan and Swing Line Loan outstanding to any Borrower shall not exceed at any time that Borrower's separate Borrowing Base, PROVIDED, that in the case of any Revolving Advances or Swingline Advances that constitute H&E/Great Northern Advances included in such sum, "that Borrower's separate Borrowing Base" shall mean the Great Northern Borrowing Base. Each Revolving Credit Advance shall be made on notice by Borrower Representative on behalf of the applicable Borrower to the representative of Agent identified in Schedule 1.1 at the address specified therein. Any such notice must be given no later than (1) noon (New York time) on the Business Day of the proposed Revolving Credit Advance, in the case of an Index Rate Loan, or (2) noon (New York time) on the date which is three (3) Business Days prior to the proposed Revolving Credit Advance, in the case of a LIBOR Loan. Each such notice (a "NOTICE OF REVOLVING CREDIT ADVANCE") must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit 1.1(a)(i), and shall include the information required in such Exhibit and such other administrative information as may be reasonably required by Agent. If any Borrower desires to have the Revolving Credit Advances bear interest by reference to a LIBOR Rate, Borrower Representative must comply with Section 1.5(e).

(ii) Upon the request of any Revolving Lender, each Borrower shall execute and deliver to such Revolving Lender a note to evidence the Revolving Loan Commitment of that Revolving Lender. Each such note shall be in the maximum

principal amount of the Revolving Loan Commitment of the applicable Revolving Lender, dated the Closing Date and substantially in the form of Exhibit 1.1(a)(ii) (each as amended or replaced from time to time, a "REVOLVING NOTE" and, collectively, the "REVOLVING NOTES"). Each Revolving Note shall represent the obligation of the applicable Borrower to pay the amount of the applicable Revolving Lender's Revolving Loan Commitment or, if less, such Revolving Lender's Pro Rata Share of the aggregate unpaid principal amount of all Revolving Credit Advances to such Borrower together with interest thereon as prescribed in Section 1.5. The entire unpaid balance of the aggregate Revolving Loan and all other noncontingent Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date.

(b) Swing Line Facility

(i) Agent shall notify the Swing Line Lender upon Agent's receipt of any Notice of Revolving Credit Advance. Subject to the terms and conditions hereof, the Swing Line Lender may, in its discretion, make available from time to time until the Commitment Termination Date advances (each, a "SWING LINE ADVANCE") in accordance with any such notice. The provisions of this Section 1.1(b) shall not relieve Revolving Lenders of their obligations to make Revolving Credit Advances under Section 1.1(a); PROVIDED, that if the Swing Line Lender makes a Swing Line Advance pursuant to any such notice, such Swing Line Advance shall be in lieu of any Revolving Credit Advance that otherwise may be made by Revolving Credit Lenders pursuant to such notice. The aggregate amount of Swing Line Advances outstanding shall not exceed at any time the lesser of (A) the Swing Line Commitment and (B) the lesser of (x) the Maximum Amount and (y) the Aggregate Borrowing Base in each case, less the outstanding balance of the Revolving Loan at such time ("SWING LINE AVAILABILITY"). Moreover, the Swing Line Loan outstanding to any Borrower shall not exceed at any time such Borrower's separate Borrowing Base less the Revolving Loan outstanding to such Borrower, PROVIDED, that in the case of any H&E/Great Northern Advance, "such Borrower's separate Borrowing Base" shall mean the Great

Northern Borrowing Base. Until the Commitment Termination Date, Borrowers may from time to time borrow, repay and reborrow under this Section 1.1(b). Each Swing Line Advance shall be made on the day requested pursuant to a Notice of Revolving Credit Advance delivered to Agent by Borrower Representative on behalf of the applicable Borrower requesting a Swing Line Advance in accordance with Section 1.1(a). Any such notice must be given no later than noon (New York time) on the Business Day of the proposed Swing Line Advance. Unless the Swing Line Lender has received at least one Business Day's prior written notice from Majority Revolving Lenders instructing it not to make a Swing Line Advance, the Swing Line Lender shall, notwithstanding the failure of any

condition precedent set forth in Section 2.2, except in the case of a Prohibited Swing Line Advance, be entitled to fund that Swing Line Advance, and to have each Revolving Lender make Revolving Credit Advances in accordance with Section 1.1(b)(iii) or purchase participating interests in accordance with Section 1.1(b)(iv). Notwithstanding any other provision of this Agreement or the other Loan Documents, the Swing Line Loan shall constitute an Index Rate Loan. Borrowers shall repay the aggregate outstanding principal amount of the Swing Line Loan upon demand therefor by Agent.

(ii) Upon the request of the Swing Line Lender, each Borrower shall execute and deliver to the Swing Line Lender a promissory note to evidence the Swing Line Commitment. If a promissory note is requested, each such note shall be in the principal amount of the Swing Line Commitment of the Swing Line Lender, dated the Closing Date and substantially in the form of Exhibit 1.1(b)(ii) (each as amended or replaced from time to time, a "SWING LINE NOTE" and, collectively, the "SWING LINE NOTES"). Each Swing Line Note shall represent the obligation of the applicable Borrower to pay the amount of the Swing Line Commitment or, if less, the aggregate unpaid principal amount of all Swing Line Advances made to such Borrower together with interest thereon as prescribed in Section 1.5. The entire unpaid balance of the Swing Line Loan and all other non contingent Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date if not sooner paid in full.

(iii) The Swing Line Lender shall at any time and from time to time in its sole and absolute discretion, but not less frequently than on each Settlement Date on behalf of any Borrower (and each Borrower hereby irrevocably authorizes the Swing Line Lender to so act on its behalf), request each Revolving Lender (including the Swing Line Lender) to make a Revolving Credit Advance to such Borrower (which shall be an Index Rate Loan) in an amount equal to such Revolving Lender's Pro Rata Share of the principal amount of such Borrower's Swing Line Loan (the "REFUNDED SWING LINE LOAN") outstanding on the date such notice is given. Unless any of the events described in Sections 8.1(h) or (i) has occurred (in which event the procedures of Section 1.1(b)(iv) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Credit Advance are then satisfied, each Revolving Lender shall disburse directly to Agent, its Pro Rata Share of a Revolving Credit Advance on behalf of the Swing Line Lender, prior to 3:00 p.m. (New York time), in immediately available funds on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Credit Advances shall be immediately paid to the Swing Line Lender and applied to repay the Refunded Swing Line Loan of the applicable Borrower.

(iv) If, prior to refunding a Swing Line Loan with a Revolving Credit Advance pursuant to Section 1.1(b)(iii), one of the events described in Sections 8.1(h) or (i) has occurred, then, subject to the provisions of Section 1.1(b)(v) below, each Revolving Lender shall, on the date such Revolving Credit Advance was to have been made for the benefit of the applicable Borrower, purchase from the Swing Line Lender an undivided participation interest in the Swing Line Loan to such Borrower in an amount equal to its Pro Rata Share of such Swing Line Loan. Upon request, each Revolving Lender shall promptly transfer to the Swing Line Lender, in immediately available funds, the amount of its participation

interest.

(v) Each Revolving Lender's obligation to make Revolving Credit Advances in accordance with Section 1.1(b)(iii) and to purchase participation interests in accordance with Section 1.1(b)(iv) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender may have against the Swing Line Lender, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any inability of any Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement at any time; or (D) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Lender does not make available to Agent or the Swing Line Lender, as applicable, the amount required pursuant to Section 1.1(b)(iii) or 1.1(b)(iv), as the case may be, the Swing Line Lender shall be entitled to recover such amount on demand from such Revolving Lender, together with interest thereon for each day from the date of non-payment until such amount is paid in full at the Federal Funds Rate for the first two Business Days and at the Index Rate thereafter.

(c) Reliance on Notices; Appointment of Borrower Representative

Agent shall be entitled to rely upon, and shall be fully protected in relying upon, any Notice of Revolving Credit Advance, Notice of Conversion/Continuation or similar notice believed by Agent to be genuine. Agent may assume that each Person executing and delivering any such notice in accordance herewith was duly authorized, unless the responsible individual acting thereon for Agent has actual knowledge to the contrary. Each Borrower, and to the extent applicable, each other Credit Party, hereby designates H&E as its representative and agent on its behalf for the purposes of issuing Notices of Revolving Credit Advances and Notices of Conversion/Continuation, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, requesting Letters of Credit, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) on behalf of any Credit Party or Credit Parties under the Loan Documents. Borrower Representative hereby accepts such

appointment. Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from Borrower Representative as a notice or communication from all Credit Parties, and may give any notice or communication required or permitted to be given to any Credit Party or Credit Parties hereunder to Borrower Representative on behalf of such Credit Party or Credit Parties. Each Credit Party agrees that each notice, election, representation and warranty, covenant, agreement and undertaking made on its behalf by Borrower Representative shall be deemed for all purposes to have been made by such Credit Party and shall be binding upon and enforceable against such Credit Party to the same extent as if the same had been made directly by such Credit Party. Notwithstanding anything to the contrary contained herein, unless the Requisite Lenders shall otherwise agree in writing, the Borrower Representative shall not make any request for an Advance on behalf of Great Northern and Great Northern shall not be entitled to borrow from Lenders hereunder, PROVIDED, that subject to the terms hereof, H&E may make requests for and Lenders shall make H&E/Great Northern Advances.

1.2 Letters of Credit

Subject to and in accordance with the terms and conditions contained herein and in Annex B, Borrower Representative, on behalf of any Borrower, shall have the right to request, and Revolving Lenders agree to incur, or purchase participations in, Letter of Credit Obligations in respect of such Borrower.

1.3 Prepayments

(a) Voluntary Prepayments; Reductions in Revolving Loan Commitments

Any Borrower may at any time voluntarily prepay all or part of the Revolving Credit Advances made to such Borrower at any time or from time to time without premium or penalty. Borrowers may at any time on at least ten (10) days' prior written notice by Borrower Representative to Agent permanently reduce (but not terminate) the

Revolving Loan Commitment; PROVIDED, that (A) any such reductions shall be in a minimum amount of $5,000,000 and integral multiples of $250,000 in excess of such amount, (B) the Revolving Loan Commitment shall not be reduced to an amount less than the amount of the Revolving Loan plus the Swingline Loan then outstanding, and (C) after giving effect to such reductions, Borrowers shall comply with Section 1.3(b)(i). In addition, Borrowers may at any time on at least 10 days' prior written notice by Borrower Representative to Agent terminate the Revolving Loan Commitment; PROVIDED, that upon such termination, all Loans and other Obligations shall be immediately due and payable in full and all Letter of Credit Obligations shall be cash collateralized or otherwise satisfied in accordance with Annex B. Any such payment resulting from termination of the Revolving Loan Commitment must be accompanied by payment of all accrued and unpaid interest on the Loans and other Obligations and any LIBOR funding breakage costs in accordance with Section 1.13(b). Upon any such reduction or termination of the

Revolving Loan Commitment, each Borrower's right to request Revolving Credit Advances, or request that Letter of Credit Obligations be incurred on its behalf, or request Swing Line Advances, shall simultaneously be permanently reduced or terminated, as the case may be; PROVIDED, that a permanent reduction of the Revolving Loan Commitment shall not require a corresponding PRO RATA reduction in the L/C Sublimit. Each notice of partial prepayment shall designate the Borrower whose Revolving Credit Advances are to be repaid and identify the particular Revolving Credit Advances to be repaid.

(b) Mandatory Prepayments

(i) If at any time the aggregate outstanding balances of the Revolving Loan exceeds the lesser of (A) the Maximum Amount LESS the aggregate outstanding Swing Line Loan at such time and (B) the Aggregate Borrowing Base LESS the aggregate outstanding Swing Line Loan at such time, Borrowers shall immediately repay the aggregate outstanding Revolving Credit Advances to the extent required to eliminate such excess. If any such excess remains after repayment in full of the aggregate outstanding Revolving Credit Advances, Borrowers shall provide cash collateral for the Letter of Credit Obligations in the manner set forth in Annex B to the extent required to eliminate such excess. Furthermore, if, at any time, the outstanding balance of the Revolving Loan to any Borrower exceeds such Borrower's separate Borrowing Base LESS the outstanding balance of the Swing Line Loan to such Borrower, the applicable Borrower shall immediately repay its Revolving Credit Advances in the amount of such excess (and, to the extent necessary, provide cash collateral for its Letter of Credit Obligations as described above), PROVIDED, that as to any Revolving Advances consisting of H&E Great Northern Advances included in such Revolving Loan balance, "such Borrower's separate Borrowing Base" shall mean the Great Northern Borrowing Base.

(ii) Immediately upon receipt by any Credit Party of proceeds of any asset disposition (excluding proceeds of dispositions of Equipment Inventory and P&E permitted by Section 6.8 having an aggregate Net Book Value in any one Fiscal Year, not exceeding $500,000) or any sale of Stock of any Subsidiary of such Credit Party, Borrowers shall prepay the Loans in an amount equal to all such proceeds, net of (A) commissions and other reasonable and customary transaction costs, fees and expenses properly attributable to such transaction and payable by any Credit Party in connection therewith (in each case, paid to non-Affiliates), (B) amounts payable to holders of senior Liens (to the extent such Liens constitute Permitted Encumbrances hereunder), if any, on the assets so disposed and (C) transfer taxes plus an appropriate reserve for income taxes in accordance with GAAP in connection therewith. Any such prepayment shall, subject to Section 1.3(b)(iv), be applied in accordance with Section 1.3(c).

(iii) If any Credit Party issues Stock or any Indebtedness (other than Indebtedness permitted by Section 6.3) in excess of $1,000,000 in the aggregate of such Stock

and such Indebtedness, no later than the Business Day following the date of receipt of the cash proceeds thereof, the issuing Credit Party shall prepay the Loans in an amount

equal to all such proceeds, net of underwriting discounts and commissions and other reasonable costs paid to non-Affiliates in connection therewith; PROVIDED, that no such prepayment shall be required, so long as no Event of Default has occurred and is continuing, from the proceeds of any issuance of Stock by a Credit Party (i) to any director, officer or other employee of such Credit Party, the total proceeds of which do not exceed $5,000,000 in the aggregate, (ii) in connection with the Related Transactions, (iii) as consideration for any Person (other than any Affiliate of a Credit Party) providing permitted Indebtedness under Section 6.3, (iv) to any other Credit Party or (v) as consideration to any Person (other than an Affiliate) selling assets in any Permitted Acquisition. Any such prepayment shall, subject to Section 1.3(b)(iv), be applied in accordance with Section 1.3(c).

(iv) In the event that Section 1.3(b)(i), (ii) or (iii) shall require any prepayment to be made on a day other than an Interest Payment Date, then upon receipt of such prepayment and to the extent requested by any Borrower, Agent shall hold such amount as cash collateral (provided that the Borrower delivering the same shall have executed and delivered such documents as Agent shall have requested in connection with such cash collateral) and, so long as no Default or Event of Default shall have occurred and be continuing, shall not apply such cash collateral to the prepayment under the applicable paragraph of this Section 1.3 until the next succeeding Interest Payment Date. Such cash collateral shall be invested in Cash Equivalents as directed by such Borrower in accordance with such documents. Interest earned on such cash collateral shall accrue for the account of the Borrower providing the same, shall constitute additional cash collateral and (assuming no Default or Event of Default shall be continuing) shall be, to the extent remaining, applied to such prepayment on such next succeeding Interest Payment Date.

(c) Application of Certain Mandatory Prepayments

Any prepayments made by any Borrower or Credit Party pursuant to Section 1.3(b)(ii) or (iii) shall be applied as follows: FIRST, to Fees and reimbursable expenses of Agent then due and payable pursuant to any of the Loan Documents; SECOND, to Fees and any other fees and reimbursable expenses of Lenders then due and payable pursuant to any of the Loan Documents; THIRD, to interest then due and payable on the Swing Line Loan; FOURTH, to the principal balance of the Swing Line Loan until the same has been repaid in full; FIFTH, to interest then due and payable on the Revolving Credit Advances; SIXTH, to the outstanding principal balance of the Revolving Credit Advances until the same has been paid in full; SEVENTH, to any Letter of Credit Obligations, to provide cash collateral therefor in the manner set forth in Annex B and LAST to any other Obligations. So long as

no Event of Default is outstanding, the Borrowers may direct that any such prepayments be applied to Index Rate Loans to the extent outstanding, rather than LIBOR Loans. Neither the Revolving Loan Commitment nor the Swing Line Commitment shall be permanently reduced by the amount of any such prepayments; PROVIDED, that any prepayment made by any Borrower pursuant to Section 1.3(b)(iii) in connection with the issuance of Indebtedness shall also permanently reduce the Revolving Loan Commitment by the amount of such prepayment.

(d) Application of Prepayments from Insurance and Condemnation Proceeds

Prepayments from insurance or condemnation proceeds in accordance with Section 5.4 shall be applied first to the Swing Line Loans and second to the Revolving Credit Advances of the applicable Borrower. Neither the Revolving Loan Commitment nor the Swing Line Loan Commitment shall be permanently reduced by the amount of any such prepayments. So long as no Event of Default is outstanding, the Borrower Representative may direct that any such prepayments be applied to Index Rate Loans to the extent outstanding, rather than LIBOR Loans. If the insurance or condemnation proceeds received as to a particular Borrower exceed the Loans outstanding to such Borrower, such excess proceeds shall be applied to the Loans outstanding to other Borrowers.

(e) No Implied Consent

Nothing in this Section 1.3 shall be construed to constitute Agent's

or any Lender's consent to any transaction referred to in Sections 1.3(b)(ii) and 1.3(b)(iii) which is not permitted by other provisions of this Agreement or the other Loan Documents.

1.4 Use of Proceeds

Borrowers shall utilize the proceeds of the Revolving Loan and the Swing Line Loan solely for the Refinancing (and to pay any related transaction expenses), and for the financing of Borrowers' ordinary working capital and general corporate needs. Disclosure Schedule (1.4) contains a description of Borrowers' sources and uses of funds as of the Closing Date, including Revolving Credit Advances and Letter of Credit Obligations to be made or incurred on that date, and a funds flow memorandum detailing how funds from each source are to be transferred to particular uses.

1.5 Interest and Applicable Margins

(a) Borrowers shall pay interest to Agent, for the ratable benefit of Lenders in accordance with the various Revolving Credit Advances and Swing Line Loans being made by each Lender, and in respect of all unreimbursed Letters of Credit Obligations, in arrears on each applicable Interest Payment Date, at the following rates: (i) with respect to the Revolving Credit Advances and unreimbursed Letter of Credit Obligations and all other Obligations (other than LIBOR Loans and Swing Line Loans), the Index Rate PLUS the Applicable Revolver Index Margin per annum or, at the election of Borrower

Representative, the applicable LIBOR Rate PLUS the Applicable Revolver LIBOR Margin per annum, based on the aggregate Revolving Credit Advances outstanding from time to time; and (ii) with respect to the Swing Line Loan, the Index Rate PLUS the Applicable Revolver Index Margin per annum, based on the aggregate amount of the Swing Line Loan outstanding from time to time.

The Applicable Margins, on a per annum basis, are as follows:

APPLICABLE MARGIN AMOUNT
Applicable Revolver Index Margin 1.50%
Applicable Revolver LIBOR Margin 3.00%
Applicable L/C Margin 3.00%
Applicable Unused Line Fee Margin 0.50%

(b) If any payment on any Loan becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day (except as set forth in the definition of LIBOR Period) and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of Fees calculated on a per annum basis and interest shall be made by Agent on the basis of a three hundred sixty (360) day year, in each case for the actual number of days occurring in the period for which such interest and Fees are payable. The Index Rate is a floating rate determined for each day. Each determination by Agent of an interest rate and Fees hereunder shall be final, binding and conclusive on Borrowers, absent manifest error.

(d) So long as an Event of Default has occurred and is continuing, and at the election of Agent (or upon the written request of Requisite Lenders) confirmed by written notice from Agent to Borrower Representative, the interest rates applicable to the Loans and the

Letter of Credit Fees shall be increased by two percentage points (2%) per annum above the rates of interest or the rate of such Fees otherwise applicable hereunder ("DEFAULT RATE"), and all outstanding Obligations shall bear interest at the Default Rate applicable to such Obligations. Interest and Letter of Credit Fees at the Default Rate shall accrue from the initial date of such Event of Default until that Event of Default is cured or waived and shall be payable upon demand.

(e) So long as no Event of Default has occurred and is continuing, Borrower Representative shall have the option to (i) request that any Revolving Credit Advance be made as a LIBOR Loan, (ii) convert at any time all or any part of outstanding Loans (other than the Swing Line Loan) from Index Rate Loans to LIBOR Loans, (iii) convert any LIBOR Loan to an Index Rate Loan, subject to payment of LIBOR breakage costs in accordance with Section 1.13(b) if such conversion is made prior to the expiration of the LIBOR

Period applicable thereto, or (iv) continue all or any portion of any Loan (other than the Swing Line Loan) as a LIBOR Loan upon the expiration of the applicable LIBOR Period and the succeeding LIBOR Period of that continued Loan shall commence on the first day after the last day of the LIBOR Period of the Loan to be continued. Any Loan or group of Loans having the same proposed LIBOR Period to be made or continued as, or converted into, a LIBOR Loan must be in a minimum amount of $1,000,000 and integral multiples of $100,000 in excess of such amount. Any such election must be made by noon (New York time) on the third (3rd) Business Day prior to (1) the date of any proposed Advance which is to bear interest at the LIBOR Rate, (2) the end of each LIBOR Period with respect to any LIBOR Loans to be continued as such, or (3) the date on which the applicable Borrower wishes to convert any Index Rate Loan to a LIBOR Loan for a LIBOR Period designated by Borrower Representative in such election. If no election is received with respect to a LIBOR Loan by noon (New York time) on the third (3rd) Business Day prior to the end of the LIBOR Period with respect thereto (or if an Event of Default has occurred and is continuing), that LIBOR Loan shall be converted to an Index Rate Loan at the end of its LIBOR Period. Borrower Representative must make such election by notice to Agent in writing, by telecopy or overnight courier. In the case of any conversion or continuation, such election must be made pursuant to a written notice (a "NOTICE OF CONVERSION/CONTINUATION") in the form of Exhibit 1.5(e). No Loan may be made as or converted into a LIBOR Loan until the earlier of (i) forty-five (45) days after the Closing Date or (ii) completion of primary syndication as determined by Agent.

(f) Notwithstanding anything to the contrary set forth in this Section 1.5, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the "MAXIMUM LAWFUL RATE"), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate; PROVIDED, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrowers shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of Lenders, is equal to the total interest that would have been received had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 1.5(a) through (e) above, unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this paragraph shall again apply. In no event shall the total interest received by any Lender pursuant to the terms hereof exceed the amount that such Lender could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this

Section 1.5(f), a court of competent jurisdiction shall finally determine that a Lender has received interest hereunder in excess of the Maximum Lawful Rate, Agent shall, to the extent permitted by applicable law, promptly apply such excess in the order specified in Section 1.11 and thereafter shall refund any excess to Borrowers or

as a court of competent jurisdiction may otherwise order.

1.6 Eligible Accounts

All of the Accounts owned by any Borrower and reflected in the most recent Borrowing Base Certificate delivered by such Borrower to Agent shall be "ELIGIBLE ACCOUNTS" for purposes of this Agreement, except any Account to which any of the exclusionary criteria set forth below applies. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Accounts, in its reasonable credit judgment exercised in good faith; PROVIDED, that (i) any increase of any advance rate above its Original Advance Rate is subject to the approval of all Lenders and (ii) any adjustment by Agent to any criterion set forth below that results in such criterion being less restrictive than as in effect on the Closing Date shall be subject to approval of Requisite Lenders. Eligible Accounts shall not include any Account of any Borrower:

(a) which does not arise from the sale of goods or the performance of services by such Borrower in the ordinary course of its business;

(b) upon which (i) such Borrower's right to receive payment is contingent upon the fulfillment of any condition by such Borrower or (ii) such Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process;

(c) to the extent that any defense, counterclaim, setoff or dispute is asserted as to such Account;

(d) if the Account represents a progress billing consisting of an invoice for goods sold or used or services rendered pursuant to a contract under which the Account Debtor's obligation to pay that invoice is subject to such Borrower's completion of further performance under such contract;

(e) that is not a true and correct statement of bona fide indebtedness incurred in the amount of the Account for merchandise sold to or services rendered and accepted by the applicable Account Debtor;

(f) with respect to which an invoice, that is not unacceptable to Agent (in its reasonable judgment) in form and substance, has not been sent to the applicable Account Debtor;

(g) (i) that is not owned by such Borrower or (ii) to the extent it is subject to any right, claim, security interest or other interest of any other Person, other than Liens in favor of Agent, on behalf of itself and Lenders, and Trustee, on behalf of the holders of Senior Notes;

(h) that arises from a sale to any director, officer, other employee or Affiliate of any Credit Party, or to any entity that has any common officer or director with any Credit Party; PROVIDED, HOWEVER, that a sale to any Person that is an Affiliate or such an entity shall not be excluded under this paragraph (h) if such Person is an Affiliate or such an entity solely because it is controlled by BRS or a fund managed by BRS;

(i) that is the obligation of an Account Debtor that is the United States or Canadian government or a political subdivision thereof, or any state, county, province or municipality or department, agency or instrumentality thereof unless Agent, in its sole discretion, has agreed to the contrary in writing and such Borrower, if necessary or desirable, has complied with the Federal Assignment of Claims Act of 1940, any Canadian equivalent thereof, or any applicable state, county or municipal law restricting assignment thereof, with respect to such obligation; PROVIDED, so long as no Default or Event of Default shall have occurred and be continuing, Accounts described in this Section 1.6(i) and identified to the Agent pursuant to Section 5.10 shall be deemed Eligible Accounts to the extent such Accounts in the aggregate outstanding at any time do not exceed $1,500,000 and otherwise meet the eligibility criteria set forth in this Section 1.6;

(j) that is the obligation of an Account Debtor located in a foreign country other than Canada (excluding the provinces of Newfoundland, the Northwest Territories and the Territory of Nunavit), unless payment thereof is assured by a letter of credit assigned and delivered to Agent, reasonably satisfactory to Agent as to form, amount and issuer;

(k) to the extent such Borrower or any Subsidiary thereof is liable for goods sold or services rendered by the applicable Account Debtor to

such Borrower or any Subsidiary thereof but only to the extent of the potential offset;

(l) that arises with respect to goods that are delivered on a bill-and-hold, cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor is or may be conditional;

(m) that is in default; PROVIDED, that, without limiting the generality of the foregoing, an Account shall be deemed in default upon the occurrence of any of the following:

(i) the Account is not paid within the earlier of: sixty (60) days following its due date or ninety (90) days following its original invoice date;

(ii) the Account Debtor obligated upon such Account suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due; or

(iii) a petition is filed by or against any Account Debtor obligated upon such Account under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(n) that is the obligation of an Account Debtor if fifty percent (50%) or more of the Dollar amount of all Accounts owing by that Account Debtor are ineligible under the other criteria set forth in paragraph (m) of this Section 1.6;

(o) as to which Agent's Lien thereon, on behalf of itself and Lenders, is not a first priority perfected Lien;

(p) as to which any of the representations or warranties in the Loan Documents are untrue;

(q) to the extent such Account is evidenced by a judgment;

(r) to the extent such Account exceeds any credit limit established by Agent, in its reasonable credit judgment;

(s) that is payable in any currency other than Dollars; or

(t) that is otherwise unacceptable to Agent in its reasonable credit judgment.

1.6A Eligible Rolling Stock

All of the P&E owned by any Borrower and reflected in the most recent Borrowing Base Certificate delivered by such Borrower to Agent shall be "ELIGIBLE ROLLING STOCK" for purposes of this Agreement, except any P&E to which any of the exclusionary criteria set forth below applies. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Rolling Stock in its reasonable credit judgment; PROVIDED, that (i) any increase of any advance rate above its Original Advance Rate is subject to the approval of all Lenders and (ii) any adjustment by Agent to any criterion set forth below that results in such criterion being less restrictive than as in effect on the Closing Date shall be subject to approval of Requisite Lenders. Eligible Rolling Stock shall not include any P&E of any Borrower:

(a) that is not owned by such Borrower free and clear of all Liens and rights of any other person, except the Liens in favor of Agent, on behalf of itself and Lenders, and Collateral Agent on behalf of the holders of Senior Notes, and the rights of a lessee pursuant to any permitted lease of such P&E or Permitted Encumbrances;

(b) if such P&E (i) is not stored on premises owned, leased or rented by such Borrower and set forth in Disclosure Schedule (3.2), or (ii) following thirty (30) days after the Closing Date, is stored at a leased location in respect of which Agent has requested a landlord waiver, unless a reasonably satisfactory landlord waiver has been delivered to Agent, PROVIDED that Agent may, following thirty (30) days after the Closing Date, treat any such

P&E at any such location as Eligible Rolling Stock and, in lieu of

imposing the exclusionary criterion in this paragraph (b) to such P&E, impose a Reserve (without duplicating any Reserve established for other eligible collateral at such location as a consequence of the failure to obtain such landlord's waiver) in an amount not less than six month's rent for all such P&E stored at such location in respect of which such a landlord waiver has not been delivered, or (iii) is stored with a bailee or warehouseman unless a reasonably satisfactory, acknowledged bailee letter has been received by Agent and Reserves reasonably satisfactory to Agent have been established with respect thereto, (iv) is stored at an owned location subject to a mortgage in favor of a lender other than Agent unless a reasonably satisfactory mortgagee waiver requested by Agent has been delivered to Agent or (v) is anything other than automotive equipment, a trailer, a truck, a forklift, a motor vehicle or other rolling stock;

(c) that is covered by a certificate of title unless the interest of Agent in the P&E has been noted on such certificate of title in accordance with applicable law;

(d) that is excess, obsolete or damaged;

(e) that is held for sale or lease in the ordinary course of such Borrower's business;

(f) that is not subject to a first priority Lien in favor of Agent on behalf of itself and Lenders;

(g) as to which any of the representations or warranties pertaining to P&E set forth in the Loan Documents are untrue;

(h) that is not covered by casualty insurance as to which Agent is listed as loss payee in accordance with Section 5.4(c); or

(i) that is otherwise unacceptable to Agent in its reasonable credit judgment.

1.6B Eligible Rentals

All of the Rentals of each Borrower and reflected in the most recent Borrowing Base Certificate delivered by such Borrower to Agent shall be "ELIGIBLE RENTALS" for purposes of this Agreement, except any Rental to which any of the exclusionary criteria set forth below applies. In addition, Agent reserves the right, at any time and from time to time after the Closing Date to adjust any such criteria and to establish new criteria with respect to Eligible Rentals in its reasonable credit judgment, PROVIDED, that (i) any increase of any advance rate above its Original Advance Rate is subject to the approval of all Lenders and (ii) any adjustment by Agent of any criteria set forth below that results in such criteria being less restrictive than as in effect on the Closing Date shall be subject to the approval of Requisite Lenders. Eligible Rentals shall not include any Rental of any Borrower:

(a) not subject to a written lease agreement in the form attached as Exhibit 1.6B(a) or otherwise in form and substance acceptable to Agent;

(b) not subject to a first priority security interest of Agent on behalf of Lenders, perfected by possession of all Chattel Paper related to such Rental by possession or by the stamping of notice of Agent's security interest thereon;

(c) not due within ninety (90) days of the applicable date of determination;

(d) upon which such Borrower is not able to bring suit or otherwise enforce its remedies against the relevant lessee through judicial process;

(e) that (i) is not owned by such Borrower, (ii) is subject to any right, claim, security interest or other interest of any other Person, other than Liens in favor of Agent, on behalf of itself and Lenders or (iii) is subject to any counterclaim, dispute, offset or defense;

(f) that is the obligation of a lessee that is the United States or Canadian government or a political subdivision thereof, or any state, county, province or municipality or department, agency or instrumentality thereof unless Agent, in its sole discretion, has agreed to the contrary in writing and such Borrower, if necessary or desirable, has complied with the Federal Assignment of Claims Act of 1940, and any amendments thereto, its Canadian equivalent or any applicable state, county or municipal law restricting assignment

thereof, with respect to such obligation;

(g) that is the obligation of a lessee located in a foreign country other than Canada (excluding the province of Newfoundland, the Northwest Territories and the Territory of Nunavit), unless payment thereof is assured by a letter of credit, reasonably satisfactory to Agent as to form, amount and issuer;

(h) that is in default, or is due under a lease which is in default;

(i) if any lessee obligated upon such Rental suspends business, makes a general assignment for the benefit of creditors or fails to pay its debts generally as they come due;

(j) if any petition is filed by or against any lessee obligated upon such Rental under any bankruptcy law or any other federal, state or foreign (including any provincial) receivership, insolvency relief or other law or laws for the relief of debtors;

(k) that is the obligation of a lessee if fifty percent (50%) or more of the Dollar amount of all Rentals owing by that lessee are ineligible under the other criteria set forth in this Section 1.6B;

(l) as to which any of the representations or warranties in the Loan Documents are untrue;

(m) to the extent such Rental exceeds any credit limit established by Agent, in its reasonable credit judgment;

(n) that is payable in any currency other than Dollars; or

(o) that is otherwise unacceptable to Agent in its reasonable credit judgment.

1.7 Eligible Parts and Tools Inventory

All of the Parts and Tools Inventory owned by any Borrower and reflected in the most recent Borrowing Base Certificate delivered by such Borrower to Agent shall be "ELIGIBLE PARTS AND TOOLS INVENTORY" for purposes of this Agreement, except any Parts and Tools Inventory to which any of the exclusionary criteria set forth below applies. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Parts and Tools Inventory in its reasonable credit judgment; PROVIDED, that (i) any increase of any advance rate above its Original Advance Rate is subject to the approval of all Lenders and (ii) any adjustment by Agent to any criterion set forth below that results in such criterion being less restrictive than as in effect on the Closing Date shall be subject to approval of Requisite Lenders. Eligible Parts and Tools Inventory shall not include any Parts and Tools Inventory of any Borrower:

(a) that (i) is not owned by such Borrower free and clear of all Liens and rights of any other Person (including the rights of a purchaser that has made progress payments and the rights of a surety that has issued a bond to assure such Borrower's performance with respect to that Parts and Tools Inventory), except the Liens in favor of Agent, on behalf of itself and Lenders, and Collateral Agent, on behalf of the holders of Senior Notes, and Permitted Encumbrances in favor of landlords and bailees to the extent permitted in Section 5.9 hereof (subject to Reserves established by Agent in accordance with Section 5.9 hereof);

(b) (i) that is not located on premises owned, leased or rented by such Borrower and set forth in Disclosure Schedule (3.2), or (ii) following thirty (30) days after the Closing Date, is stored at a leased location in respect of which Agent has requested a landlord waiver, unless a reasonably satisfactory landlord waiver has been delivered to Agent, PROVIDED that Agent may, following thirty (30) days after the Closing Date, treat any such Parts and Tools Inventory at any such location as Eligible Parts and Tools Inventory and, in lieu of imposing the exclusionary criterion in this paragraph (b) to such Parts and Tools Inventory, impose a Reserve (without duplicating any Reserve established for other eligible collateral at such location as a consequence of the failure to obtain such landlord's waiver) in an amount not less than six month's rent for all Parts and Tools Inventory stored at such location in respect of which such a landlord waiver has not been delivered, or (iii) is stored with a bailee or warehouseman unless a reasonably satisfactory, acknowledged bailee letter has been received by Agent and Reserves reasonably satisfactory to Agent have been established with respect thereto, or (iv) is located at an owned location subject to a mortgage in favor of a lender other than

Agent unless a reasonably satisfactory mortgagee waiver requested by Agent has been delivered to Agent, or (v) is located at any site if the aggregate book value of Parts and Tools Inventory at any such location is less than $25,000;

(c) that is placed on consignment or is in transit;

(d) that is covered by a negotiable document of title, unless such document has been delivered to Agent with all necessary endorsements, free and clear of all Liens except those in favor of Agent and Lenders;

(e) that is excess, obsolete, unsalable or damaged;

(f) that consists of display items or packing or shipping materials, manufacturing supplies or work-in-process Inventory;

(g) that is not held for sale in the ordinary course of such Borrower's business;

(h) that is not subject to a first priority Lien in favor of Agent on behalf of itself and Lenders;

(i) as to which any of the representations or warranties pertaining to Parts and Tools Inventory set forth in the Loan Documents are untrue;

(j) that consists of Hazardous Materials or goods that can be transported or sold only with licenses that are not readily available;

(k) that is not covered by casualty insurance as to which Agent is listed as loss payee in accordance with Section 5.4(c); or

(l) that is otherwise unacceptable to Agent in its reasonable credit judgment.

1.7A Eligible Equipment Inventory

All of the Equipment Inventory owned by any Borrower and reflected in the most recent Borrowing Base Certificate delivered by such Borrower to Agent shall be "ELIGIBLE EQUIPMENT INVENTORY" for purposes of this Agreement, except any Equipment Inventory to which any of the exclusionary criteria set forth below applies. In addition, Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below, to establish new criteria and to adjust advance rates with respect to Eligible Equipment Inventory in its reasonable credit judgment; PROVIDED, that (i) any increase of any advance rate above its Original Advance Rate is subject to the approval of all Lenders and (ii) any adjustment by Agent to any criterion set forth below that results in such criterion being less restrictive than as in effect on the Closing Date shall be subject to approval of Requisite Lenders. Eligible Equipment Inventory shall not include any Equipment Inventory of any Borrower:

(a) that is not owned by such Borrower free and clear of all Liens and rights of any other person (including the rights of a purchaser that has made progress payments and the rights of a surety that has issued a bond to assure such Borrower's performance with respect to that Equipment Inventory), except the Liens in favor of Agent, on behalf of itself and Lenders, and Collateral Agent, on behalf of the holders of Senior Notes, and the

rights of a lessee pursuant to any permitted lease of such Equipment Inventory or Permitted Encumbrances;

(b) that (i) is not located on premises owned, leased or rented by such Borrower and set forth in Disclosure Schedule (3.2), or (ii) following thirty (30) days after the Closing Date, is stored at a leased location in respect of which Agent has requested a landlord waiver, unless a reasonably satisfactory landlord waiver has been delivered to Agent, PROVIDED that Agent may, following thirty (30) days after the Closing Date, treat any such Equipment Inventory stored at any such location as Eligible Equipment Inventory and, in lieu of imposing the exclusionary criterion in this paragraph (b) to such Equipment Inventory, impose a Reserve (without duplicating any Reserve established for other eligible collateral at such location as a consequence of the failure to obtain such landlord's waiver) in an amount not less than six month's rent for all Equipment Inventory stored at such location in respect of which such a landlord waiver

has not been delivered, or (iii) is stored with a bailee or warehouseman unless a reasonably satisfactory, acknowledged bailee letter has been received by Agent and Reserves reasonably satisfactory to Agent have been established with respect thereto, or (iv) is located at an owned location subject to a mortgage in favor of a lender other than Agent unless a reasonably satisfactory mortgagee waiver requested by Agent has been delivered to Agent, or (v) is leased to a lessee other than pursuant to a lease entered into in the ordinary course of business of such Equipment Inventory and is located at a site that is in the United States or Canada (excluding the provinces of Newfoundland, the Northwest Territories and the Territory of Nunavit);

(c) that is placed on consignment;

(d) that is covered by a negotiable document of title or a certificate of title unless such negotiable document has been delivered to Agent with all necessary endorsements free and clear of all Liens except those in favor of Agent and Lenders, or where it is required to perfect the security interest of Agent in the Equipment Inventory such certificate of title has been noted in such certificate of title in accordance with applicable law;

(e) that is obsolete, unsalable or damaged beyond repair;

(f) that is not held for sale or lease in the ordinary course of such Borrower's business;

(g) that is not subject to a first priority Lien in favor of Agent on behalf of itself and Lenders;

(h) as to which any of the representations or warranties pertaining to Equipment Inventory set forth in the Loan Documents are untrue;

(i) that is not covered by casualty insurance as to which Agent is listed as loss payee in accordance with Section 5.4(c); or

(j) that is otherwise unacceptable to Agent in its reasonable credit judgment.

1.8 Cash Management Systems

On or prior to the Closing Date, each Borrower will establish and will maintain until the Termination Date, the cash management systems described in Annex C (the "CASH MANAGEMENT SYSTEMS").

1.9 Fees

(a) Borrowers shall pay to GE Capital, individually, the Fees specified in that certain fee letter of even date herewith among Borrowers and GE Capital (the "GE CAPITAL FEE LETTER"), at the times specified for payment therein which shall include the annual Administrative Agent's fee, which will be due and payable on the Closing Date and on each anniversary thereof.

(b) As additional compensation for the Revolving Lenders, Borrowers agree to pay to Agent, for the ratable benefit of such Lenders, in arrears, on the first Business Day of each month prior to the Commitment Termination Date and on the Commitment Termination Date, a Fee for Borrowers' non-use of available funds in an amount equal to the Applicable Unused Line Fee Margin per annum (calculated on the basis of a 360 day year for actual days elapsed) multiplied by the difference between (x) the Maximum Amount (as it may be reduced from time to time) and (y) the average for the period of the daily closing balances of the aggregate Revolving Loan and the Swing Line Loan outstanding during the period for which such Fee is due.

(c) As additional compensation for the Agent, Borrowers agrees to pay to the L/C Issuer with respect to any Letter of Credit, at the time such Letter of Credit is issued or extended, a fronting fee in an amount equal to one quarter of one percent (0.25%) of the face amount of such Letter of Credit.

(d) Borrowers shall pay to Agent, for the ratable benefit of Revolving Lenders, the Letter of Credit Fee as provided in Annex B.

(e) In addition, and in addition to the costs of Equipment Inventory Appraisals, P&E Appraisals and Inspections, Borrowers agree to pay to Agent, which are due and payable as incurred, all out of pocket costs (including reasonable fees and expenses) paid by Agent to third party auditors, or a fee of $700 per audit day per in-house auditor, plus out of pocket expenses; PROVIDED, that Borrowers only agree to pay such costs and expenses in relation to (unless an Event

of Default has occurred and is continuing) not more than four (4) audits in the first twelve months following the Closing Date and not more than three (3) audits in any subsequent year (each such audit to be conducted, while no Event of Default is continuing, during an Inspection).

1.10 Receipt of Payments

Borrowers shall make each payment under this Agreement not later than 2:00 p.m. (New York time) on the day when due in immediately available funds in Dollars to the Collection Account. For purposes of computing interest and Fees and determining Borrowing Availability as of any date, all payments shall be deemed received on the Business Day on which immediately available funds therefor are received in the Collection Account prior to 2:00 p.m. New York time. Payments received after 2:00 p.m. New York time on any Business Day or on a day that is not a Business Day shall be deemed to have been received on the following Business Day.

1.11 Application and Allocation of Payments

(a) So long as no Event of Default has occurred and is continuing, (i) payments consisting of proceeds of Accounts received in the ordinary course of business shall be applied, first, to the Swing Line Loan and, second, to the Revolving Loan; (ii) voluntary prepayments shall be applied as determined by Borrower Representative, subject to the provisions of Section 1.3(a); and (iii) mandatory prepayments shall be applied as set forth in Section 1.3. As to any other payment, and as to all payments made when an Event of Default has occurred and is continuing or following the Commitment Termination Date, each Borrower hereby irrevocably waives the right to direct the application of any and all payments received from or on behalf of such Borrower, and each Borrower hereby irrevocably agrees that Agent shall have the continuing exclusive right to apply any and all such payments against the Obligations as Agent may deem advisable notwithstanding any previous entry by Agent in the Loan Account or any other books and records. In the absence of a specific determination by Agent with respect thereto, payments from any Borrower shall be applied to amounts then due and payable in the following order: FIRST, to Fees and reimbursable expenses then due and payable to Agent pursuant to any of the Loan Documents; SECOND, to Fees and any other fees and reimbursable expenses of Lenders then due and payable to Lenders pursuant to any of the Loan Documents; THIRD, to interest then due and payable on the Swing Line Loan; FOURTH, to the principal balance of the Swing Line Loan until the same has been repaid in full; FIFTH, to interest then due and payable on the Revolving Credit Advances; SIXTH, to the outstanding principal balance of the Revolving Credit Advances until the same has been paid in full; SEVENTH, to any Letter of Credit Obligations, to provide cash collateral therefor in the manner set forth in Annex B; and LAST to all other Obligations not described in clauses FIRST through SEVENTH, PRO RATA to the Agent and Lenders. Notwithstanding the foregoing, if, at the time of any application of any such payment the Commitment Termination Date has occurred, amounts then due under Hedging Agreements from any Borrower shall share (i) on a PRO RATA basis in applications referred to in clauses SIXTH and SEVENTH, until all Revolving Credit Advances have been paid in full, all Letter of Credit Obligations have been fully cash collateralized in the manner set forth in Annex B and all obligations of such Borrower under its Hedging Agreements have been paid in full.

(b) Agent is authorized to, and at its sole election may, charge to the Revolving Loan balance on behalf of each Borrower and cause to be paid all Fees, expenses, Charges, costs (including insurance premiums in accordance with Section 5.4(a)) and interest and principal, other than principal of the Revolving Credit Advances, due and owing by Borrowers under this Agreement or any of the other Loan Documents if and to the extent Borrowers fail to pay promptly any such amounts as and when due, even if the amount of such charges would exceed Borrowing Availability at such time or would cause the aggregate balance of the Revolving Loan and the Swing Line Loan of any Borrower to exceed such Borrower's separate Borrowing Base after giving effect to such charges. At Agent's option and to the extent permitted by law, any charges so made shall constitute part of the Revolving Loan hereunder.

1.12 Loan Account and Accounting

Agent, as agent of each Borrower solely for purposes of this Section 1.12, shall maintain and update from time to time a loan account (the "LOAN ACCOUNT") on its books to record: (a) all Advances, including

principal thereof and interest thereon, (b) all payments made by Borrowers and other Credit Parties, and (c) all other debits and credits as provided in this Agreement with respect to the Loans or any other Obligations. All entries in the Loan Account shall be made in accordance with Agent's customary accounting practices as in effect from time to time. The balance in the Loan Account, as recorded on Agent's most recent printout or other written statement, shall, absent manifest error, be presumptive evidence of the amounts due and owing to Agent and Lenders by each Borrower; PROVIDED, that any failure to so record or any error in so recording shall not limit or otherwise affect any Borrower's duty to pay the Obligations. Agent shall render to Borrower Representative a monthly accounting of transactions with respect to the Loans setting forth the balance of the Loan Account (including the principal of each Advance and interest thereon) as to each Borrower for the immediately preceding month. Unless Borrower Representative notifies Agent in writing of any objection to any such accounting (specifically describing the basis for such objection), within thirty (30) days after the date thereof, each and every such accounting shall (absent manifest error) be deemed final, binding and conclusive on Borrowers in all respects as to all matters reflected therein. Only those items expressly objected to in such notice shall be deemed to be disputed by Borrowers.

1.13 Indemnity

(a) Each Credit Party shall jointly and severally indemnify and hold harmless each of Agent, Arranger, Lenders and their respective Affiliates, and each such Person's respective officers, directors, employees, attorneys, agents and representatives (each, an "INDEMNIFIED PERSON"), from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents and the administration of such credit, and in

connection with or arising out of the transactions contemplated hereunder and thereunder and any actions or failures to act in connection therewith, including any and all Environmental Liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties to any of the Loan Documents (collectively, "INDEMNIFIED LIABILITIES"); PROVIDED, that no Credit Party shall be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results solely from that Indemnified Person's gross negligence or willful misconduct. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

(b) To induce Lenders to provide the LIBOR Rate option on the terms provided herein, if (i) any LIBOR Loans are repaid in whole or in part prior to the last day of any applicable LIBOR Period (whether that repayment is made pursuant to any provision of this Agreement or any other Loan Document or occurs as a the result of acceleration, by operation of law or otherwise), subject to Section 1.3(b)(iv); (ii) any Borrower shall default in payment when due of the principal amount of or interest on any LIBOR Loan; (iii) any Borrower shall refuse to accept any borrowing of, or shall request a termination of, any borrowing of, conversion into or continuation of, LIBOR Loans after Borrower has given notice requesting the same in accordance herewith; or (iv) any Borrower shall fail to make any prepayment of a LIBOR Loan after Borrower has given a notice thereof in accordance herewith, then Borrowers shall jointly and severally indemnify and hold harmless each Lender from and against all losses, costs and expenses resulting from or arising from any of the foregoing. Such indemnification shall include any loss (including loss of margin) or expense arising from the reemployment of funds obtained by it or from fees payable to terminate deposits from which such funds were obtained. For the purpose of calculating amounts payable to a Lender under this subsection, each Lender shall be deemed to have actually funded its relevant LIBOR Loan through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Loan and having a maturity comparable to the relevant LIBOR Period; PROVIDED, that each Lender may fund each of its LIBOR Loans in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of

amounts payable under this subsection. This covenant shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder. As promptly as practicable under the circumstances, each Lender shall provide the applicable Borrower with its written calculation of all amounts payable pursuant to this Section 1.13(b), and such calculation shall be binding on the parties hereto unless Borrower Representative

shall object in writing within 10 Business Days of receipt thereof, specifying the basis for such objection in detail.

1.14 Access

Each Credit Party shall, during normal business hours, from time to time upon reasonable advance notice as frequently as Agent reasonably determines to be appropriate: (a) provide Agent and any of its officers, employees and agents access to its properties, facilities, advisors and employees (including officers) of such Credit Party and to the Collateral, (b) permit Agent, and any of its officers, employees and agents, to inspect, audit and make extracts from such Credit Party's books and records, and (c) permit Agent, and its officers, employees and agents, to inspect, review, evaluate and make test verifications and counts of the Accounts, Inventory and other Collateral of such Credit Party (clauses (a), (b) and (c) collectively, "INSPECTIONS"). Borrower agrees to pay to Agent, which are due and payable as incurred, all out of pocket costs (including fees and expenses) incurred by Agent in relation to any Inspections; PROVIDED, that in addition to paying for Equipment Inventory Appraisals and P&E Appraisals, Borrowers only agree to pay such costs and expenses in relation to (unless an Event of Default has occurred and is continuing) not more than four (4) Inspections in the first twelve months following the Closing Date and not more than three (3) Inspections in any subsequent year. If an Event of Default has occurred and is continuing or if action is necessary to preserve or protect the Collateral as determined by Agent, each Credit Party shall provide such access to Agent and to each Lender at all times and without advance notice. Furthermore, so long as any Event of Default has occurred and is continuing, each Borrower shall provide Agent and each Lender with access to its suppliers and customers. Each Credit Party shall make available to Agent and its counsel, as quickly as is possible under the circumstances, originals or copies of all books and records that Agent may reasonably request. Each Credit Party shall deliver any document or instrument necessary for Agent, as it may from time to time reasonably request, to obtain records from any service bureau or other Person that maintains records for such Credit Party, and shall maintain duplicate records or supporting documentation on media consistent with reasonable commercial standards, including computer tapes and discs owned by such Credit Party. Agent will give Lenders at least five (5) days' prior written notice of regularly scheduled Inspections. Representatives of other Lenders may accompany Agent's representatives on regularly scheduled audits at no charge to any Credit Party.

1.15 Taxes

(a) Any and all payments by each Credit Party hereunder (including any payments made pursuant to Section 12) or under the Notes shall be made, in accordance with this Section 1.15, free and clear of and without deduction for any and all present or future Taxes, unless required by law. If any Credit Party shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder (including any sum payable pursuant to Section 12) or under the Notes, (i) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 1.15) Agent or

Lenders, as applicable, receive an amount equal to the sum they would have received had no such deductions been made, (ii) such Credit Party shall make such deductions, and (iii) such Credit Party shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Within thirty (30) days after the date of any payment of Taxes, Borrower Representative shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof. Agent and Lenders shall not be obligated to return or refund any amounts received pursuant to this Section, except that in the event a Lender or Agent receives a refund of, or credit with respect to, any Taxes paid (directly or indirectly) by a Credit Party pursuant to Section 1.15(a) or Section 1.15(b), such Lender or Agent, as applicable, shall pay the amount of such refund or credit to such Credit Party within thirty (30) days of receipt of such refund or application of such credit; PROVIDED that the

calculation of such refund or credit shall be determined solely by such Lender or Agent, as applicable.

(b) Each Credit Party shall jointly and severally indemnify and, within ten (10) days of demand therefor, pay Agent and each Lender for the full amount of Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this Section 1.15) paid by Agent or such Lender, as appropriate, and any liability (including penalties and interest, neither of which are the result of gross negligence by Agent or such Lender, and reasonable expenses) arising therefrom or with respect thereto.

(c) Each Lender organized under the laws of a jurisdiction outside the United States (a "FOREIGN LENDER") as to which payments to be made under this Agreement or under the Notes are exempt from United States withholding tax under an applicable statute or tax treaty shall provide to Borrower Representative and Agent, at the time such Foreign Lender becomes a party to this Agreement, a properly completed and executed IRS Form W-8ECI or Form W-8BEN or other applicable form, certificate or document prescribed by the IRS or the United States certifying as to such Foreign Lender's entitlement to such exemption (a "CERTIFICATE OF EXEMPTION"). Any foreign Person that seeks to become a Lender under this Agreement shall provide a Certificate of Exemption to Borrower Representative and Agent prior to becoming a Lender hereunder, and each Foreign Lender shall complete all further documentation reasonably requested by Borrower Representative or the Agent required to establish and maintain such withholding exemption. No foreign Person may become a Lender hereunder if such Person fails to deliver a Certificate of Exemption in advance of becoming a Lender.

1.16 Capital Adequacy; Increased Costs; Illegality

(a) If any Lender shall have determined in good faith that any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by any Lender with any request or directive regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law), in each case adopted after the Closing Date, from any central bank or other Governmental Authority increases or would

have the effect of increasing the amount of capital, reserves or other funds required to be maintained by such Lender and thereby reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder, then Borrowers shall from time to time upon written demand by such Lender (with a copy of such demand to Agent) pay to Agent, for the account of such Lender, additional amounts sufficient to compensate such Lender for such reduction. A certificate as to the amount of that reduction and showing the basis of the computation thereof submitted by such Lender to Borrower Representative and to Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

(b) If, due to either (i) the introduction of or any change in any law or regulation (or any change in the interpretation thereof) or (ii) the compliance with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in each case adopted after the Closing Date, there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining any Loan (excluding for purposes of this Section 1.16(b) Taxes, as to which Section 1.15 shall govern), then Borrowers shall from time to time, upon written demand by such Lender (with a copy of such demand to Agent), pay to Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to Borrower Representative and to Agent by such Lender, shall be conclusive and binding on Borrowers for all purposes, absent manifest error. Each Lender agrees that, as promptly as practicable after it becomes aware of any circumstances referred to above which would result in any such increased cost, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by Borrowers pursuant to this Section 1.16(b).

(c) Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law or regulation (or any change in the interpretation thereof) shall make it unlawful, or any central bank or other Governmental Authority shall assert that it is unlawful, for any Lender to agree to make or to make or to continue to fund or maintain any LIBOR Loan, then, unless that Lender is able to make or to continue to fund or to maintain such LIBOR Loan at

another branch or office of that Lender without, in that Lender's good faith opinion, adversely affecting it or its Loans or the income obtained therefrom, on written notice thereof and written demand therefor by such Lender to Borrower Representative through Agent, (i) the obligation of such Lender to agree to make or to make or to continue to fund or maintain LIBOR Loans shall terminate and (ii) each Borrower shall forthwith prepay in full all outstanding LIBOR Loans owing by such Borrower to such Lender, together with interest accrued thereon, unless such Borrower, within five (5) Business Days after the delivery of such notice and demand, converts all LIBOR Loans into Index Rate Loans.

(d) Within fifteen (15) days after receipt by Borrower Representative of written notice and demand from any Lender (an "AFFECTED LENDER") for payment of additional amounts, increased costs or reserve costs as provided in Section 1.15(a), 1.15(b), 1.16(a), 1.16(b) or 1.16(c), Borrower Representative may, at its option, notify Agent and such Affected Lender of its intention to replace the Affected Lender. So long as no Default or Event of Default has occurred and is continuing, Borrower Representative, with the consent of Agent not to be unreasonably withheld, may obtain, at Borrowers' expense, a replacement Lender ("REPLACEMENT LENDER") for the Affected Lender, which Replacement Lender must be reasonably satisfactory to Agent. If Borrower Representative obtains a Replacement Lender within ninety (90) days following notice of its intention to do so, the Affected Lender must sell and assign (in accordance with the register requirements for assignments in Section 9.1) its Loans and Commitments to such Replacement Lender for an amount equal to the principal balance of all Loans held by the Affected Lender and all accrued interest and Fees with respect thereto through the date of such sale, PROVIDED, that Borrowers shall have reimbursed such Affected Lender for the additional amounts or increased costs that it is entitled to receive under this Agreement through the date of such sale and assignment. Notwithstanding the foregoing, Borrowers shall not have the right to obtain a Replacement Lender if the Affected Lender rescinds its demand for increased costs or additional amounts within fifteen (15) days following its receipt of Borrower Representative's notice of intention to replace such Affected Lender. Furthermore, if Borrower Representative gives a notice of intention to replace and does not so replace such Affected Lender within ninety (90) days thereafter, Borrowers' rights under this Section 1.16(d) shall terminate and Borrowers shall promptly pay all increased costs or additional amounts demanded by such Affected Lender pursuant to Sections 1.15(a), 1.16(a) and 1.16(b).

(e) Notwithstanding the provisions of Section 1.16(a) and (b), if any Lender fails to notify Borrower Representative of any event or circumstance which will entitle such Lender to compensation pursuant to Section 1.16(a) or (b) within 180 days after such Lender becomes aware of such event or occurrence, then such Lender shall not be entitled to compensation from Borrowers for any amount arising prior to the date which is 180 days before the date of such notice to Borrower Representative.

1.17 Single Loan

All Loans to each Borrower and all of the other Obligations of each Borrower arising under this Agreement and the other Loan Documents shall constitute one general obligation of that Borrower secured, until the Termination Date, by all of the Collateral.

2. CONDITIONS PRECEDENT

2.1 Conditions to the Initial Loans

No Lender shall be obligated to make any Loan to, or incur any Letter of Credit Obligations on the Closing Date, or to take, fulfill or perform any other action hereunder, until the following conditions have been satisfied or provided for in a manner satisfactory to Agent, or waived in writing by Agent and Lenders:

(a) Credit Agreement; Loan Documents

This Agreement or counterparts hereof shall have been duly executed by, and delivered to, each Credit Party, Agent and Lenders; and Agent shall have received such documents, instruments, agreements and legal opinions as Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including all those listed in the Closing Checklist attached hereto as Annex D, each in form and substance reasonably

satisfactory to Agent.

(b) Repayment of Prior Obligations; Satisfaction of Outstanding L/Cs

(i) Agent shall have received fully executed originals of pay-off letters reasonably satisfactory to Agent confirming that all of the Prior Obligations will be repaid in full from the proceeds of the initial Revolving Credit Advance and all Liens upon any of the property of Borrowers or any of their Subsidiaries in favor of any Prior Lender shall be terminated by such Prior Lender immediately upon such payment; and

(ii) all letters of credit issued or guaranteed by such Prior Lender shall have been terminated, cash collateralized, supported by a guaranty of Agent or supported by a Letter of Credit issued pursuant to Annex B, as mutually agreed upon by Agent, Borrowers and such Prior Lender.

(c) Approvals

Agent shall have received (i) reasonably satisfactory evidence that each Credit Party has obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Loan Documents and the consummation of the Related Transactions or (ii) a certificate of an Authorized Officer in form and substance reasonably satisfactory to Agent affirming that no such consents or approvals are required.

(d) Opening Availability

The Eligible Accounts, Eligible Rentals, Eligible Parts and Tools Inventory, Eligible Rolling Stock and Eligible Equipment Inventory supporting the initial Revolving Credit Advance and the initial Letter of Credit Obligations incurred and the amount of the

Reserves to be established on the Closing Date shall be sufficient in value, as determined by Agent, to provide Borrowers, collectively, with Borrowing Availability, after giving effect to the initial Revolving Credit Advance made to each Borrower, the incurrence of any initial Letter of Credit Obligations and the consummation of the Related Transactions (on a PRO FORMA basis, with trade payables being paid currently, and expenses and liabilities being paid in the ordinary course of business and without acceleration of sales) of at least $50,000,000.

(e) Payment of Fees

Borrowers shall have paid the Fees required to be paid on the Closing Date in the respective amounts specified in Section 1.9 (including the Fees specified in the GE Capital Fee Letter), and shall have reimbursed Agent for all fees, costs and expenses of closing presented as of the Closing Date in accordance with Section 11.3.

(f) Capital Structure: Other Indebtedness

The organizational documents, terms of equity interests, capital structure of each Credit Party and the terms and conditions of all Indebtedness of each Credit Party shall be reasonably acceptable to Agent.

(g) Due Diligence

Agent shall have completed its business and legal due diligence with results reasonably satisfactory to Agent.

(h) Funding of Senior Debt

Agent shall have received (i) evidence satisfactory to it that Borrowers shall have received not less than (x) $200,000,000 (less discounts and commissions) in cash in consideration of the issuance of Senior Notes pursuant to the Senior Note Indenture and (y) $50,000,000 (less discounts and commissions) in cash in consideration of the issuance of Senior Subordinated Notes pursuant to the Senior Subordinated Note Indenture, (ii) fully executed copies of the Senior Note Indenture and Senior Subordinated Note Indenture in form and substance reasonably satisfactory to it and (iii) the Intercreditor Agreement, executed and delivered on behalf of the Collateral Agent.

(i) Consummation of Related Transactions

Agent shall have received fully executed copies of the Contribution Agreement and Plan of Reorganization and each of the other Related Transactions Documents, each of which shall be in form and substance reasonably satisfactory to Agent and its counsel. The Mergers and the other Related Transactions shall have been consummated in accordance with the terms of the Contribution Agreement and Plan of Reorganization and the other Related Transaction Documents.

2.2 Further Conditions to Each Loan

Except as otherwise expressly provided herein, no Lender shall be obligated to fund any Advance, convert or continue any Loan as a LIBOR Loan or incur any Letter of Credit Obligation, if, as of the date thereof:

(a) (i) any representation or warranty by any Credit Party contained herein or in any other Loan Document is untrue or incorrect as of such date in any material respect, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by this Agreement and (ii) Agent or Requisite Lenders have determined not to make such Advance, convert or continue any Loan as a LIBOR Loan or incur such Letter of Credit Obligation as a result of the fact that such warranty or representation is untrue or incorrect; or

(b) (i) any event or circumstance having a Material Adverse Effect has occurred since the date hereof as determined by the Requisite Lenders and (ii) Agent or Requisite Lenders have determined not to make such Advance, convert or continue any Loan as a LIBOR Loan or incur such Letter of Credit Obligation as a result of the fact that such event or circumstance has occurred; or

(c) (i) any Default or Event of Default has occurred and is continuing or would result after giving effect to any Advance (or the incurrence of any Letter of Credit Obligation), and (ii) Agent or Requisite Lenders shall have determined not to make any Advance, convert or continue any Loan as a LIBOR Loan or incur any Letter of Credit Obligation as a result of such Default or Event of Default; or

(d) after giving effect to any Advance (or the incurrence of any Letter of Credit Obligations), (i) the outstanding principal amount of the aggregate Revolving Loan would exceed the lesser of the Aggregate Borrowing Base and the Maximum Amount, in each case, LESS the aggregate outstanding Swing Line Loan at such time, or (ii) the outstanding principal amount of the Revolving Loan to the applicable Borrower would exceed such Borrower's separate Borrowing Base LESS the aggregate outstanding Swing Line Loan at such time, to that Borrower; or

(e) after giving effect to any Swing Line Advance, the outstanding principal amount of the Swing Line Loan would exceed Swing Line Availability.

The request and acceptance by any Borrower of the proceeds of any Advance, the incurrence of any Letter of Credit Obligations or the conversion or continuation of any Loan into, or as, a LIBOR Loan, shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by such Borrower that the conditions in this Section 2.2 have been satisfied and (ii) a reaffirmation by such Borrower of the cross-guaranty provisions set forth in Section 12 and of the granting and continuance of Agent's Liens, on behalf of itself and Lenders, pursuant to the Collateral Documents.

3. REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans and to incur Letter of Credit Obligations, each Credit Party, jointly and severally, makes the following representations and warranties to Agent and each Lender, with respect to all Credit Parties, each and all of which shall survive the execution and delivery of this Agreement.

3.1 Corporate or Limited Liability Company Existence; Compliance with Law

Each Credit Party (a) is a limited liability company or corporation, as applicable, duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization or incorporation set forth in Disclosure Schedule (3.1); (b) is duly qualified to conduct business and is in good standing in each other jurisdiction where its

ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not result in exposure to losses, damages or liabilities in excess of $50,000; (c) has the requisite corporate or limited liability company, as applicable, power and authority and the legal right to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease and to conduct its business as is now, heretofore and is proposed to be conducted; (d) has all material licenses, permits, consents or approvals from or by, and has made all material filings with, and has given all material notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct; (e) is in compliance with its charter and bylaws or certificate of formation and operating agreement, as applicable; and (f) subject to specific representations set forth herein regarding ERISA, Environmental Laws, tax and other laws, is in compliance with all applicable provisions of law; except in the case of clauses (b), (d) and (f) of this Section 3.1, where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.2 Executive Offices; Collateral Locations; FEIN

As of the Closing Date, the current location of each Credit Party's chief executive office and the warehouses and premises at which any Collateral is located are set forth in Disclosure Schedule (3.2), and none of such locations has changed within the 12 months preceding the Closing Date. In addition, Disclosure Schedule (3.2) lists the jurisdiction of organization, organizational identification number, if any, and federal employer identification number of each Credit Party.

3.3 Corporate or Limited Liability Company Power, Authorization, Enforceable Obligations

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party and the creation of all Liens provided for therein: (a) are within such Credit Party's corporate or limited liability company, as applicable, power; (b) have been duly authorized by all necessary corporate, limited liability company, shareholder and member action, as applicable; (c) do not contravene any provision of such Credit Party's certificate of formation, operating agreement, charter or by-laws, as applicable; (d) do not violate any law or regulation, or any order

or decree of any court or Governmental Authority; (e) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Credit Party is a party or by which such Credit Party or any of its property is bound that alone or in the aggregate could reasonably be expected to have a Material Adverse Effect; (f) do not result in the creation or imposition of any Lien upon any of the property of such Credit Party other than Permitted Encumbrances or those in favor of Agent, on behalf of itself and Lenders, pursuant to the Loan Documents; and (g) do not require the consent or approval of any Governmental Authority or any other Person, except those referred to in Section 2.1(c), all of which will have been duly obtained, made or complied with prior to the Closing Date. Each of the Loan Documents shall be duly executed and delivered by each Credit Party that is a party thereto and each such Loan Document shall constitute a legal, valid and binding obligation of such Credit Party enforceable against it in accordance with its terms, subject to any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and to general principles of equity.

3.4 Financial Statements and Projections

Except for the Projections, the Fair Salable Balance Sheet and the Financial Statements referenced in items (a)(iii) and (a)(iv) below, all Financial Statements concerning any Credit Party and its Subsidiaries that are referred to below have been prepared in accordance with GAAP consistently applied throughout the periods covered (except as disclosed therein and except, with respect to unaudited Financial Statements, for the absence of footnotes and normal year-end audit adjustments) and present fairly in all material respects the financial position of the Persons covered thereby as at the dates thereof and the results of their operations and cash flows for the periods then ended.

(a) Financial Statements

The following Financial Statements attached hereto as Disclosure Schedule (3.4(a)) have been delivered on the date hereof:

(i) The audited consolidated and consolidating balance sheets at

December 31, 2001 and the related statements of income and cash flows of ICM and its Subsidiaries for the Fiscal Year then ended certified by KPMG Peat Marwick LLP.

(ii) The audited consolidated and consolidating balance sheets as of December 31, 2001 and the related statements of income and cash flows of Gulf Wide and its Subsidiaries for the Fiscal Year then ended, certified by KPMG Peat Marwick LLP.

(iii) The unaudited balance sheets as of March 31, 2002 and the related statements of income and cash flows of ICM and its Subsidiaries for the Fiscal Quarter then ended.

(iv) The unaudited balance sheets as of March 31, 2002 and the related statements of income and cash flows of Gulf Wide and its Subsidiaries for the Fiscal Quarter then ended.

(b) Pro Forma

The Pro Forma delivered on or prior to the date hereof and attached hereto as Disclosure Schedule (3.4(b)) was prepared by Borrowers giving PRO FORMA effect to the Related Transactions, was based on the unaudited consolidated and consolidating balance sheets of ICM and its Subsidiaries dated March 31, 2002, Head & Engquist Equipment and its Subsidiaries dated March 31, 2002 and Gulf Wide and its Subsidiaries dated March 31, 2002 and was prepared in accordance with GAAP, with only such adjustments thereto as would be required in accordance with GAAP.

(c) Projections

The Projections delivered on or prior to the date hereof and attached hereto as Disclosure Schedule (3.4(c)) have been prepared by Borrowers in light of the past operations of their businesses, but including future payments of known contingent liabilities reflected on the Fair Salable Balance Sheet, and reflect projections for the five (5) year period beginning on January 1, 2002 on a quarter by quarter basis for the first year and on a year by year basis thereafter. The Projections are based upon estimates and assumptions stated therein, all of which Borrowers believe to be reasonable and fair in light of current conditions and current facts known to Borrowers and, as of the Closing Date, reflect Borrowers' good faith and reasonable estimates of the future financial performance of Borrowers and of the other information projected therein for the period set forth therein.

(d) Fair Salable Balance Sheet

The Fair Salable Balance Sheet delivered on or prior to the date hereof and attached hereto as Disclosure Schedule (3.4(d)) was prepared by Borrowers on the same basis as the Projections, except that Borrowers' assets are set forth therein at their fair salable values on a going concern basis and the liabilities set forth therein include all contingent liabilities of Borrowers stated at the reasonably estimated present values thereof.

3.5 Material Adverse Effect

Between December 31, 2001 and the Closing Date: (a) none of the Credit Parties has incurred any obligations, contingent or noncontingent liabilities, liabilities for Charges, long-term leases or unusual forward or long-term commitments that are not reflected in the Pro Forma and that, alone or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (b) no contract, lease or other agreement or instrument has been entered into by any Credit Party or has become binding upon any Credit Party's assets and no law or regulation applicable to any Credit Party has been adopted that has had or could reasonably be expected to have a Material Adverse Effect, and (c) no Credit Party is in default and to the best of any Credit Party's knowledge no

third party is in default under any material contract, lease or other agreement or instrument, that alone or in the aggregate could reasonably be expected to have a Material Adverse Effect. Between December 31, 2001 and the Closing Date no event has occurred, that alone or together with other events, could reasonably be expected to have a Material Adverse Effect. For all purposes of this Section 3.5, the entering into of the Related Transaction Documents and the consummation of the Related Transactions shall be deemed not to have a Material Adverse Effect.

3.6 Ownership of Property; Liens

(a) As of the Closing Date, the real estate (together with any real property acquired by any Borrower or Guarantor after the Closing Date, "REAL ESTATE") designated as such and listed in Disclosure Schedule (3.6) constitutes all of the real property owned, leased, subleased, or operated by any Credit Party. Except as disclosed in Disclosure Schedule (3.6), each Credit Party owns good and marketable fee simple title to all of its owned Real Estate, and valid and marketable leasehold interests in all of its leased Real Estate, all as more particularly described on such schedule, and copies of all such leases or a summary of terms thereof reasonably satisfactory to Agent have been delivered to Agent. Disclosure Schedule (3.6) further describes any Real Estate with respect to which any Credit Party is a lessor, sublessor or assignor as of the Closing Date. Each Credit Party also has good and marketable title to, or valid leasehold interests in, all of its personal properties and assets, including, without limitation, those titled vehicles described in Disclosure Schedule (3.6) (the "TITLED VEHICLES"). As of the Closing Date, none of the properties and assets of any Credit Party are subject to any Liens other than Permitted Encumbrances, and there are no facts, circumstances or conditions known to any Credit Party that may result in any Liens (including Liens arising under Environmental Laws) other than Permitted Encumbrances. Except as described in Disclosure Schedule (3.6), each Credit Party has received all deeds, certificates of title, assignments, waivers, consents, nondisturbance and attornment or similar agreements, bills of sale and other documents, and has duly effected all recordings, filings and other actions necessary to establish, protect and perfect such Credit Party's right, title and interest in and to all such Real Estate and other properties and assets including, without limitation, the Titled Vehicles. Disclosure Schedule (3.6) also describes any purchase options, rights of first refusal or other similar contractual rights pertaining to any Real Estate. No portion of any Credit Party's Real Estate has suffered any material damage by fire or other casualty loss that has not heretofore been repaired and restored in all material respects to its original condition or otherwise remedied. All material permits required to have been issued or appropriate to enable the Real Estate to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect.

3.7 Labor Matters

As of the Closing Date (a) no strikes or other material labor disputes against any Credit Party are pending or, to any Credit Party's knowledge, threatened that could reasonably be expected to have a Material Adverse Effect; (b) hours worked by and payment made to employees of each Credit Party comply in all material respects with the Fair Labor Standards Act and each other federal, state, local or foreign law applicable to such matters; (c) all payments due from any Credit Party for employee health and welfare insurance have been paid or accrued as a liability on the books of such Credit Party; (d) except as set forth in Disclosure Schedule (3.7), no Credit Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement, employment agreement, bonus, restricted stock, stock option, stock appreciation plan or agreement or any similar plan, agreement or arrangement (and true and complete copies of any agreements described in Disclosure Schedule (3.7) have been delivered to Agent); (e) except as set forth in Disclosure Schedule (3.7), there is no organizing activity involving any Credit Party pending or, to any Credit Party's knowledge, threatened by any labor union or group of employees; (f) except as set forth in Disclosure Schedule (3.7), there are no representation proceedings pending or, to any Credit Party's knowledge, threatened with the National Labor Relations Board, and no labor organization or group of employees of any Credit Party has made a pending demand for recognition; and (g) except as set forth in Disclosure Schedule (3.7), there are no complaints or charges against any Credit Party pending or, to the knowledge of any Credit Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by any Credit Party of any individual that could reasonably be expected to have a Material Adverse Effect.

3.8 Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness

Except as set forth in Disclosure Schedule (3.8), as of the Closing Date, no Credit Party has any Subsidiaries, is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All of the issued and outstanding Stock of each Credit Party is owned by each of the members or Stockholders, as applicable, and in the amounts set forth in Disclosure Schedule (3.8). Except as set forth in

Disclosure Schedule (3.8), there are no outstanding rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party may be required to issue, sell, repurchase or redeem any of its Stock or other equity securities or any Stock or other equity securities of its Subsidiaries. All outstanding Indebtedness and Guaranteed Indebtedness of each Credit Party as of the Closing Date is described in Section 6.3 (including Disclosure Schedule (6.3)). None of the Credit Parties other than Borrowers has any assets (except Stock of their Subsidiaries) or any Indebtedness or Guaranteed Indebtedness (except the Obligations). No Credit Party has any outstanding Indebtedness or true lease obligations secured by a Lien described in Section 6.7(c) or Section 6.7(d) except as described in Disclosure Schedule (6.3) under the heading "Vendor Financings."

3.9 Government Regulation

No Credit Party is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940. No Credit Party is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, or any other federal or state statute that restricts or limits its ability to incur Indebtedness or to perform its obligations hereunder. The making of the Loans by Lenders to Borrowers, the incurrence of the Letter of Credit Obligations on behalf of Borrowers, the application of the proceeds thereof and repayment thereof and the consummation of the Related Transactions will not violate any provision of any such statute or any rule, regulation or order issued by the Securities and Exchange Commission.

3.10 Margin Regulations

No Credit Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "MARGIN STOCK"). No Credit Party owns any Margin Stock, and none of the proceeds of the Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any of the Loans or other extensions of credit under this Agreement to be considered a "purpose credit" within the meaning of Regulations T, U or X of the Federal Reserve Board. No Credit Party will take or permit any Subsidiary to take any action that might cause any Loan Document to violate any regulation of the Federal Reserve Board.

3.11 Taxes

All tax returns, reports and statements, including information returns, required by any Governmental Authority to be filed by any Credit Party have been filed with the appropriate Governmental Authority and all Charges have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof (or any such fine, penalty, interest, late charge or loss has been paid), except (a) Charges or other amounts being contested in accordance with Section 5.2(b) or (b) to the extent that the failure to file or pay could not reasonably be expected to result in a Material Adverse Effect. Proper and accurate amounts have been withheld by each Credit Party from its respective employees for all periods in full and complete compliance with all applicable federal, state, local and foreign laws and such withholdings have been timely paid to the respective Governmental Authorities. Disclosure Schedule (3.11) sets forth as of the Closing Date those taxable years for which any Credit Party's tax returns are currently being audited by the IRS or any other applicable Governmental Authority and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding. Except as described in Disclosure Schedule (3.11), no Credit Party has executed or filed with the IRS or any other Governmental Authority any agreement or

other document extending, or having the effect of extending, the period for assessment or collection of any Charges. None of the Credit Parties or their respective predecessors are liable for any Charges: (a) under any agreement (including any tax sharing agreements) or (b) to any Credit Party's knowledge, as a transferee. As of the Closing Date, no Credit Party has agreed or been requested to make any adjustment under IRC Section 481(a), by reason of a change in accounting method or otherwise, which would have a Material Adverse Effect.

3.12 ERISA

(a) Disclosure Schedule (3.12) lists all Plans and separately identifies all Pension Plans, including Title IV Plans, Multiemployer Plans and Welfare Plans, including all Retiree Welfare Plans. Copies of all Title IV Plans, together with a copy of the latest IRS/DOL 5500-series form for each such Title IV Plan, have been made available to Agent. Except as would not reasonably be expected to have a Material Adverse Effect (i) except with respect to Multiemployer Plans, each Qualified Plan has received a favorable determination letter from the IRS, and nothing has occurred that would cause the loss of such Qualified Plans qualification; (ii) each Plan is in compliance in all material respects with the applicable provisions of ERISA and the IRC, including the timely filing of all reports required under the IRC or ERISA; (iii) neither any Credit Party nor any ERISA Affiliate has failed to make any contribution or pay any amount due as required by either Section 412 of the IRC or Section 302 of ERISA or the terms of any Title IV Plan; and (iv) no Credit Party or any ERISA Affiliate has engaged in a "prohibited transaction", as defined in Section 406 of ERISA and Section 4975 of the IRC, that will subject any Credit Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the IRC.

(b) Except as set forth in Disclosure Schedule (3.12): (i) no Title IV Plan has any material Unfunded Pension Liability; (ii) no ERISA Event or event described in Section 4062(e) of ERISA with respect to any Title IV Plan has occurred or is reasonably expected to occur that could reasonably be expected a Material Adverse Effect; (iii) there are no pending, or to the knowledge of any Credit Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Plan or any Person as fiduciary or sponsor of any Plan that could reasonably be expected to have a Material Adverse Effect; (iv) no Credit Party or ERISA Affiliate has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect; (v) within the last five years no Title IV Plan of any Credit Party or ERISA Affiliate has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, nor has any Title IV Plan of any Credit Party or any ERISA Affiliate (determined at any time within the last five years) with Unfunded Pension Liabilities been transferred outside of the "controlled group" (within the meaning of Section 4001(a)(14) of ERISA) of any Credit Party or ERISA Affiliate (determined at the time of any such transfer).

3.13 No Litigation

No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of any Credit Party, threatened against any Credit Party or before any Governmental Authority or before any arbitrator or panel of arbitrators (collectively, "LITIGATION"), (a) that challenges any Credit Party's, right or power to enter into or perform any of its obligations under any Related Transaction Document or any Loan Document to which it is a party, or the validity or enforceability of any Related Transaction Document or any Loan Document or any action taken thereunder, or (b) that has a reasonable risk of being determined adversely to any Credit Party, and which, if so determined, could reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule (3.13), as of the Closing Date there is no Litigation pending or to any Credit Party's knowledge threatened against any Credit Party that seeks damages in excess of $100,000 or injunctive relief against, or alleges criminal misconduct of, any Credit Party.

3.14 Brokers

No broker or finder brought about the obtaining, making or closing of the Loans or the Related Transactions, and no Credit Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith, except for (i) a fee paid to Bruckman, Rosser, Sherrill & Co., Inc. ("BRS MANAGEMENT CO.") on the Closing Date in the amount of $7,218,750 pursuant to the terms of the First Amended and Restated Management Agreement dated as of the date hereof (the "BRS MANAGEMENT AGREEMENT") by and among BRS Management Co., H&E Holdings and H&E, such fee to be used in full to purchase on the Closing Date Senior Subordinated Notes and common units of H&E Holdings, and (ii) payments in accordance with Section 6.14(d).

3.15 Intellectual Property

As of the Closing Date, each Credit Party owns or has rights to use all Intellectual Property material to the continuance of the conduct of its

business as now or heretofore conducted by it or proposed to be conducted by it, and each Patent, each registration or each application for registration of each Trademark, each Copyright and each License is listed, together with application or registration numbers, as applicable, in Disclosure Schedule (3.15). Each Credit Party conducts its business and affairs without material infringement of or material interference with any Intellectual Property of any other Person. Except as set forth in Disclosure Schedule (3.15), no Credit Party is aware of any infringement claim by any other Person with respect to any Intellectual Property.

3.16 Full Disclosure

No information contained in this Agreement, any of the other Loan Documents, any Projections, Financial Statements or Collateral Reports or other written reports from time to time delivered hereunder or any written statement furnished by or on behalf of any Credit Party to Agent or any Lender pursuant to the terms of this Agreement contains or will contain any untrue statement of a

material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The Liens granted to Agent, on behalf of itself and Lenders, pursuant to the Collateral Documents will at all times be fully perfected first priority Liens in and to the Collateral described therein, subject, as to priority, only to Permitted Encumbrances.

3.17 Environmental Matters

(a) Except as set forth in Disclosure Schedule (3.17), as of the Closing Date: (i) the Real Estate is free of contamination from any Hazardous Material except for such contamination that would not adversely impact the value or marketability of such Real Estate and that would not result in Environmental Liabilities that could reasonably be expected to exceed $250,000; (ii) no Credit Party has caused or suffered to occur any Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate that would result in Environmental Liabilities that could reasonably be expected to exceed $250,000; (iii) each Credit Party is and has been in compliance with all Environmental Laws, except for such noncompliance that would not result in Environmental Liabilities which could reasonably be expected to exceed $250,000; (iv) each Credit Party has obtained, and is in compliance with, all Environmental Permits required by Environmental Laws for the operations of its businesses as presently conducted or as proposed to be conducted, except where the failure to so obtain or comply with such Environmental Permits would not result in Environmental Liabilities that could reasonably be expected to exceed $250,000, and all such Environmental Permits are valid, uncontested and in good standing; (v) no Credit Party is involved in operations or knows of any facts, circumstances or conditions, including any Releases of Hazardous Materials, that are likely to result in any Environmental Liabilities of Borrower that could reasonably be expected to exceed $250,000, and no Credit Party has permitted any current or former tenant or occupant of the Real Estate to engage in any such operations; (vi) there is no Litigation arising under or related to any Environmental Laws, Environmental Permits or Hazardous Material that seeks damages, penalties, fines, costs or expenses in excess of $100,000 or injunctive relief, or which alleges criminal misconduct by any Credit Party, (vii) no notice has been received by any Credit Party identifying it as a "potentially responsible party" or requesting information under CERCLA or analogous state statutes, and to the knowledge of any Credit Party, there are no facts, circumstances or conditions that may result in any Credit Party being identified as a "potentially responsible party" under CERCLA or analogous state statutes; and (viii) the Credit Parties have provided to Agent copies of all material existing environmental reports, reviews and audits and all material written information in their possession pertaining to actual or potential Environmental Liabilities, in each case relating to the Credit Parties.

(b) Each Credit Party hereby acknowledges and agrees that Agent (i) is not now, and has not ever been in control of any of the Real Estate or any Credit Party's affairs, and (ii) does

not have the capacity through the provisions of the Loan Documents or otherwise to influence any Credit Party's conduct with respect to the ownership, operation or management of any of its Real Estate or

compliance with Environmental Laws or Environmental Permits.

3.18 Insurance

Disclosure Schedule (3.18) lists all insurance policies of any nature maintained, as of the Closing Date, for current occurrences by each Credit Party, as well as a summary of the terms of each such policy.

3.19 Deposit and Disbursement Accounts

Disclosure Schedule (3.19) lists all banks and other financial institutions at which each Credit Party maintains deposit or other accounts as of the Closing Date, including any Disbursement Accounts, and such Schedule correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

3.20 Government Contracts

Except as set forth in Disclosure Schedule (3.20), as of the Closing Date, no Credit Party is a party to any contract or agreement with any Governmental Authority the value of which exceeds $100,000 and no Credit Party's Accounts are subject to the Federal Assignment of Claims Act, as amended (31 U.S.C. Section 3727) or any similar foreign, state or local law.

3.21 Customer and Trade Relations

As of the Closing Date, there exists no actual or, to the knowledge of any Credit Party, threatened termination or cancellation of, or any material adverse modification or change in: (a) the business relationship of any Credit Party with any customer or group of customers whose purchases during the preceding twelve (12) months caused it or them, as applicable, to be ranked among the ten largest customers of such Credit Party, considered as a whole; or (b) the business relationship of any Credit Party with any supplier or group of suppliers whose sales during the preceding twelve (12) months caused it or them, as applicable, to be ranked among the ten largest suppliers of such Credit Party.

3.22 Agreements and Other Documents

As of the Closing Date, each Credit Party has provided to Agent or its counsel, on behalf of Lenders, accurate and complete copies (or summaries) of all of the following agreements or documents to which it is subject and each of which is listed in Disclosure Schedule (3.22): (a) supply agreements and purchase agreements not terminable by such Credit Party within sixty (60) days following written notice issued by such Credit Party and involving transactions in excess of $1,000,000 per annum; (b) leases by such Credit Party as lessee of Equipment Inventory having a remaining term of one year or longer, the total value of leases of Equipment

Inventory as to which a Credit Party is lessee, for each lessor, the annual payments on all such leases of Equipment Inventory and the Operating Lease Pay-Off Value for each operating lease of Equipment Inventory of a Borrower or a Guarantor; (c) licenses and permits held by such Credit Party, the absence of which could be reasonably likely to have a Material Adverse Effect; (d) instruments and documents evidencing any Indebtedness or Guaranteed Indebtedness of such Credit Party and any Lien (other than Permitted Encumbrances) granted by such Credit Party with respect thereto; and (e) instruments and agreements evidencing the issuance of any equity securities, warrants, rights or options to purchase equity securities of such Credit Party. With respect to the leases referred to in clause (b) above, other than as set forth on Disclosure Schedule (3.22), no Credit Party has any obligation in such lease or otherwise to purchase such Equipment Inventory from the lessor of such Equipment Inventory at any time. Each Borrower has provided to Agent the forms of lease under which such Borrower leases Equipment Inventory to third Persons.

3.23 Solvency

Both before and after giving effect to (a) the Loans and Letter of Credit Obligations to be made or incurred on the Closing Date or such other date as Loans and Letter of Credit Obligations requested hereunder are made or incurred, (b) the disbursement of the proceeds of such Loans pursuant to the instructions of Borrowers, (c) the Mergers and the consummation of the other Related Transactions and (d) the payment and accrual of all transaction costs in connection with the foregoing, each Credit Party is and will be Solvent.

3.24 Contribution Agreement and Plan of Reorganization

As of the Closing Date, Borrowers have delivered to Agent a complete and correct copy of the Contribution Agreement and Plan of Reorganization (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). No Credit Party and no other Person party thereto is in default in the performance or compliance with any provisions thereof. The Contribution Agreement and Plan of Reorganization complies with, and the Mergers have been consummated in accordance with, all applicable laws. The Contribution Agreement and Plan of Reorganization is in full force and effect as of the Closing Date and has not been terminated, rescinded or withdrawn. All requisite approvals by Governmental Authorities having jurisdiction over any Credit Party and other Persons referenced therein with respect to the transactions contemplated by the Contribution Agreement and Plan of Reorganization have been obtained, and no such approvals impose any conditions to the consummation of the transactions contemplated by the Contribution Agreement and Plan of Reorganization or to the conduct by any Credit Party of its business thereafter. To the best of each Credit Party's knowledge, none of the representations or warranties in the Contribution Agreement and Plan of Reorganization contain any untrue statement of a material fact or omit any fact necessary to make the statements therein not misleading.

3.25 Status of Holdings

Prior to the Closing Date, H&E Holdings, H&E Finance, Gulf Wide and GNE Investments will not have engaged in any business or incurred any Indebtedness or any other liabilities (except in connection with its corporate formation, the Related Transactions Documents and this Agreement).

3.26 Senior Debt

As of the Closing Date, Borrowers have delivered to Agent a complete and correct copy of the Senior Notes, the Senior Note Indenture, the Senior Subordinated Notes and the Senior Subordinated Note Indenture and all agreements and instruments executed and delivered in connection therewith (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith). Borrowers have the limited liability company power and authority to incur the Indebtedness evidenced by the Senior Notes and the Senior Subordinated Notes. The subordination provisions of the Senior Subordinated Note Indenture are enforceable against the Trustee under the Senior Subordinated Note Indenture and the holders of the Senior Subordinated Notes by Agent and Lenders. The terms of the Intercreditor Agreement are enforceable against the trustee for the Senior Notes and the holders of the Senior Notes.

4. FINANCIAL STATEMENTS AND INFORMATION

4.1 Reports and Notices

(a) Each Credit Party hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the Financial Statements, notices, Projections and other information at the times, to the Persons and in the manner set forth in Annex E.

(b) Each Credit Party hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the various Collateral Reports (including Borrowing Base Certificates in the form of Exhibit 4.1(b)) at the times, to the Persons and in the manner set forth in Annex F.

4.2 Communication with Accountants

Each Credit Party authorizes (a) Agent and (b) so long as an Event of Default has occurred and is continuing, each Lender, to communicate directly with its independent certified public accountants including Arthur Andersen, KPMG Peat Marwick LLP and Hawthorn Weymouth, and authorizes and, at Agent's request, shall instruct those accountants and advisors to disclose and make available to Agent and each Lender any and all Financial Statements and other supporting financial documents, schedules and information relating to any Credit Party (including copies of any issued management letters) with respect to the business, financial condition and other affairs of any Credit Party.

5. AFFIRMATIVE COVENANTS

Each Credit Party jointly and severally agrees as to all Credit Parties that from and after the date hereof and until the Termination Date:

5.1 Maintenance of Existence and Conduct of Business

Each Credit Party shall: (a) do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a limited liability company or a corporation, as the case may be, and its rights and franchises; (b) continue to conduct its business substantially as now conducted or as otherwise permitted hereunder; (c) at all times maintain, preserve and protect all of its assets and properties used or useful in the conduct of its business, and keep the same in good repair, working order and condition in all material respects (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices; and (d) transact business only in such limited liability company, corporate and trade names as are set forth in Disclosure Schedule (5.1).

5.2 Payment of Charges

(a) Subject to Section 5.2(b), each Credit Party shall pay and discharge or cause to be paid and discharged promptly all Charges payable by it, including (i) Charges imposed upon it, its income and profits, or any of its property (real, personal or mixed) and all Charges with respect to tax, social security and unemployment withholding with respect to its employees, and (ii) lawful claims for labor, materials, supplies and services or otherwise, and (iii) all storage or rental charges payable to warehousemen or bailees, in each case, before any thereof shall become past due.

(b) Each Credit Party may in good faith contest, by appropriate proceedings, the validity or amount of any Charges, Taxes or claims described in Section 5.2(a); PROVIDED, that (i) adequate reserves with respect to such contest are maintained on the books of such Credit Party, in accordance with GAAP; (ii) no Lien shall be imposed to secure payment of such Charges (other than payments to warehousemen and/or bailees and Permitted Encumbrances) that is superior to any of the Liens securing the Obligations and such contest is maintained and prosecuted continuously and with diligence and operates to suspend collection or enforcement of such Charges; (iii) none of the Collateral becomes subject to forfeiture or loss as a result of such contest; (iv) such Credit Party shall promptly pay or discharge such contested Charges, Taxes or claims and all additional charges, interest, penalties and expenses, if any, and shall deliver to Agent evidence reasonably acceptable to Agent of such compliance, payment or discharge, if such contest is terminated or discontinued adversely to such Credit Party or the conditions set forth in this Section 5.2(b) are no longer met, and (v) Agent has not advised such Credit Party in writing that Agent reasonably believes that nonpayment or nondischarge thereof could have or result in a Material Adverse Effect.

5.3 Books and Records

Each Credit Party shall keep adequate books and records with respect to its business activities in which proper entries, reflecting all financial transactions, are made in accordance with GAAP and on a basis consistent with the Financial Statements attached as Disclosure Schedule (3.4(a)).

5.4 Insurance; Damage to or Destruction of Collateral

(a) Each Credit Party shall at its sole cost and expense, maintain the policies of insurance described in Disclosure Schedule (3.18) as in effect on the date hereof, and each Person succeeding to the position of such individual, or otherwise in form and amounts and with insurers reasonably acceptable to Agent. Such policies of insurance (or the loss payable and additional insured endorsements delivered to Agent) shall contain provisions pursuant to which the insurer agrees to provide 30 days prior written notice to Agent in the event of any non-renewal, cancellation or amendment of any such insurance policy. If any Credit Party at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above or to pay all premiums relating thereto, Agent may at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto that Agent deems advisable. Agent shall have no obligation to obtain insurance for any Credit Party or pay any premiums therefor. By doing so, Agent shall not be deemed to have waived any Default or Event of Default arising from any Credit Party's failure to maintain such insurance or pay any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be

payable on demand by Borrowers to Agent and shall be additional Obligations hereunder secured by the Collateral.

(b) Agent reserves the right at any time upon any change in any Credit Party's risk profile (including any change in the product mix maintained by any Credit Party or any laws affecting the potential liability of such Credit Party) to require additional forms and limits of insurance to, in Agent's opinion, adequately protect both Agent's and Lender's interests in all or any portion of the Collateral and to ensure that each Credit Party is protected by insurance in amounts and with coverage customary for its industry. If reasonably requested by Agent, each Credit Party shall deliver to Agent from time to time a report of a reputable insurance broker, reasonably satisfactory to Agent, with respect to its insurance policies.

(c) Each Credit Party shall deliver to Agent, in form and substance reasonably satisfactory to Agent, endorsements to (i) all "All Risk," keyman life insurance and business interruption insurance naming Agent, on behalf of itself and Lenders, as loss payee, and (ii) all general liability and other liability policies naming Agent, on behalf of itself and Lenders, as additional insured. Each Credit Party irrevocably makes, constitutes and appoints Agent (and all officers, employees or agents designated by Agent), so long as any Event of Default has occurred and is continuing or the anticipated insurance proceeds exceed

$5,000,000, as such Credit Party's true and lawful agent and attorney-in-fact for the purpose of making, settling and adjusting claims under such "All Risk" policies of insurance, endorsing the name of such Credit Party on any check or other item of payment for the proceeds of such "All Risk" policies of insurance and for making all determinations and decisions with respect to such "All Risk" policies of insurance. Agent shall have no duty to exercise any rights or powers granted to it pursuant to the foregoing power-of-attorney. Borrower Representative shall promptly notify Agent of any loss, damage, or destruction to the Collateral in the amount of $1,000,000 or more, whether or not covered by insurance. After deducting from such proceeds the expenses, if any, incurred by Agent in the collection or handling thereof, Agent may, at its option, apply such proceeds to the reduction of the Obligations in accordance with Section 1.3(d), or permit or require the applicable Credit Party to use such money, or any part thereof, to replace, repair, restore or rebuild the Collateral in a diligent and expeditious manner with materials and workmanship of substantially the same quality as existed before the loss, damage or destruction. Notwithstanding the foregoing, if the casualty giving rise to such insurance proceeds could not reasonably be expected to have a Material Adverse Effect and such insurance proceeds do not exceed $5,000,000 in the aggregate, Agent shall permit the applicable Credit Party to replace, restore, repair or rebuild the Collateral; PROVIDED, that if the applicable Credit Party has not completed or entered into binding agreements to complete such replacement, restoration, repair or rebuilding within 180 days of such casualty, Agent may apply such insurance proceeds to the Obligations in accordance with Section 1.3(d). All insurance proceeds that are to be made available to a Credit Party to replace, repair, restore or rebuild the Collateral shall be applied by Agent to reduce the outstanding principal balance of the Revolving Loan (which application shall not result in a permanent reduction of the Revolving Loan Commitment) and upon such application, Agent shall establish a reserve against the Aggregate Borrowing Base and, if such Credit Party is a Borrower, the separate Borrowing Base of such Borrower in an amount equal to the amount of such proceeds so applied. Thereafter, such funds shall be made available to the applicable Credit Party to provide funds to replace, repair, restore or rebuild the Collateral as follows: (i) the Borrower Representative shall request a Revolving Credit Advance for the applicable Borrower (or, if the Credit Party is not a Borrower, for all Borrowers, PRO RATA) in the amount requested to be released; (ii) so long as the conditions set forth in Section 2.2 have been met, Revolving Lenders shall make such Revolving Credit Advance; and (iii) the reserve established with respect to such insurance proceeds shall be reduced by the amount of such Revolving Credit Advance. To the extent not used to replace, repair, restore or rebuild the Collateral, such insurance proceeds shall be applied in accordance with Section 1.3(d).

(d) Borrower Representative shall, immediately upon learning of the institution of any proceeding for the condemnation or other taking of any property of any Credit Party in excess of $1,000,000 in the aggregate for all such condemnations or takings, notify the Agent of the pendency of such proceeding, and agree that the Agent may

participate in any such proceeding, and Borrower Representative from time to time will deliver to the

Agent all instruments reasonably requested by the Agent to permit such participation. The Agent is authorized to collect the proceeds of any condemnation claim or award and apply them, at the direction of the Required Lenders, to the reduction of the Obligations. Notwithstanding the foregoing, if the proceeds of such condemnation could not reasonably be expected to have a Material Adverse Effect and the amount of any condemnation does not exceed $5,000,000 in the aggregate, Agent shall permit the applicable Credit Party to replace, restore, repair or rebuild the property; PROVIDED, that if the applicable Credit Party has not completed or entered into binding agreements to complete such replacement, restoration, repair or rebuilding within 180 days of such condemnation, Agent may apply such condemnation proceeds to the Obligations in accordance with Section 1.3(d). All condemnation proceeds that are to be made available to a Credit Party to replace, repair, restore or rebuild the Collateral shall be applied by Agent to reduce the outstanding principal balance of the Revolving Loan (which application shall not result in a permanent reduction of the Revolving Loan Commitment) and upon such application, Agent shall establish a reserve against the Aggregate Borrowing Base and, if such Credit Party is a Borrower, the separate Borrowing Base of such Borrower in an amount equal to the amount of such proceeds so applied. Thereafter, such funds shall be made available to the applicable Credit Party to provide funds to replace, repair, restore or rebuild the Collateral as follows: (i) the Borrower Representative shall request a Revolving Credit Advance for the applicable Borrower (or, if the Credit Party is not a Borrower, for all Borrowers, PRO RATA) in the amount requested to be released; (ii) so long as the conditions set forth in Section 2.2 have been met, Revolving Lenders shall make such Revolving Credit Advance; and (iii) the reserve established with respect to such condemnation proceeds shall be reduced by the amount of such Revolving Credit Advance. To the extent not used to replace, repair, restore or rebuild the Collateral, such condemnation proceeds shall be applied in accordance with Section 1.3(d).

5.5 Compliance with Laws

Each Credit Party shall comply with all federal, state, local and foreign laws and regulations applicable to it, including those relating to licensing, ERISA and labor matters and Environmental Laws and Environmental Permits, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.6 Supplemental Disclosure

From time to time as may be reasonably requested by Agent (which request will not be made more frequently than once each year absent the occurrence and continuance of a Default or an Event of Default), Credit Parties shall supplement each Disclosure Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter hereafter arising that, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Disclosure Schedule or as an exception to such representation or that is necessary to correct any information in such Disclosure Schedule or representation which has

been rendered inaccurate thereby (and, in the case of any supplements to any Disclosure Schedule, such Disclosure Schedule shall be appropriately marked to show the changes made therein); PROVIDED, that (a) no such supplement to any such Disclosure Schedule or representation shall amend, supplement or otherwise modify any Disclosure Schedule or representation, or be or be deemed a waiver of any Default or Event of Default resulting from the matters disclosed therein, except as consented to by Agent and Requisite Lenders in writing; and (b) no supplement shall be required or permitted as to representations and warranties that relate solely to the Closing Date.

5.7 Intellectual Property

Each Credit Party will conduct its business and affairs without material infringement of or material interference with any Intellectual Property of any other Person; PROVIDED, that to the extent any Credit Party learns of any such material infringement or interference and such Credit Party promptly takes steps to eliminate such infringement or interference (by procuring a license or otherwise) such Credit Party shall not be deemed

to be in violation of this Section 5.7 so long as such Credit Party is entitled to continue to use such Intellectual Property.

5.8 Environmental Matters

Each Credit Party shall and shall cause each Person within its reasonable control to: (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance that could not reasonably be expected to have a Material Adverse Effect; (b) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to maintain the value and marketability of the Real Estate or to otherwise comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or about any of its Real Estate; (c) notify Agent promptly after such Credit Party becomes aware of any violation of Environmental Laws or Environmental Permits or any Release on, at, in, under, above, to, from or about any Real Estate which could reasonably be expected to result in Environmental Liabilities in excess of $250,000; and (d) promptly forward to Agent a copy of any order, notice, request for information or any written communication or report received by such Credit Party in connection with any such violation or Release or any other matter relating to any Environmental Laws or Environmental Permits that could reasonably be expected to result in Environmental Liabilities in excess of $250,000, in each case whether or not the Environmental Protection Agency or any Governmental Authority has taken or threatened any action in connection with any such violation, Release or other matter. If Agent at any time has a reasonable basis to believe that there may be a violation of any Environmental Laws or Environmental Permits by any Credit Party or any Environmental Liability arising thereunder, or a Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, which, in each case, could reasonably be expected to have a Material Adverse Effect, then Credit Parties shall, upon Agent's written request (i) cause the performance of an environmental audit, which may include subsurface sampling of soil and groundwater, and preparation of an environmental report with respect to the

subject matter of such breach, at Credit Parties' expense, as Agent may from time to time reasonably request, which shall be conducted by reputable environmental consulting firms reasonably acceptable to Agent and shall be in form and substance reasonably acceptable to Agent, and (ii) permit Agent or its representatives to have access to all Real Estate for the purpose of conducting environmental audits and testing with respect to the subject matter of such breach, as Agent deems appropriate, including subsurface sampling of soil and groundwater, PROVIDED, that Agent provides Borrower Representative with reasonable prior notice and conducts, or causes its representatives to conduct, all such audits and tests in a manner reasonably directed to minimize interference with the applicable Credit Party's business. Borrowers shall reimburse Agent for the reasonable costs of such audits and tests and the same will constitute a part of the Obligations secured hereunder.

5.9 Landlords' Agreements, Mortgagee Agreements, Bailee Letters, Real Estate Purchases and Vendor Inter-Creditor Agreements

(a) Each Credit Party shall use its commercially reasonable best efforts to obtain a landlord's agreement, mortgagee agreement or bailee letter, as applicable, from the lessor of each leased property, mortgagee of owned property or bailee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located (other than with respect to Equipment Inventory which is being leased by a Borrower to others in the ordinary course of such Borrower's business), which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord, mortgagee or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to Agent. With respect to such locations or warehouse space leased or owned as of the Closing Date and thereafter, if Agent has not received a landlord or mortgagee agreement or bailee letter as of 30 days after the Closing Date (or, if later, as of the date such location is acquired or leased), the applicable Borrower's Eligible Parts and Tools Inventory, Eligible Rolling Stock or Eligible Equipment Inventory at that location shall, in Agent's discretion, be excluded from the applicable Borrower's Borrowing Base or be subject to such Reserves as may be established in good faith by Agent in its reasonable credit judgment and as set forth in Sections 1.6A, 1.7 and 1.7A. After the Closing Date, no real property or warehouse space shall be leased by any Borrower and no Parts and Tools Inventory or Equipment Inventory shall be shipped to a processor or converter under arrangements established after the Closing Date without prior written notice to

Agent. Each Credit Party shall timely and fully pay and perform its obligations in all material respects under all leases and other agreements with respect to each leased location or public warehouse where any Collateral is or may be located. To the extent otherwise permitted hereunder, if any Credit Party proposes to acquire a fee ownership or leasehold interest in Real Estate after the Closing Date, it shall first provide to Agent (with respect to any such leasehold interest, at the reasonable request of Agent) written notice thereof and a mortgage or deed of trust granting Agent a first priority Lien on such Real Estate, together with a FIRREA compliant appraisal (if requested by Agent), environmental audits, mortgage title

insurance commitment, real property survey, local counsel opinions, and, if required by Agent, supplemental casualty insurance and flood insurance, and such other documents, instruments or agreements reasonably requested by Agent, in each case, in form and substance reasonably satisfactory to Agent.

(b) At the request of Agent, Borrowers shall execute and deliver or cause to be executed and delivered to Agent a mortgage or deed of trust granting to Agent a first priority Lien on any Real Estate owned by any Borrower or Guarantor (or, if such Real Estate is subject to any prior Liens as of the Closing Date, a Lien subject only to such prior Liens), together with a FIRREA compliant appraisal, environmental audit, mortgage title insurance commitment, real property survey, local counsel opinion, and if required by Agent, supplemental casualty insurance, and such other documents, instruments or agreements reasonably requested by Agent, in each case, in form and substance satisfactory to Agent. Borrowers shall execute and deliver or cause to be executed and delivered in respect of the Real Estate described on Disclosure Schedule (5.9) hereto on or prior to the date sixty (60) days following the Closing Date, documents of the type listed in the immediately foregoing sentence, as described in such Disclosure Schedule (5.9) or as requested by Agent.

(c) Prior to entering into any financing arrangement described in Section 6.7(c) or Section 6.7(d) a Borrower shall notify Agent. In the event that a Borrower obtains knowledge of the assignment by any holder of any such Lien referred to in Section 6.7(c) or Section 6.7(d), or the owner of any equipment leased by a Borrower has transferred or sold such Lien or Equipment to another Person, such Borrower shall notify Agent and use reasonable efforts to cause such Person to enter into an applicable Vendor Inter-Creditor Agreement with such Person.

5.10 Government Accounts

Each Borrower shall at any time upon reasonable request by the Agent prepare and deliver to the Agent a report setting forth all of its Accounts on which the Account Debtor is the United States or Canadian Government or a political subdivision thereof, or any state, province or municipality or department, agency or instrumentality thereof, which such report shall disclose the name of the Account Debtor, the amount of such Account and any other information the Agent shall reasonably request.

5.11 Further Assurances

Each Credit Party agrees that it shall, and shall cause each other Credit Party to, at such Credit Party's expense and upon request of Agent, duly execute and deliver, or cause to be duly executed and delivered, to Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Agent to carry out more effectively the provisions and purposes of this Agreement or any other Loan Document. All chattel paper owned

by any Credit Party shall be conspicuously legended to indicate that it is subject to a Lien in favor of the Agent.

6. NEGATIVE COVENANTS

Each Credit Party agrees jointly and severally as to all parties that from and after the date hereof until the Termination Date:

6.1 Acquisitions, Subsidiaries, Etc.

No Credit Party shall directly or indirectly, by operation of law or otherwise, (a) form or acquire any Subsidiary, or (b) merge with, consolidate with, acquire all or substantially all of the assets or Stock

of, or otherwise combine with or acquire, any Person; PROVIDED, that any Credit Party may merge with another Credit Party, so long as (i) that Borrower Representative shall be the survivor of any such merger to which it is a party and (ii) a Borrower shall be the survivor of any such merger to which one or more Borrowers is a party. Notwithstanding the foregoing, any Borrower may acquire all or any substantial portion of the assets (other than assets consisting of Stock) of any Person (the "TARGET") (a "PERMITTED ACQUISITION") subject to the satisfaction of each of the following conditions:

(i) Agent shall receive at least forty-five (45) days prior written notice of such proposed Permitted Acquisition, which notice shall include a detailed description of such proposed Permitted Acquisition including, without limitation, financial statements of Target and any other due diligence items requested by Lenders;

(ii) such Permitted Acquisition shall only involve assets 75% or more of which are located in the United States and comprising a business, or those assets of a business, of the type engaged in by Borrowers as of the Closing Date or a business reasonably related thereto or a logical extension thereof, and which business would not subject Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any other Loan Documents other than approvals applicable to the exercise of such rights and remedies with respect to Borrowers prior to such Permitted Acquisition;

(iii) no additional Indebtedness or Guaranteed Indebtedness, contingent obligations or other liabilities shall be incurred, assumed or otherwise be reflected on a consolidated balance sheet of Borrowers and Target after giving effect to such Permitted Acquisition, except (A) Indebtedness permitted under clause (v) and (B) ordinary course trade payables, accrued expenses and unsecured Indebtedness and other liabilities and contingent obligations of the Target to the extent no Default or Event of Default has occurred and is continuing or would result after giving effect to such Permitted Acquisition;

(iv) the sum of all amounts paid or payable in connection with all Permitted Acquisitions (including all transaction costs and all Indebtedness, liabilities and contingent obligations incurred or assumed in connection therewith or otherwise reflected on a consolidated balance sheet of Borrowers and Target) shall not exceed $25,000,000 in any Fiscal Year or $75,000,000 from and after the Closing Date until the Termination Date in the aggregate and the portion thereof allocable to goodwill and intangible assets for any Permitted Acquisition shall not exceed 30% of the applicable purchase price for such Permitted Acquisition;

(v) no Indebtedness for borrowed money to finance such acquisitions shall be incurred, guaranteed, assumed or consolidated in connection with such Permitted Acquisitions other than Revolving Credit Advances subject to the terms hereof and including any assets being purchased in the Permitted Acquisition to the extent otherwise includable in the Aggregate Borrowing Base;

(vi) the business and assets acquired in such Permitted Acquisition shall be free and clear of all Liens (other than Permitted Encumbrances);

(vii) at or prior to the closing of any Permitted Acquisition, Agent will be granted a first priority perfected Lien (subject to Permitted Encumbrances) in all assets acquired pursuant thereto, and Credit Parties and the Target shall have executed such documents and taken such actions as may be required by Agent in connection therewith;

(viii) Concurrently with delivery of the notice referred to in clause (i) above, Borrower Representative shall have delivered to Agent, in form and substance satisfactory to Agent:

(A) (x) a PRO FORMA consolidated and consolidating, if applicable, balance sheet of Borrowers and their Subsidiaries (the "ACQUISITION PRO FORMA"), based on recent financial data, which shall be complete and shall accurately and fairly represent the assets, liabilities, financial condition and results of

operations of Borrowers and their Subsidiaries in accordance with GAAP consistently applied, but taking into account such Permitted Acquisition and the funding of all Loans in connection therewith, and such Acquisition Pro Forma shall reflect that

(y) on a PRO FORMA basis, no Event of Default has occurred and is continuing or would result after giving effect to such Permitted Acquisition and Borrowers would have been in compliance with the financial covenants set forth in Annex G for the four quarter period reflected in the Compliance Certificate most recently delivered to Agent pursuant to Annex E prior to the consummation of such Permitted Acquisition (after giving effect to such Permitted Acquisition and all

Loans funded in connection therewith as if made on the first day of such period);

(B) updated versions of the most recently delivered operating plan in form reasonably satisfactory to the Agent taking into account such Permitted Acquisition (the "ACQUISITION PROJECTIONS"); and

(C) a certificate of an Authorized Officer of Borrower Representative to the effect that: (w) Borrowers will be Solvent upon the consummation of the Permitted Acquisition; (x) the Acquisition Pro Forma fairly presents the financial condition of Borrowers and their Subsidiaries (on a consolidated and consolidating basis, if applicable) as of the date thereof after giving effect to the Permitted Acquisition; (y) the Acquisition Projections are reasonable estimates of the future financial performance of Borrowers subsequent to the date thereof based upon the historical performance of Borrowers and the Target and show that Borrowers shall continue to be in compliance with the financial covenants set forth in Annex G for the three (3) year period thereafter or the balance remaining of the Commitment term; and (z) Borrowers have completed their due diligence investigation with respect to the Target and such Permitted Acquisition, which investigation was conducted in a manner similar to that which would have been conducted by a prudent purchaser of a comparable business and the results of which investigation were delivered to Agent and Lenders;

(ix) on or prior to the date of such Permitted Acquisition, Agent shall have received, in form and substance reasonably satisfactory to Agent, copies of the acquisition agreement and related agreements and instruments, and all opinions, certificates, lien search results and other documents reasonably requested by Agent;

(x) Agent and Lenders shall have received results of an appraisal and audit of the Target, its assets, and its books and records, in form and substance reasonably satisfactory to the Agent;

(xi) the structure and terms of the Permitted Acquisition shall be satisfactory to the Agent and no Credit Party shall acquire any liabilities in such transaction other than those approved by the Agent;

(xii) at the time of such Permitted Acquisition and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing; and

(xiii) at the time of such Permitted Acquisition and after giving effect thereto and the making of any Loans in connection therewith, Borrowing Availability (for all Borrowers) shall exceed $25,000,000.

6.2 Investments; Loans and Advances

Except as otherwise expressly permitted by this Section 6, no Credit Party shall make or permit to exist any investment in, or make, accrue or permit to exist loans or advances of money to, any Person, through the direct or indirect lending of money, holding of securities or otherwise,

except that (a) a Borrower may hold investments comprised of notes payable, or stock or other securities issued by Account Debtors to such Borrower pursuant to a bankruptcy proceeding of such Account Debtor or negotiated agreements with respect to settlement of such Account Debtor's Accounts, as applicable, in the ordinary course of business, so long as the aggregate amount of such Accounts so settled by Borrowers does not exceed $1,000,000; (b) a Borrower may acquire Intercompany Notes permitted to be incurred under Section 6.3, (c) a Borrower may invest in Capital Expenditures to the extent permitted under Annex G, (d) a Credit Party may hold investments received pursuant to a sale of assets permitted under Section 6.8, (e) a Credit Party may hold investments held in the ordinary course of business in any Deposit Account subject to a Lien in favor of Agent, (f) a Credit Party may hold investments in existence on the date hereof and summarized in Disclosure Schedule (6.2), and (g) so long as no Default or Event of Default has occurred and is continuing, Borrowers may make investments, subject to Control Letters or otherwise subject to a perfected security interest in favor of Agent for the benefit of Lenders, in (i) marketable direct obligations issued, unconditionally guaranteed or insured by the United States of America or any agency thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having the highest rating obtainable from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc., (iii) certificates of deposit, maturing no more than one year from the date of creation thereof, issued by commercial banks incorporated under the laws of the United States of America, each having combined capital, surplus and undivided profits of not less than $300,000,000 and having a senior secured rating of "A" or better by a nationally recognized rating agency (an "A RATED BANK"), (iv) time deposits, maturing no more than 30 days from the date of creation thereof with A Rated Banks, (v) mutual funds that invest solely in one or more of the investments described in clauses (i) through (iv) above and (vi) other investments not exceeding $100,000 in aggregate amount in which Agent has a perfected first priority security interest. Each Credit Party may maintain its existing investments in its Subsidiaries as of the Closing Date.

6.3 Indebtedness

(a) No Credit Party shall create, incur, assume or permit to exist any Indebtedness, except (without duplication) (i) Indebtedness secured by purchase money security interests and Capital Leases permitted in clause (c) or (d) of Section 6.7, (ii) the Loans and the other Obligations, (iii) deferred taxes, to the extent permitted under applicable law, (iv) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law, (v) existing Indebtedness described in Disclosure Schedule (6.3) and refinancings thereof or amendments or modifications thereto that do not have the effect of increasing the

principal amount thereof or changing the amortization thereof (other than to extend the same) and that are otherwise on terms and conditions no less favorable to any Credit Party than the terms of the Indebtedness being refinanced, amended or modified, (vi) Indebtedness specifically permitted under Section 6.1, (vii) Indebtedness of Borrowers not exceeding (x) $200,000,000 in aggregate principal amount (less all payments of principal thereof) evidenced by the Senior Notes and (y) $50,000,000 in aggregate principal amount (less all payments of principal thereof) evidenced by the Senior Subordinated Notes and (viii) Indebtedness consisting of intercompany loans and advances made by any Borrower to any other Borrower; PROVIDED, that: (A) each Borrower shall have executed and delivered to each other Borrower, on the Closing Date, a demand note (collectively, the "INTERCOMPANY NOTES") to evidence any such intercompany Indebtedness owing at any time by such Borrower to such other Borrowers which Intercompany Notes shall be in form and substance reasonably satisfactory to Agent and shall be pledged and delivered to Agent pursuant to the applicable Pledge Agreement or Security Agreement as additional collateral security for the Obligations; (B) each Borrower shall record all intercompany transactions on its books and records in a manner reasonably satisfactory to Agent; (C) the obligations of each Borrower under any such Intercompany Notes shall be subordinated to the Obligations of such Borrower hereunder in a manner reasonably satisfactory to Agent; (D) at the time any such intercompany loan or advance is made by any Borrower to any other Borrower and after giving effect thereto, each such Borrower shall be Solvent; (E) no Default or Event of Default would occur and be continuing after giving effect to any such proposed intercompany loan; and (F) in the case of any intercompany Indebtedness, (X) the Borrower advancing such funds shall have Borrowing Availability under its separate Borrowing Base of not less than $1.00 after giving effect to such intercompany

loan, or (Y) the intercompany Indebtedness shall be a Great Northern Advance, (ix) Indebtedness owing to Affiliates and holders of Stock of such Credit Party that constitutes Subordinated Debt, is unsecured, interest on which is not payable in cash until after the Termination Date and as to which no principal is payable until after the Termination Date, (x) Indebtedness under Hedging Agreements to the extent permitted under Section 6.17 and (xi) unsecured Indebtedness not otherwise referred to in this Section 6.3 not exceeding $1,000,000 in aggregate principal amount outstanding at any time for all Credit Parties.

(b) No Credit Party shall, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness, other than (i) the Obligations, (ii) Indebtedness secured by a Permitted Encumbrance if the asset securing such Indebtedness has been sold or otherwise disposed of in accordance with Sections 6.8(b) or (c) and (iii) Indebtedness permitted by Section 6.3(a)(v) upon any refinancing thereof in accordance with Section 6.3(a)(v).

6.4 Employee Loans and Affiliate Transactions

(a) No Credit Party shall enter into or be a party to any transaction with any Affiliate of any Credit Party (other than another Credit Party) thereof except in the ordinary course of and pursuant to the reasonable requirements of such Credit Party's business and upon fair and reasonable terms that are no less favorable to such Credit Party than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of such Credit Party; PROVIDED, that other than a transaction described in any Related Transaction Documents or Disclosure Schedule 6.4(a), no Credit Party shall in any event enter into any such transaction or series of related transactions (i) involving payments in excess of $10,000 without disclosing to Agent in advance the terms of such transactions and (ii) involving payments in excess of $50,000 in the aggregate; and PROVIDED FURTHER, that Borrowers may pay the fees to BRS Management Co. disclosed in, and subject to the terms of, Section 6.14.

(b) All employee loans and affiliate transactions existing as of the Closing Date hereof are described in Disclosure Schedule (6.4(b)). No Credit Party shall enter into any lending or borrowing transaction with any employees of any Credit Party, except loans to its respective employees in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of $100,000 to any employee and up to a maximum of $500,000 in the aggregate at any one time outstanding. No Credit Party shall repurchase any Stock of any employee of such Credit Party, except upon termination of such employee consistent with past practices for such repurchase up to a maximum amount of $1,000,000 in the aggregate for all employees of all Credit Parties in any one Fiscal Year; PROVIDED, that at the time of any such repurchase and after giving effect thereto the aggregate Borrowing Availability for all Borrowers is in excess of $25,000,000.

6.5 Capital Structure and Business

No Credit Party shall (a) make any changes in any of its business objectives, purposes or operations that could in any way adversely affect the repayment of the Loans or any of the other Obligations or could reasonably be expected to have or result in a Material Adverse Effect, (b) other than with respect to H&E Holdings, make any change in its capital structure as described in Disclosure Schedule (3.8), including the issuance or sale of any shares of Stock, warrants or other securities convertible into Stock or any revision of the terms of its outstanding Stock, PROVIDED, that any Borrower may issue or sell shares of its Stock for cash so long as (i) the proceeds thereof are applied in prepayment of the Obligations as required by Section 1.3(b)(iii), (ii) no Change of Control occurs after giving effect thereto and (iii) such shares are pledged to the Agent for the benefit of the Lenders pursuant to a Pledge Agreement, or (c) amend its charter, bylaws, certificate of formation or operating agreement, each as applicable, in a manner that would adversely affect Agent or Lenders or Credit Party's duty or ability to repay the Obligations. No Credit Party shall engage in any business other than the businesses currently engaged in by it or reasonably related thereto or a logical extension thereof.

6.6 Guaranteed Indebtedness

No Credit Party shall create, incur, assume or permit to exist any Guaranteed Indebtedness except (a) for Guaranteed Indebtedness in existence on the date hereof described in Disclosure Schedule (6.6), (b) for Guaranteed Indebtedness incurred for the benefit of the purchasers of Equipment Inventory to support sales by any Borrower or Guarantor of such Equipment Inventory in the ordinary course of business to such purchasers, not to exceed $2,000,000 at any one time outstanding for all Credit Parties, (c) by endorsement of instruments or items of payment for deposit to the general account of any Credit Party, and (d) for Guaranteed Indebtedness incurred for the benefit of any other Credit Party if the primary obligation is expressly permitted by this Agreement other than Indebtedness, if any, of a Target existing at the time such Target is acquired.

6.7 Liens

No Credit Party shall create, incur, assume or permit to exist any Lien on or with respect to its Accounts or any of its other properties or assets (whether now owned or hereafter acquired) except for (a) Permitted Encumbrances; (b) Liens in existence on the date hereof and summarized in Disclosure Schedule (6.7) securing the Indebtedness described in Disclosure Schedule (6.3) (other than under the heading "Vendor Financings" it being understood that Liens reflected under such heading shall be permitted only if in compliance with Section 6.7(c) or Section 6.7(d)) and permitted refinancings, extensions and renewals thereof, including extensions or renewals of any such Liens, PROVIDED, that the principal amount of the Indebtedness so secured is not increased and the Lien does not attach to any other property; (c) Liens created by conditional sale or other title retention agreements (including Capital Leases) or in connection with purchase money Indebtedness with respect to P&E and Fixtures acquired by a Credit Party in the ordinary course of its business, involving the incurrence of an aggregate amount of purchase money Indebtedness and Capital Lease Obligations for all Credit Parties of not more than $15,000,000 outstanding at any one time for all such Liens (PROVIDED, that (i) such Liens attach only to the assets subject to such purchase money debt and proceeds thereof, (ii) such Indebtedness is incurred within ninety (90) days following such purchase; and (d) (x) Liens created by conditional sale or other title retention agreements (including Capital Leases) or in connection with purchase money Indebtedness provided by the seller of such Equipment Inventory or an Affiliate of such seller or a third party financing source not affiliated with such seller with respect to Equipment Inventory acquired by a Credit Party in the ordinary course of its business, involving the incurrence of an aggregate principal amount of purchase money Indebtedness for all Credit Parties of not more than $90,000,000 in principal amount outstanding at any one time for all such Liens and (y) Liens on rental proceeds of Equipment Inventory leased by a Borrower securing true lease obligations of a Borrower of Equipment Inventory, PROVIDED, that (i) such Liens attach only to the Equipment Inventory purchased with the proceeds of such purchase money Indebtedness or such rental proceeds except as otherwise permitted by any agreement referred to in subparagraph (iii) below, (ii) such Indebtedness is incurred at the time of such purchase and (iii) a Vendor Inter-Creditor Agreement between the holder of such Lien and

Agent (in the form of Exhibit 6.7(d)(iii)(A) in the case of Floor Plan Equipment Inventory, and in the form of Exhibit 6.7(d)(iii)(B) in the case of Off Balance Sheet Equipment Inventory, in each case with such changes thereto as may be acceptable to Agent or such other form of intercreditor agreement as Agent may approve) has been delivered to Agent, PROVIDED, HOWEVER, that notwithstanding the foregoing, the Credit Parties may have outstanding Indebtedness or lease obligations secured by a Lien described in this paragraph (d) without a Vendor Inter-Creditor Agreement so long as the aggregate amount of such Indebtedness or lease obligations does not exceed (x) during the period ending thirty (30) days following the Closing Date, $17,500,000 in the aggregate for all Credit Parties, including as to lease obligations, the amount of purchase option amounts payable thereunder or (y) thereafter, $4,000,000 in the aggregate in respect of lease obligations and $0 in respect of such Indebtedness, for all Credit Parties, excluding as to lease obligations, purchase option amounts payable thereunder, it being understood that the Agent may establish Reserves in respect of any such Indebtedness or lease obligations for which no Vendor Inter-Creditor Agreement has been delivered. In addition, no Credit Party shall become a party to any agreement, note, indenture or instrument, or take any other action, that would prohibit the creation of a Lien on any of its properties or other assets in favor of Agent, on behalf of itself and Lenders, as additional collateral for the Obligations, except operating leases, Capital Leases or Licenses which prohibit Liens upon the assets that are subject thereto.

6.8 Disposition of Stock and Assets

No Credit Party shall sell, lease, license, transfer, convey, assign or otherwise dispose of any of its properties or other assets (other than cash), including the Stock of any of its Subsidiaries (whether in a public or a private offering or otherwise) or any of their Accounts, other than (a) the sale or lease by a Borrower of Equipment Inventory in the ordinary course of its business, (b) the sale, transfer, conveyance or other disposition by a Credit Party of P&E, Equipment Inventory, Fixtures or Real Estate that are obsolete or no longer used or useful in such Credit Party's business and having a Net Book Value not exceeding $250,000 in any single transaction or $500,000 for all Credit Parties in the aggregate in any Fiscal Year, (c) the sale, transfer, conveyance or other disposition by a Credit Party of Equipment Inventory that is part of a discontinued line, (d) the sale, transfer, conveyance or other disposition by a Credit Party of other P&E and Fixtures having a value not exceeding $500,000 in any single transaction or $1,000,000 in the aggregate for all Credit Parties in any Fiscal Year, (e) the licensing of Intellectual Property by any Credit Party in the ordinary course of its business, (f) the sale, transfer, conveyance or other disposition of assets from a Borrower to another Borrower and (g) a trade-in or trade-up of assets (pursuant to which such Credit Party acquires a substantially similar asset to the one disposed of within forty-five (45) days following such disposition and the value of the asset disposed of is credited against the purchase price of the asset so acquired) by a Credit Party in the ordinary course of its business. With respect to any disposition of assets or other properties permitted pursuant to clauses (b) and (c) above, subject to Section 1.3(b), Agent agrees on reasonable prior written notice to release its Lien (and the Lenders authorize Agent to do so) on such assets or other properties in order to permit the applicable Credit Party to effect such disposition and shall execute and deliver to such Credit Party, at such Credit Party's expense,

appropriate UCC-3 termination statements and other releases as reasonably requested by such Credit Party.

6.9 ERISA

No Credit Party shall, nor shall it cause or permit any ERISA Affiliate to, cause or permit to occur an event that could result in the imposition of a Lien under Section 412(n) of the IRC or Section 302(f) or 4068 of ERISA or cause or permit to occur an ERISA Event to the extent such Lien or such ERISA Event could reasonably be expected to have a Material Adverse Effect.

6.10 Financial Covenants

No Borrower shall breach or fail to comply with any of the Financial Covenants.

6.11 Hazardous Materials

No Credit Party shall cause or permit a Release of any Hazardous Material on, at, in, under, above, to, from or about any of the Real Estate where such Release would (a) violate in any respect, or form the basis for any Environmental Liabilities under, any Environmental Laws or Environmental Permits or (b) otherwise adversely impact the value or marketability of any of the Real Estate or any of the Collateral, other than such violations or impacts that could not reasonably be expected to have a Material Adverse Effect.

6.12 Designated Senior Debt

This Agreement and the Indebtedness arising hereunder are "Designated Senior Debt" under the Senior Subordinated Note Indenture and H&E shall not designate any other Indebtedness or any credit agreement as "Designated Senior Debt" thereunder without the prior consent of Requisite Lenders

6.13 Cancellation of Indebtedness

No Credit Party shall cancel any claim or debt owing to it having a face value exceeding $100,000 except for reasonable consideration negotiated on an arm's-length basis and in the ordinary course of its business consistent with past practices.

6.14 Restricted Payments

No Credit Party shall make any Restricted Payment, except (a) intercompany loans and advances between Borrowers and payments of principal and interest on Intercompany Notes, in each case to the extent permitted by Section 6.3, (b) dividends and distributions by Subsidiaries of a Borrower paid to such Borrower, (c) employee loans permitted under Section 6.4(b) above, (d) payments of management fees pursuant to the BRS Management Services Agreement in accordance with Section 3.14 on the

Closing Date, and thereafter not to exceed the greater, on an annual basis, of (x) $2,000,000 or (y) one point seventy-five percent (1.75%) of EBITDAR for the immediately preceding Fiscal Year, in each case PLUS reasonable out-of-pocket expenses,

(e) scheduled payments of interest as and when due and payable with respect to the Subordinated Debt, subject to the subordination terms thereof, (f) repurchases of Stock of any employee of such Credit Party upon termination of such employee, subject to Section 6.4(b), (g) distributions to H&E Holdings to the extent necessary to pay the taxes of H&E Holdings and to cover administrative fees and reasonable out-of-pocket expenses, and with respect to such fees and expenses in an amount not to exceed $250,000, and (h) distributions of Stock of such Credit Party in connection with the cashless exercise of options by the holders of options for Stock of such Credit Party; PROVIDED, that in the case of clauses (d) and (f) above (i) no Default or Event of Default shall have occurred and be continuing or would result after giving effect to any Restricted Payment pursuant to clauses (d) and (f) above.

6.15 Change of Name or Location; Change of Fiscal Year

No Credit Party shall (a) change its name as it appears in official filings in the state of its incorporation or organization, or (b) change its offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or organization, or (e) change its state of incorporation or organization, in each case without at least thirty (30) days prior written notice to Agent and after Agent's written acknowledgment that any reasonable action requested by Agent in connection therewith, including to continue the perfection of any Liens in favor of Agent, on behalf of Lenders, in any Collateral, has been completed or taken; PROVIDED that any such new location shall be in the continental United States. Without limiting the foregoing, no Credit Party shall change its name, identity or limited liability company (or corporate, as the case may be) structure in any manner that might make any financing or continuation statement filed in connection herewith seriously misleading within the meaning of Section 9-506 or 9-507 of the Code or any other then applicable provision of the Code except upon prior written notice to Agent and Lenders and after Agent's written acknowledgment that any reasonable action requested by Agent in connection therewith, including to continue the perfection of any Liens in favor of Agent, on behalf of Lenders, in any Collateral, has been completed or taken. No Credit Party shall change its Fiscal Year without the prior consent of Agent.

6.16 No Impairment of Intercompany Transfers

No Credit Party shall directly or indirectly enter into or become bound by any agreement, instrument, indenture or other obligation (other than this Agreement and the other Loan Documents) that could directly or indirectly restrict, prohibit or require the consent of any Person with respect to the payment of dividends or distributions or the making or repayment of intercompany loans by a Subsidiary of a Borrower to such Borrower or between Borrowers.

6.17 No Speculative Transactions

No Credit Party shall engage in any transaction involving commodity options, futures contracts or similar transactions, except solely to hedge against fluctuations in the prices of commodities

owned or purchased by it and the values of foreign currencies receivable or payable by it and interest swaps, caps or collars under a Hedging Agreement; PROVIDED that (i) any such Hedging Agreement must have a Lender as the sole counterparty, (ii) at any time, the aggregate amount payable upon termination, liquidation or cancellation of such Hedging Agreements for all Credit Parties, calculated in accordance with GAAP, shall not exceed $1,000,000 and (iii) at any time, Agent may maintain Reserves in the amount of such aggregate amount.

6.18 Changes Relating to Senior Debt; Subordinated Debt Designation of Credit Facility

(a) No Credit Party shall change or amend the terms of any Senior Debt or Subordinated Debt (or any indenture or agreement in connection therewith) if the effect of such amendment is to: (a) increase the interest rate on such Senior Debt or such Subordinated Debt by more than two percentage points (2%); (b) change the dates upon which payments of principal or interest are due on such Senior Debt or

such Subordinated Debt other than to extend such dates; (c) add any default, event of default or change any default or event of default other than to delete or make less restrictive any default provision therein, or add any covenant with respect to such Senior Debt or such Subordinated Debt; (d) add any covenant or change any covenant in a matter adverse to such Credit Party, (e) change the redemption or prepayment provisions of such Senior Debt or such Subordinated Debt other than to extend the dates therefor or to reduce the premiums payable in connection therewith; (f) grant any security or collateral to secure payment of such Senior Debt or such Subordinated Debt; (g) with respect to the Senior Note Indenture and the Senior Subordinated Note Indenture, each change or amend the asset sale provision of the Senior Note Indenture or the Senior Subordinated Note Indenture, in each case, without the prior written approval of the Required Lenders, (h) change or amend the definition of "Borrowing Base" contained therein, or (i) change or amend any other term if such change or amendment would materially increase the obligations of the Credit Party thereunder or confer additional material rights on the holder of such Senior Debt or such Subordinated Debt in a manner adverse to any Credit Party, Agent or any Lender.

(b) No Credit Party shall designate any credit agreement, credit facility, documents, agreement or indebtedness as a "Credit Facility" under and as such term is defined in the Senior Note Indenture, as originally in effect or as a "Credit Facility" under which as such term is defined in the Senior Subordinated Note Indenture, as originally in effect, other than, in each case, this Agreement, or, except for this Agreement and the Loan Documents, otherwise grant to any Indebtedness or Liens securing the same the rights of "Priority Lien Obligations" or "Priority Liens" as such terms are defined in the Senior Note Indenture, as originally in effect.

6.19 Changes in Depreciation Schedules

No Credit Party shall change or amend the schedules or methodology used to calculate depreciation on its assets (except as required by applicable law or by a change in GAAP).

6.20 Credit Parties Other than Borrowers

None of H&E Holdings, H&E Finance and GNE Investments shall engage in any trade or business, or own any assets (other than Stock of their Subsidiaries) or incur any Indebtedness or Guaranteed Indebtedness (other than the Obligations); PROVIDED that (i) H&E Finance may consummate the transactions contemplated by the Senior Note Indenture and the Senior Subordinated Note Indenture, (ii) H&E Holdings may incur certain rights and obligations under the BRS Management Agreement and (iii) GNE Investments may provide the guaranty of (x) the Senior Notes as provided for in the Senior Note Indenture and (y) the Senior Subordinated Notes as provided for in the Senior Subordinated Note Indenture and (iv) H&E, H&E Finance and GNE Investments may consummate the Related Transactions.

6.21 Lock Box Remittances; Vendor Payments

No Credit Party shall make, direct or permit any remittance to be made into any lock box maintained for the benefit of Agent that is subject to any Lien or claim or other interest of any Person, other than Liens in favor of Agent, on behalf of itself and Lenders, and Collateral Agent, on behalf of the holders of Senior Notes and Liens in favor of the applicable depository bank permitted by the applicable lock box or pledged account agreement with such depository bank; PROVIDED, that the Credit Parties shall not be in default under this Section 6.21 if the amount on deposit in the deposit accounts associated with all such lock boxes and subject to any Lien or claim of any Person (other than the depositary bank) does not exceed $200,000 in the aggregate at any time. No Credit Party shall send an invoice or otherwise bill any purchaser with respect to the purchase of any Floor Plan Equipment Inventory or any Off Balance Sheet Equipment Inventory (that has been purchased by a Credit Party) prior to the payment by such Credit Party of the purchase price of such Floor Plan Equipment Inventory or such Off Balance Sheet Equipment Inventory into such a lock box. Each Credit Party shall comply with all requirements of each Vendor Inter-Creditor Agreement and shall give all notices and take all other actions under each Vendor Inter-Creditor Agreement to insure compliance with the requirements of this Section 6.21.

7. TERM

7.1 Termination

The financing arrangements contemplated hereby shall be in effect until

the Commitment Termination Date, and the Loans and all other Obligations shall be automatically due and payable in full on such date.

7.2 Survival of Obligations Upon Termination of Financing Arrangements

Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Credit Parties or the rights of Agent and Lenders relating to any unpaid portion of the Loans or any other

Obligations, due or not due, liquidated, contingent or unliquidated, or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Loan Document, all undertakings, agreements, covenants, warranties and representations of or binding upon any Credit Party, and all rights of Agent and each Lender, all as contained in the Loan Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Termination Date, whereupon it shall terminate; PROVIDED, that the provisions of Section 11, the payment obligations under Sections 1.15 and 1.16, and the indemnities contained in the Loan Documents shall survive the Termination Date and PROVIDED FURTHER that the indemnities contained in the Loan Documents in favor of a Lender shall survive the assignment by such Lender of the Commitments and Loans of such Lender.

7.3 Default Purchase Option

Agent agrees to promptly provide notice to the trustee under the Senior Note Indenture when there has occurred the maturity (including as a result of acceleration or the commencement of an Event of Default under Section 8.1(h) or 8.1(i)) of the Obligations and the termination of the Revolving Loan Commitment. Such notice (the "DEFAULT NOTICE") shall include the name and address of each Lender, and Agent agrees to notify Trustee of the name and address of any new Lender that acquires a Loan during the period beginning on the date of such Default Notice and ending on the earlier of the date twenty (20) Business Days following the delivery of the Default Notice or the Authorized Representative Properly Elects under this Section 7.3. If an Authorized Representative Properly Elects to purchase all "Priority Lien Indebtedness" (as such term is defined in the Senior Note Indenture as originally in effect) arising under or secured by the Loan Documents (including, without limitation, Indebtedness arising under Hedging Agreements secured thereby), each Lender agrees to sell all, but not less than all, of the principal of and interest on and all prepayment or acceleration penalties and premiums in respect of the Loans outstanding at the time of purchase and all other Obligations (except Unasserted Contingent Obligations (as defined in the Senior Note Indenture as originally in effect)) then outstanding, together with all rights of such Lender with respect to Liens securing such Obligations and all Guarantees and other supporting obligations relating to such Obligations (the "SUBJECT PROPERTY"), to Eligible Purchasers (as such term is defined in the Senior Note Indenture as originally in effect) identified by the Authorized Representative upon the following terms and conditions: (a) for a purchase price equal to 100% of the principal amount and accrued interest outstanding on the Obligations included in the Subject Property on the date of purchase plus all other Obligations included in the Subject Property (except any prepayment or acceleration penalty or premium (the term "prepayment penalty or acceleration premium" being deemed not to include default interest or LIBOR Rate breakage costs)) then unpaid, (b) with such purchase price payable in cash on the date of purchase (which date of purchase shall occur before the latter of (i) twenty (20) Business Days following the date of receipt by such trustee of the Default Notice and (ii) five (5) Business Days after the Authorized Representative shall have Properly Elected to purchase under this Section 7.3), against transfer to one or more "Eligible Purchasers" or its

nominee or transferee identified by the Authorized Representative (such transfer to be without recourse and without any representation or warranty whatsoever, whether as to the enforceability of any Obligations included in the Subject Property or the validity, enforceability, perfection or priority or sufficiency of any Lien securing, or Guaranty or other supporting obligation for, any Obligations included in the Subject Property or as to any other matter whatsoever, except only the representation and warranty that the transferee is transferring free and clear of all Liens and encumbrances (other than those that will be satisfied and discharged concurrently with the closing of such purchase),

and has good right to convey, whatever claims and interest it may have in respect of the Subject Property pursuant to the Loan Documents), (c) with such purchase accompanied by a deposit by the Authorized Representative on behalf of such "Eligible Purchasers" of cash collateral under control of the Agent (pursuant to agreements reasonably acceptable to the Agent and with a depositary reasonably acceptable to the Agent) in an amount equal to 105% of the undrawn amount of each Letter of Credit then outstanding, as security for the additional obligation of the purchaser to purchase, at par plus accrued interest, the reimbursement obligation in respect of such Letters of Credit as and when such Letters of Credit are funded and to pay all Obligations included in the Subject Property then outstanding relating to such Letter of Credit and (d) upon documents reasonably acceptable to Agent, such Lender and the Authorized Representative and consistent with the foregoing clauses (a) through (c). The option to purchase under this Section 7.3 is exercisable only once. An "AUTHORIZED REPRESENTATIVE" shall mean the Trustee or an Eligible Purchaser (as such term is defined in the Senior Note Indenture as originally in effect) who the Trustee, in a writing delivered to the Agent and each Lender, indicates is authorized to exercise rights under this Section 7.3. The term "PROPERLY ELECTS" means the delivery within twenty (20) Business Days following receipt by the Trustee of notice of acceleration of the Obligations and termination of the Commitments to the Agent and each Lender by an Authorized Representative of an irrevocable written notice to purchase all "Priority Lien Indebtedness" (as such term is defined in the Senior Note Indenture as originally in effect) arising under or secured by the Loan Documents (including, without limitation, Indebtedness arising under Hedging Agreements) pursuant to the terms of this Section 7.3.

8. EVENTS OF DEFAULT: RIGHTS AND REMEDIES

8.1 Events of Default

The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "EVENT OF DEFAULT" hereunder:

(a) Any Borrower (i) fails to make any payment of principal of, or interest on, or Fees owing in respect of, the Loans or any of the other Obligations when due and payable, or fails to provide cash collateral as and when required, or (ii) fails to pay or reimburse Agent or Lenders for any expense reimbursable hereunder or under any other Loan Document within ten (10) days following Agent's demand for such reimbursement or payment of expenses.

(b) Any Credit Party fails or neglects to perform, keep or observe any of the provisions of Sections 1.4, 1.8, 5.4(a) or 6 applicable to it, or any of the provisions set forth in Annexes C, E or G, respectively applicable to it.

(c) Any Credit Party fails or neglects to perform, keep or observe any of the provisions of Section 4 or any provisions set forth in Annex F, applicable to it and the same shall remain unremedied for ten (10) days or more.

(d) Any Credit Party fails or neglects to perform, keep or observe any other provision of this Agreement or of any of the other Loan Documents applicable to it, (other than any provision embodied in or covered by any other clause of this Section 8.1) and the same shall remain unremedied for thirty (30) days or more.

(e) A default or breach occurs under any other agreement, document or instrument to which any Credit Party is a party that is not cured within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness or Guaranteed Indebtedness (other than the Obligations) of any Credit Party, including the Senior Debt and the Indebtedness under the Senior Subordinated Note Indenture, in excess of $2,000,000 in the aggregate (including (x) undrawn committed or available amounts and (y) amounts owing to all creditors under any combined or syndicated credit arrangements), or in respect of any lease under which any Credit Party is lessee under which the aggregate cost of the leased property exceeds $2,000,000, or (ii) causes, or permits any holder of such Indebtedness or Guaranteed Indebtedness or a trustee to cause, Indebtedness or Guaranteed Indebtedness or a portion thereof, including the Senior Debt, in excess of $2,000,000 in the aggregate, or rent in excess of $2,000,000 in the aggregate, to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, or cash collateralized in respect thereof to be demanded, in each case, regardless of whether such right is exercised, by such holder or trustee.

(f) Any information contained in any Borrowing Base Certificate is

untrue or incorrect in any respect (other than inadvertent, immaterial errors not exceeding $2,500,000 in the aggregate in any Borrowing Base Certificate), or any representation or warranty herein or in any Loan Document or in any written statement, report, financial statement or certificate (other than a Borrowing Base Certificate) made or delivered to Agent or any Lender by any Credit Party is untrue or incorrect in any material respect as of the date when made or deemed made.

(g) Assets with a value in excess of $1,000,000 of any Credit Party are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Credit Party and such condition continues for sixty (60) days or more.

(h) A case or proceeding is commenced against any Credit Party seeking a decree or order in respect of such Credit Party (i) under the Bankruptcy Code, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, or (iii) ordering the winding-up or liquidation of the affairs of such Credit Party, and such case or proceeding shall remain undismissed or unstayed for 60 days or more or a decree or order granting the relief sought in such case or proceeding shall be entered by a court of competent jurisdiction.

(i) Any Credit Party (i) files a petition seeking relief under the Bankruptcy Code, or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) consents to or fails to contest in a timely and appropriate manner the institution of proceedings thereunder or the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, (iii) makes an assignment for the benefit of creditors, (iv) takes any action in furtherance of any of the foregoing or (v) admits in writing its inability to, or is generally unable to, pay its debts as such debts become due.

(j) A final judgment or judgments for the payment of money in excess of $1,000,000 in the aggregate at any time are outstanding against one or more of the Credit Parties and the same are not, within 30 days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay.

(k) Any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Credit Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any Lien created under any Loan Document on assets with a value in excess of $1,000,000 in the aggregate ceases to be a valid and perfected first priority Lien (except as otherwise permitted herein or therein) in any of the Collateral purported to be covered thereby.

(l) Any Change of Control occurs.

8.2 Remedies

(a) If any Default or Event of Default has occurred and is continuing, Agent may (and at the written request of the Requisite Lenders shall), without notice, suspend this facility with respect to additional Advances and/or the incurrence of additional Letter of Credit Obligations, whereupon any additional Advances and additional Letter of Credit

Obligations shall be made or incurred in Agent's sole discretion (or in the sole discretion of the Requisite Lenders, if such suspension occurred at their direction) so long as such Default or Event of Default is continuing. If any Default or Event of Default has occurred and is continuing, Agent may (and at the written request of Requisite Lenders shall), without notice except as otherwise expressly provided herein, increase the rate of interest applicable to the Loans and the Letter of Credit Fees to the Default Rate.

(b) If any Event of Default has occurred and is continuing, Agent may

(and at the written request of the Requisite Lenders shall), without notice, (i) terminate this facility with respect to further Advances or the incurrence of further Letter of Credit Obligations, (ii) declare all or any portion of the Obligations, including all or any portion of any Loan to be forthwith due and payable, and require that the Letter of Credit Obligations be cash collateralized as provided in Annex B, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by each Credit Party, or (iii) exercise any rights and remedies provided to Agent under the Loan Documents or at law or equity, including all remedies provided under the Code; PROVIDED, that upon the occurrence of an Event of Default specified in Section 8.1(h) or Section 8.1(i), all of the Obligations, including the Revolving Loan, shall become immediately due and payable without declaration, notice or demand by any Person.

8.3 Waivers by Credit Parties

Except as otherwise provided for in this Agreement or by applicable law, each Credit Party waives (including for purposes of Section 12): (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which any Credit Party may in any way be liable, and hereby ratifies and confirms whatever Agent may do in this regard, (b) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Agent to exercise any of its remedies, and (c) the benefit of all valuation, appraisal, marshalling and exemption laws.

9. ASSIGNMENT AND PARTICIPATIONS; APPOINTMENT OF AGENT

9.1 Assignment and Participations

(a) Subject to the terms of this Section 9.1, any Lender may make an assignment to a Qualified Assignee of, or sell participations in, at any time or times, the Loan Documents, Loans, Letter of Credit Obligations and any Commitment or any portion thereof or interest therein, including any Lender's rights, title, interests, remedies, powers or duties thereunder. Any assignment by a Lender shall (i) require the consent of Agent (which consent shall not be unreasonably withheld or delayed with respect to a Qualified

Assignee) and, so long as no Default or Event of Default has occurred and is continuing, the Borrower Representative (which shall not be unreasonably withheld or delayed) and the execution of an assignment agreement (an "ASSIGNMENT AGREEMENT") substantially in the form attached hereto as Exhibit 9.1(a) and otherwise in form and substance reasonably satisfactory to, and acknowledged by, Agent, PROVIDED, that neither the Agent's nor the Borrower Representative's consent shall be required if such assignment is to an existing Lender, to an Affiliate of such assigning Lender or to a special purpose entity organized to acquire commercial loans and managed by an existing Lender or an Affiliate or an existing Lender, and, PROVIDED, FURTHER that Borrower Representative's consent shall not be required if such assignment is to a Qualified Assignee; (ii) be conditioned on such assignee Lender representing to the assigning Lender and Agent that it is purchasing the applicable Loans to be assigned to it for its own account, for investment purposes and not with a view to the distribution thereof; (iii) after giving effect to any such partial assignment, the assignee Lender shall have Commitments in an amount at least equal to $5,000,000 and the assigning Lender shall have retained Commitments in an amount at least equal to $5,000,000; (iv) include a payment to Agent by the assignor or assignee of an assignment fee of $3,500. In the case of an assignment by a Lender under this Section 9.1, the assignee shall have, to the extent of such assignment, the same rights, benefits and obligations as all other Lenders hereunder and (v) not be effective until such assignment is reflected in the Loan Account. Subject to the proviso in the last sentence of Section 7.2, the assigning Lender shall be relieved of its obligations hereunder with respect to its Commitments or assigned portion thereof from and after the date of such assignment. Each Credit Party hereby acknowledges and agrees that any assignment shall give rise to a direct obligation of such Credit Party to the assignee and that the assignee shall be considered to be a "LENDER". In all instances, each Lender's liability to make Loans hereunder shall be several and not joint and shall be limited to such Lender's Pro Rata Share of the applicable Commitment. In the event Agent or any Lender assigns or otherwise transfers all or any part of a Note, Agent or any such

Lender shall so notify Borrowers and each Borrower shall execute new Notes in exchange for the Notes being assigned. Notwithstanding the foregoing provisions of this Section 9.1(a), any Lender may at any time pledge as security for obligations of such Lender or assign all or any portion of such Lender's rights under this Agreement and the other Loan Documents to any Person, including to a Federal Reserve Bank; PROVIDED, that no such pledge or assignment shall release such Lender from such Lender's obligations hereunder or under any other Loan Document.

(b) Any participation by a Lender of all or any part of its Commitments and Loans shall be entered into with the understanding that all amounts payable by Borrowers hereunder shall be determined as if that Lender had not sold such participation, and that the holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder except actions directly affecting (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Loan in which such holder participates, (ii) any extension of the final maturity of the principal amount of

any Loan in which such holder participates, and (iii) any release of all or substantially all of the Collateral (other than in accordance with the terms of this Agreement, the Collateral Documents or the other Loan Documents). Each participation created by any Lender shall provide that it shall be terminated by such Lender upon sale of such Lender's Obligations pursuant to Section 7.3 (and such Lender shall pay to the participant all amounts required to be paid under such participation upon termination). Solely for purposes of Sections 1.13, 1.15, 1.16 and 9.8, each Borrower acknowledges and agrees that a participation shall give rise to a direct obligation of such Borrower to the participant and the participant shall be considered to be a "LENDER"; PROVIDED, that any such participant shall not be entitled to receive any greater payment under Section 1.15 or Section 1.16 than the Lender granting such participation would have been entitled to receive with respect to the portion of its Commitment and Loans so participated. Except as set forth in the preceding sentence no Borrower shall have any obligation or duty to any participant. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any participant and may continue to deal solely with the Lender selling a participation as if no such sale had occurred.

(c) Except as expressly provided in this Section 9.1, no Lender shall, as between the Credit Parties, and that Lender, or Agent and that Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of participation in, all or any part of the Loans, the Notes or other Obligations owed to such Lender.

(d) Each Credit Party shall assist any Lender permitted to sell assignments or participations under this Section 9.1 as reasonably required to enable the assigning or selling Lender to effect any such assignment or participation, including the execution and delivery of any and all agreements, notes and other documents and instruments as shall be requested and, in connection with the initial syndication of the Loans and Commitments and if otherwise requested by Agent, the preparation of informational materials for, and the participation of management in meetings with, potential assignees or participants. Each Credit Party shall certify the correctness, completeness and accuracy of all descriptions of the Credit Parties and their respective affairs contained in any selling materials provided by it and all other information provided by it and included in such materials, except that any Projections delivered by Borrowers shall only be certified by Borrowers as having been prepared by Borrowers in compliance with the representations contained in Section 3.4(c).

(e) Any Lender may furnish any information concerning any Credit Party in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants); PROVIDED, that such Lender shall obtain from assignees or participants confidentiality covenants substantially equivalent to those contained in Section 11.8.

(f) So long as no Event of Default has occurred and is continuing, no Lender shall assign or sell participations in any portion of its Loans or Commitments to a potential Lender or participant, if, as of the date of the proposed assignment or sale, the assignee Lender or participant would be subject to capital adequacy, reserve or similar

requirements under Section 1.16(a), increased costs under Section 1.16(b), an inability to fund LIBOR Loans under Section 1.16(c), or withholding taxes in accordance with Section 1.16(d).

9.2 Appointment of Agent

GE Capital is hereby appointed to act on behalf of all Lenders as Agent under this Agreement and the other Loan Documents. The provisions of this Section 9.2 are solely for the benefit of Agent and Lenders and no Credit Party nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement and the other Loan Documents, Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Credit Party or any other Person. Agent shall have no duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents. The duties of Agent shall be mechanical and administrative in nature and Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender. Except as expressly set forth in this Agreement and the other Loan Documents, Agent shall not have any duty to disclose, and shall not be liable for failure to disclose, any information relating to any Credit Party or any of their respective Subsidiaries or any Account Debtor that is communicated to or obtained by GE Capital or any of its Affiliates in any capacity. Neither Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents or representatives shall be liable to any Lender for any action taken or omitted to be taken by it hereunder or under any other Loan Document, or in connection herewith or therewith, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Each Lender which is a party to a Hedging Agreement hereby appoints GE Capital as collateral agent under the Collateral Documents.

If Agent shall request instructions from Requisite Lenders, Majority Revolving Lenders or all affected Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, then Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Requisite Lenders, Majority Revolving Lenders, or all affected Lenders, as the case may be, and Agent shall not incur liability to any Person by reason of so refraining. Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document (a) if such action would, in the opinion of Agent, be contrary to law or the terms of this Agreement or any other Loan Document, (b) if such action would, in the opinion of Agent, expose Agent to Environmental Liabilities or (c) if Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Lender shall have any right of action whatsoever

against Agent as a result of Agent acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Requisite Lenders, Majority Revolving Lenders or all affected Lenders, as applicable.

9.3 Agent's Reliance, Etc.

Neither Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the generality of the foregoing, Agent: (a) may treat the payee of any Note as the holder thereof until Agent receives written notice of the assignment or transfer thereof signed by such payee and in form reasonably satisfactory to Agent; (b) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Credit Party or to inspect the Collateral (including the books and records) of any Credit Party; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and

(f) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

9.4 GE Capital and Affiliates

With respect to its Commitments hereunder, GE Capital shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include GE Capital in its individual capacity. GE Capital and its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Credit Party, any of its Affiliates and any Person who may do business with or own securities of any Credit Party or any such Affiliate, all as if GE Capital were not Agent and without any duty to account therefor to Lenders. GE Capital and its Affiliates may accept fees and other consideration from any Credit Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

9.5 Lender Credit Decision

Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender and based on the Financial Statements referred to in Section 3.4(a) and such other documents and information as it has deemed appropriate, made its own credit and financial analysis of the Credit Parties and its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

9.6 Indemnification

Lenders agree to indemnify Agent and Arranger (to the extent not reimbursed by Credit Parties and without limiting the obligations of Credit Parties hereunder), ratably according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against Agent or Arranger in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by Agent or Arranger in connection therewith; PROVIDED, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from Agent's or Arranger's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the foregoing, each Lender agrees to reimburse Agent or Arranger promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by Agent or Arranger in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Agent is not reimbursed for such expenses by the Credit Parties.

9.7 Successor Agent

Agent may resign at any time by giving not less than thirty (30) days' prior written notice thereof to Lenders and Borrower Representative. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within 30 days after the resigning Agent's giving notice of resignation, then the resigning Agent may, on behalf of Lenders, appoint a successor Agent, which shall be a Lender, if a Lender is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution is organized under the laws of the United States of America or of any State thereof and has a

combined capital and surplus of at least $300,000,000. If no successor Agent has been appointed pursuant to the foregoing, within thirty (30) days after the date such notice of resignation was given by the resigning Agent, such resignation shall become effective and the Requisite Lenders shall thereafter perform all the duties of Agent hereunder until such time, if any, as the Requisite Lenders appoint a successor Agent as provided above. Any successor Agent appointed by Requisite Lenders hereunder shall be subject to the approval of Borrower Representative, such approval not to be unreasonably withheld or delayed; PROVIDED, that such approval shall not be required if a Default or an Event of Default has occurred and is continuing. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the earlier of the acceptance of any appointment as Agent hereunder by a successor Agent or the effective date of the resigning Agent's resignation, the resigning Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity rights or other rights in favor of such resigning Agent shall continue. After any resigning Agent's resignation hereunder, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was acting as Agent under this Agreement and the other Loan Documents. Agent may be removed at the written direction of the holders (other than Agent) of two-thirds or more of the Commitments (excluding Agent's Commitment); PROVIDED, that in so doing, such Lenders shall be deemed to have waived and released any and all claims they may have against Agent.

9.8 Co-Agents

None of the Lenders identified on the facing page or signature pages of this Agreement or any related document as "documentation agent", "syndication agent" or "arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders so identified as "documentation agent", "syndication agent" or "arranger" shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

9.9 Setoff and Sharing of Payments

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default and subject to Section 9.9(f), each Lender is hereby authorized at any time or from time to time, without notice to any Credit Party or to any other Person, any such notice being hereby expressly waived, to offset and to appropriate and to apply any and all balances held by it at any of its offices for the account of any Credit Party (regardless of whether such balances are then due to such Credit Party) and any other properties or assets at any time held or owing by that Lender or that holder to or for the credit or for the account of any Credit Party against and on account of any of the Obligations that are not paid when due. Any Lender exercising a right of setoff or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share

thereof (other than any right of setoff exercised with respect to, or payments under, Section 1.13, 1.15 or 1.16) shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so offset or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares. Each Lender's obligation under this Section 9.8 shall be in addition to and not in limitation of its obligations to purchase a participation in an amount equal to its Pro Rata Share of the Swing Line Loans under Section 1.1. Each Credit Party agrees, to the fullest extent permitted by law, that (a) any Lender may exercise its right to offset with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amounts so offset to other Lenders and holders and (b) any Lender so purchasing a participation in the Loans made or other Obligations held by other Lenders or holders may exercise all rights of offset, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the offset amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of offset, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

9.10 Advances; Payments; Non-Funding Lenders; Information; Actions in Concert

(a) Advances; Payments

(i) Revolving Lenders shall refund or participate in the Swing Line Loan in accordance with clauses (iii) and (iv) of Section 1.1(b). If the Swing Line Lender declines to make a Swing Line Loan or if Swing Line Availability is zero, Agent shall notify Revolving Lenders, promptly after receipt of a Notice of Revolving Credit Advance and in any event prior to noon (New York time) on the date such Notice of Revolving Credit Advance is received, by telecopy, telephone or other similar form of transmission. Each Revolving Lender shall make the amount of such Lender's Pro Rata Share of each Revolving Credit Advance available to Agent in same day funds by wire transfer to Agent's account as set forth in Annex H not later than 3:00 p.m. (New York time) on the requested funding date, in the case of an Index Rate Loan, and not later than 3:00 p.m. (New York time) on the requested funding date in the case of a LIBOR Loan. After receipt of such wire transfers (or, in the Agent's sole discretion, before receipt of such wire transfers), subject to the terms hereof, Agent shall make the requested Revolving Credit Advance to the Borrower designated by Borrower Representative in the Notice of Revolving Credit Advance. All payments by each Revolving Lender shall be made without setoff, counterclaim or deduction of any kind.

(ii) On the 2nd Business Day of each calendar week or more frequently at Agent's election (each, a "SETTLEMENT DATE"), Agent shall advise each Lender by telephone or telecopy of the amount of such Lender's Pro Rata Share of principal,

interest and Fees paid for the benefit of Lenders with respect to each applicable Loan. Provided that each Lender has funded all payments or Advances required to be made by it and purchased all participations required to be purchased by it under this Agreement and the other Loan Documents as of such Settlement Date, Agent shall pay to each Lender such Lender's Pro Rata Share of principal, interest and Fees paid by Borrowers since the previous Settlement Date for the benefit of such Lender on the Loans held by it. To the extent that any Lender (a "NON-FUNDING LENDER") has failed to fund all such payments and Advances or failed to fund the purchase of all such participations, Agent shall be entitled to set off the funding short-fall against that Non-Funding Lender's Pro Rata Share of all payments received from Borrowers. Such payments shall be made by wire transfer to such Lender's account (as specified by such Lender in Annex H or the applicable Assignment Agreement) not later than 2:00 p.m. (New York time) on the next Business Day following each Settlement Date.

(b) Availability of Lender's Pro Rata Share

Agent may assume that each Revolving Lender will make its Pro Rata Share of each Revolving Credit Advance available to Agent on each funding date. If such Pro Rata Share is not, in fact, paid to Agent by such Revolving Lender when due, Agent will be entitled to recover such amount on demand from such Revolving Lender without setoff, counterclaim or deduction of any kind. If any Revolving Lender fails to pay the amount of its Pro Rata Share forthwith upon Agent's demand, Agent shall promptly notify Borrower Representative and Borrowers shall immediately repay such amount to Agent. Nothing in this Section 9.9(b) or elsewhere in this Agreement or the other Loan Documents shall be deemed to require Agent to advance funds on behalf of any Revolving Lender or to relieve any Revolving Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrowers may have against any Revolving Lender as a result of any default by such Revolving Lender hereunder. To the extent that Agent advances funds to any Borrower on behalf of any Revolving Lender and is not reimbursed therefor on the same Business Day as such Advance is made, Agent shall be entitled to retain for its account all interest accrued on such Advance until reimbursed by the applicable Revolving Lender.

(c) Return of Payments

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from Borrowers and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without

setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement must be returned to any Borrower or paid to any other Person

pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

(d) Non-Funding Lenders

The failure of any Non-Funding Lender to make any Revolving Credit Advance or any payment required by it hereunder or to purchase any participation in any Swing Line Loan to be made or purchased by it on the date specified therefor shall not relieve any other Lender (each such other Revolving Lender, an "OTHER LENDER") of its obligations to make such Advance or purchase such participation on such date, but neither any Other Lender nor Agent shall be responsible for the failure of any Non-Funding Lender to make an Advance, purchase a participation or make any other payment required hereunder. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" or a "Revolving Lender" (or be included in the calculation of "Requisite Lenders" or "Majority Revolving Lenders" hereunder) for any voting or consent rights under or with respect to any Loan Document. At Borrower Representative's request, Agent or a Person reasonably acceptable to Agent shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from any Non-Funding Lender, and each Non-Funding Lender agrees that it shall, at Agent's request, sell and assign to Agent or such Person, all of the Commitments of that Non-Funding Lender for an amount equal to the principal balance of all Loans held by such Non-Funding Lender and all accrued interest and fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement and in accordance with the recording requirements for transfers in Section 9.1.

(e) Dissemination of Information

Agent shall use reasonable efforts to provide Lenders with (i) any notice of Default or Event of Default received by Agent from, or delivered by Agent to, any Borrower, with notice of any Event of Default of which Agent has actually become aware and with notice of any action taken by Agent following any Event of Default; PROVIDED, that Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable solely to Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction and (ii) any Equipment Inventory Appraisals, P&E Appraisals and Collateral audits received by Agent. Lenders acknowledge that Borrowers are required to provide Financial Statements and Collateral

Reports to Lenders in accordance with Annexes E and F hereto and agree that Agent shall have no duty to provide the same to Lenders.

(f) Actions in Concert

Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or the Notes (including exercising any rights of setoff) without first obtaining the prior written consent of Agent and Requisite Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Notes shall be taken in concert and at the direction or with the consent of Agent or Requisite Lenders.

10. SUCCESSORS AND ASSIGNS

10.1 Successors and Assigns

This Agreement and the other Loan Documents shall be binding on and shall inure to the benefit of each Credit Party, Agent, Lenders and their respective successors and assigns (including, in the case of any Credit Party, a debtor-in-possession on behalf of such Credit Party), except as otherwise provided herein or therein. No Credit Party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder or under any of the other Loan Documents without the prior express written consent of Agent and Requisite Lenders. Any such purported assignment, transfer, hypothecation or other conveyance by any Credit Party without the prior express written consent of Agent and Requisite Lenders shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Credit Party, Agent and Lenders with respect to the transactions contemplated hereby and no Person shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

11. MISCELLANEOUS

11.1 Complete Agreement; Modification of Agreement

The Loan Documents constitute the complete agreement between the parties with respect to the subject matter thereof and may not be modified, altered or amended except as set forth in Section 11.2. Any letter of interest, commitment letter or fee letter (other than the GE Capital Fee Letter) or confidentiality agreement, if any, between any Credit Party and Agent or any Lender or any of their respective Affiliates, predating this Agreement and relating to a financing of substantially similar form, purpose or effect shall be superseded by this Agreement.

11.2 Amendments and Waivers

(a) Except for actions expressly permitted to be taken by Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, or any consent to any departure by any Credit Party therefrom, shall in any

event be effective unless the same shall be in writing and signed by Agent and Borrowers, and by Requisite Lenders or all affected Lenders, as applicable. Except as set forth in clauses (b) and (c) below, all such amendments, modifications, terminations or waivers requiring the consent of any Lenders shall require the written consent of Requisite Lenders.

(b) No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that increases the percentage advance rates set forth in the definition of the Great Northern Borrowing Base or the H&E Borrowing Base, in each case, above the Original Advance Rates, shall be effective unless the same shall be in writing and signed by Agent, Lenders and Borrowers. No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that waives compliance with the conditions precedent set forth in Section 2.2 to the making of any Loan or the incurrence of any Letter of Credit Obligations, shall be effective unless the same shall be in writing and signed by Agent, Requisite Lenders and Borrowers.

(c) No amendment, modification, termination or waiver shall, unless in writing and signed by Agent and each Lender directly affected thereby: (i) increase the principal amount of any Lender's Commitment (which action shall be deemed to directly affect all Lenders); (ii) reduce the principal of, rate of interest on or Fees payable with respect to any Loan or Letter of Credit Obligations of any affected Lender; (iii) extend any scheduled payment date (other than payment dates of mandatory prepayments under Sections 1.3(b)(ii)-and (iii)) or final maturity date of the principal amount of any Loan of any affected Lender; (iv) waive, forgive, defer, extend or postpone any payment of interest or Fees payable to any affected Lender; (v) release any Guaranty or, (vi) except as otherwise permitted herein or in the other Loan Documents, permit any Credit Party to sell or otherwise dispose of any Collateral with a value exceeding $5,000,000 in the aggregate (which action shall be deemed to directly affect all Lenders); (vii) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that shall be required for Lenders or any of them to take any action hereunder; (viii) amend the definition of Prohibited Swing Line Advance; (ix) change Section 1.1(b)(i) in any manner that increases the obligations of the Lenders with respect to any Swing Line Advance, (x) eliminate or make less restrictive any condition to lending under Section 2.2; or (xi) amend or waive this Section 11.2 or the definitions of the terms "Requisite Lenders" or "Majority Revolving Lenders" insofar as such definitions affect the substance of this Section 11.2. Furthermore, no amendment,

modification, termination or waiver affecting the rights or duties of Agent or L/C Issuer under this Agreement or any other Loan Document shall be effective unless in writing and signed by Agent or L/C Issuer, as the case may be, in addition to Lenders required hereinabove to take such action. Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment, modification, termination or waiver shall be required for Agent to take additional Collateral pursuant to any Loan Document. No amendment, modification, termination or

waiver of any provision of any Note shall be effective without the written concurrence of the holder of that Note. No notice to or demand on any Credit Party in any case shall entitle such Credit Party or any other Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 11.2 shall be binding upon each Lender.

(d) If, in connection with any proposed amendment, modification, waiver or termination (a "PROPOSED CHANGE"):

(i) requiring the consent of all affected Lenders, the consent of Requisite Lenders is obtained, but the consent of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in this clause (i) and in clauses (ii) and (iii) below being referred to as a "NON-CONSENTING LENDER"), or

(ii) requiring the consent of Requisite Lenders, the consent of Revolving Lenders holding 51% or more of the aggregate Revolving Loan Commitments is obtained, but the consent of Requisite Lenders is not obtained,

then, so long as Agent is not a Non-Consenting Lender, at Borrower Representative's request, Agent, or a Person reasonably acceptable to Agent, shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from such Non-Consenting Lenders, and such Non-Consenting Lenders agree that they shall, upon Agent's request, sell and assign to Agent or such Person, all of the Commitments of such Non-Consenting Lenders for an amount equal to the principal balance of all Loans held by the Non-Consenting Lenders and all accrued interest and Fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment Agreement.

(e) Upon payment in full in cash and performance of all of the Obligations (other than Unasserted Contingent Obligations), termination of the Commitments and all Letters of Credit (or the cash collateralization or backing with standby letters of credit of all Letters of Credit in accordance with Annex B) and a release of all claims against Agent and Lenders, and so long as no suits, actions, proceedings or claims are pending or threatened against any Indemnified Person asserting any damages, losses or liabilities that are Indemnified Liabilities, Agent shall deliver to the Credit Parties payoff letters, termination statements, mortgage releases and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Obligations.

11.3 Fees and Expenses

Borrowers shall reimburse (i) Agent and Arranger for all fees, costs and expenses (including the reasonable fees and expenses of all of its counsel, advisors, consultants and auditors) and (ii) Agent and Arranger (and, with respect to clauses (c) and (d) below, all Lenders) for all fees,

costs and expenses, including the reasonable fees, costs and expenses of counsel or other advisors (including environmental and management consultants and appraisers), incurred in connection with the negotiation and preparation of the Loan Documents as well as those incurred in connection with:

(a) the forwarding to any Borrower or any other Person on behalf of any Borrower by Agent of the proceeds of any Loan;

(b) any amendment, modification or waiver of, consent with respect to, or termination of, any of the Loan Documents or Related Transactions Documents or advice in connection with the syndication and administration of the Loans made pursuant hereto or its rights

hereunder or thereunder;

(c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Agent, any Lender, any Borrower or any other Person and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the Loan Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against any or all of the Borrowers or any other Person that may be obligated to Agent by virtue of the Loan Documents; including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Loans during the pendency of one or more Events of Default; PROVIDED, that in the case of reimbursement of counsel for Lenders other than Agent, such reimbursement shall be limited to one counsel for all such Lenders; PROVIDED FURTHER, that no Person shall be entitled to reimbursement under this clause (c) in respect of any litigation, contest, dispute, suit, proceeding or action to the extent any of the foregoing results from such Person's gross negligence or willful misconduct;

(d) any attempt to enforce any remedies of Agent or any Lender against any or all of the Credit Parties or any other Person that may be obligated to Agent or any Lender by virtue of any of the Loan Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Loans during the pendency of one or more Events of Default; PROVIDED, that in the case of reimbursement of counsel for Lenders other than Agent, such reimbursement shall be limited to one counsel for all such Lenders;

(e) any workout or restructuring of the Loans during the pendency of one or more Events of Default; and

(f) efforts to (i) monitor the Loans or any of the other Obligations, (ii) evaluate, observe or assess any Credit Party or its affairs, and (iii) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral in accordance with the terms of the Loan Documents;

including, as to each of clauses (a) through (f) above, all reasonable attorneys' and other professional and service providers' fees arising from such services and other advice, assistance or other representation, including those in connection with any appellate proceedings, and all expenses, costs, charges and other fees incurred by such counsel and others in connection with or relating to any of the events or actions described in this Section 11.3, all of which shall be payable, on demand, by Borrowers to Agent. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, environmental advisors, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or telecopy charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services.

11.4 No Waiver

Agent's or any Lender's failure, at any time or times, to require strict performance by any Credit Party of any provision of this Agreement or any other Loan Document shall not waive, affect or diminish any right of Agent or such Lender thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Subject to the provisions of Section 11.2, none of the undertakings, agreements, warranties, covenants and representations of any Credit Party contained in this Agreement or any of the other Loan Documents and no Default or Event of Default by any Credit Party shall be deemed to have been suspended or waived by Agent or any Lender, unless such waiver or suspension is by an instrument in writing signed by an officer of or other authorized employee of Agent and the applicable required Lenders and directed to Borrowers specifying such suspension or waiver.

11.5 Remedies

Agent's and Lenders' rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that Agent or any Lender may have under any other agreement, including the other Loan Documents, by operation of law or otherwise. Recourse to the

Collateral shall not be required.

11.6 Severability

Wherever possible, each provision of this Agreement and the other Loan Documents shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other Loan Document shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other Loan Document.

11.7 Conflict of Terms

Except as otherwise provided in this Agreement or any of the other Loan Documents by specific reference to the applicable provisions of this Agreement, if any provision contained in this Agreement conflicts with any provision in any of the other Loan Documents, the provision contained in this Agreement shall govern and control.

11.8 Confidentiality

Agent and each Lender agree to use commercially reasonable efforts (equivalent to the efforts Agent or such Lender applies to maintain the confidentiality of its own confidential information) to maintain as confidential all confidential information provided to them by any Credit Party and designated as confidential for a period of two (2) years following receipt thereof, except that Agent and each Lender may disclose such information (a) to Persons employed or engaged by Agent or such Lender; (b) to any bona fide assignee or participant or potential assignee or participant that has agreed to comply with the covenant contained in this Section 11.8 (and any such bona fide assignee or participant or potential assignee or participant may disclose such information to Persons employed or engaged by them as described in clause (a) above); (c) as required or requested by any Governmental Authority or reasonably believed by Agent or such Lender to be compelled by any court decree, subpoena or legal or administrative order or process; (d) as, in the opinion of Agent's or such Lender's counsel, is required by law; (e) in connection with the exercise of any right or remedy under the Loan Documents or in connection with any Litigation to which Agent or such Lender is a party; or (f) that ceases to be confidential through no fault of Agent or any Lender.

11.9 GOVERNING LAW

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THE LOAN DOCUMENTS AND THE OBLIGATIONS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH CREDIT PARTY, AGENT AND LENDERS HEREBY CONSENT AND AGREE THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN ANY CREDIT PARTY, AGENT AND LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, PROVIDED, THAT AGENT, LENDERS AND CREDIT PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK, NEW YORK AND, PROVIDED, FURTHER NOTHING IN THIS AGREEMENT SHALL

BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENT. EACH CREDIT PARTY, AGENT AND LENDERS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH CREDIT PARTY, AGENT AND LENDERS HEREBY WAIVE ANY OBJECTION WHICH ANY CREDIT PARTY, AGENT OR ANY LENDER MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH CREDIT PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN ANNEX I OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF EACH CREDIT PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAILS, PROPER POSTAGE PREPAID.

11.10 Notices

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon actual receipt in the case of notice sent by United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 11.10), (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated in Annex I or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Borrower Representative or Agent) designated in Annex I to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

11.11 Section Titles

The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

11.12 Counterparts

This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

11.13 WAIVER OF JURY TRIAL

BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, LENDERS AND ANY CREDIT PARTY ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.

11.14 Press Releases and Related Matters

Each Credit Party agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure with respect to the transactions contemplated by this Agreement using the name of GE Capital, any of the Lenders parties hereto or any of their affiliates or referring to this Agreement, the other Loan Documents or the Related Transactions Documents without at least two (2) Business Days' prior notice to such party and without the prior written consent of such party unless (and only to the extent that) such Credit Party or Affiliate is required to do so under law and then, in any event, such Credit Party or Affiliate will consult with such party before issuing such press release or other public disclosure. Each Credit Party consents to the publication by Agent or any Lender of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement. Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

11.15 Reinstatement

This Agreement shall remain in full force and effect and continue to be

effective should any petition be filed by or against any Credit Party for liquidation or reorganization, should any Credit Party become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Credit Party's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11.16 Advice of Counsel

Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of Sections 11.9 and 11.13, with its counsel.

11.17 No Strict Construction

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

12. CROSS-GUARANTY

12.1 Cross-Guaranty

Each Borrower hereby agrees that such Borrower is jointly and severally liable for, and hereby absolutely and unconditionally guarantees to Agent and Lenders and their respective successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to Agent and Lenders by each other Borrower. Each Borrower agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, that its obligations under this Section 12 shall not be discharged until payment and performance, in full, of the Obligations has occurred, and that its obligations under this Section 12 shall be absolute and unconditional, irrespective of, and unaffected by:

(a) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any other Loan Document or any other agreement, document or instrument to which any Borrower is or may become a party;

(b) the absence of any action to enforce this Agreement (including this Section 12) or any other Loan Document or the waiver or consent by Agent and Lenders with respect to any of the provisions thereof;

(c) the existence, value or condition of, or failure to perfect its Lien against, any security for the Obligations or any action, or the absence of any action, by Agent and Lenders in respect thereof (including the release of any such security);

(d) the insolvency of any Credit Party; or

(e) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

Each Borrower shall be regarded, and shall be in the same position, as principal debtor with respect to the Obligations guaranteed hereunder.

12.2 Waivers by Borrowers

Each Borrower expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel Agent or Lenders to marshal assets or to proceed in respect of the Obligations guaranteed hereunder against any other Credit Party, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Borrower. It is agreed among each Borrower, Agent and Lenders that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for the provisions of this Section 12 and such waivers, Agent and Lenders would decline to enter into this Agreement.

12.3 Benefit of Guaranty

Each Borrower agrees that the provisions of this Section 12 are for the benefit of Agent and Lenders and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between any other Borrower and Agent or Lenders, the obligations of such other Borrower under the Loan Documents.

12.4 Subordination of Subrogation, Etc.

Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, and except as set forth in Section 12.7, each Borrower hereby expressly and irrevocably subordinates to payment of the Obligations any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor until the Obligations are indefeasibly paid in full in cash. Each Borrower acknowledges and agrees that this subordination and waiver is intended to benefit Agent and Lenders and shall not limit or otherwise affect such Borrower's liability hereunder or the enforceability of this Section 12, and that Agent, Lenders and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 12.4.

12.5 Election of Remedies

If Agent or any Lender may, under applicable law, proceed to realize its benefits under any of the Loan Documents giving Agent or such Lender a Lien upon any Collateral, whether owned by any Borrower or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, Agent or any Lender may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Section 12. If, in the exercise of any of its rights and remedies, Agent or any Lender shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Borrower hereby consents to such action by Agent or such Lender and waives any claim based upon such action, even if such action by Agent or such Lender shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Agent or such Lender. Any election of remedies that results in the denial or impairment of the right of Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. In the event Agent or any Lender shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or the Loan Documents, Agent or such Lender may bid all or less than the amount of the Obligations and the amount of such bid need not be paid by Agent or such Lender but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether Agent, Lender or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Section 12, notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

12.6 Limitation

Notwithstanding any provision herein contained to the contrary, each Borrower's liability under this Section 12 (which liability is in any event in addition to amounts for which such Borrower is primarily liable under Section 1) shall be limited to an amount not to exceed as of any date of determination the greater of:

(a) the net amount of all Loans advanced to any other Borrower under this Agreement and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower; and

(b) the amount that could be claimed by Agent and Lenders from such Borrower under this Section 12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law after taking into account, among other things, such Borrower's right of contribution and indemnification from each other Borrower under Section 12.7.

12.7 Contribution with Respect to Guaranty Obligations

(a) To the extent that any Borrower shall make a payment under this Section 12 of all or any of the Obligations (other than Loans made to that Borrower for which it is primarily liable) (a "GUARANTOR PAYMENT") that, taking into account all other Guarantor Payments then previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Borrower's "ALLOCABLE AMOUNT" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Borrowers as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Obligations and termination of the Commitments, such Borrower shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Borrower for the amount of such excess, PRO RATA based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "ALLOCABLE AMOUNT" of any Borrower shall be equal to the maximum amount of the claim that could then be recovered from such Borrower under this Section 12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(c) This Section 12.7 is intended only to define the relative rights of Borrowers and nothing set forth in this Section 12.7 is intended to or shall impair the obligations of Borrowers, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section 12.1. Nothing contained in this Section 12.7 shall limit the liability of any Borrower to pay the Loans made directly or indirectly to that Borrower and accrued interest, Fees and expenses with respect thereto for which such Borrower shall be primarily liable.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Borrower to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Borrowers against other Credit Parties under this Section 12.7 shall be exercisable upon the full and indefeasible payment in full in cash of the Obligations and the termination of the Commitments and Letters of Credit (or the cash collateralization or backing with standby letters of credit of all Letters of Credit in accordance with Annex B).

12.8 Liability Cumulative

The liability of Borrowers under this Section 12 is in addition to and shall be cumulative with all liabilities of each Borrower to Agent and Lenders under this Agreement and the other Loan Documents to which such Borrower is a party or in respect of any Obligations or obligation of the other Borrower, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

IN WITNESS WHEREOF, this Credit Agreement has been duly executed as of the date first written above.

H&E EQUIPMENT SERVICES L.L.C.,
as Borrower

By: /s/ Lindsay Jones

Name:
Title:

GREAT NORTHERN EQUIPMENT, INC.,
as Borrower

By: /s/ Lindsay Jones

Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION,
as Agent and Lender

By: /s/ Laurent Paris

Name:
Title:

By:

Name:
Title:

BANK OF AMERICA, N.A.,
as Syndication Agent and Lender

By: /s/ Edmundo Kahn

Name:
Title:

FLEET CAPITAL CORPORATION,
as Documentation Agent and Lender

By: /s/ David Fiorito

Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ Mark Kiskorna

Name:
Title:

LASALLE BUSINESS CREDIT, INC.,
as Lender

By: /s/ David Wilson

Name:
Title:

ORIX FINANCIAL SERVICES, INC.,
as Lender

By: /s/ Thomas Watson

Name:
Title:

The following Persons are signatories to this Credit Agreement in their capacity as Credit Parties and not as Borrowers:

H&E HOLDINGS L.L.C.,
as a Credit Party

By: /s/ Terry Eastman

Name:
Title:

GNE INVESTMENTS, INC.,
as a Credit Party

By: /s/ Terry Eastman

Name:
Title:

H&E FINANCE CORP.,
as a Credit Party

By: /s/ Terry Eastman

Name:
Title:

ANNEX A (RECITALS)

TO

CREDIT AGREEMENT

DEFINITIONS

Capitalized terms used in the Loan Documents shall have (unless otherwise provided elsewhere in the Loan Documents) the following respective meanings, and all references to Sections, Exhibits, Schedules or Annexes in the following definitions shall refer to Sections, Exhibits, Schedules or Annexes of or to the Agreement:

"A RATED BANK" has the meaning assigned to it in Section 6.2.

"ACCOUNT DEBTOR" means any Person who may become obligated to a Credit Party under, with respect to, or on account of, an Account, Chattel Paper or General Intangibles (including a payment intangible).

"ACCOUNTING CHANGES" has the meaning assigned to it in Annex G.

"ACCOUNTS" means all "ACCOUNTS," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, or Instruments), (including any such obligations that may be characterized as an account or contract right under the Code), (b) all of each Credit Party's rights in, to and under all purchase orders or receipts for goods or services, (c) all of each Credit Party's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due to any Credit Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by such Credit Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Credit Party), (e) all health care insurance receivables and (f) all collateral security of any kind, given by any Account Debtor or any other Person with respect to any of the foregoing.

"ADJUSTED INTEREST COVERAGE RATIO" means, with respect to H&E Holdings and its Subsidiaries on a consolidated basis for any period, the ratio of (a) EBITDAR to (b) (i) Interest Expense PLUS (ii) Operating Lease Payments PLUS (iii) Capital Lease Payments PLUS, to the extent not already included under sub clause (i), (ii) or (iii) of this clause (b), Restricted Payments. For the purposes of this definition, Interest Expense for the Fiscal Quarters ending on September 30, 2001, December 31, 2001, and March 31, 2002 shall be deemed to be $8,600,000 for each such Fiscal Quarter.

"ADJUSTED LEVERAGE RATIO" means, with respect to H&E Holdings and its Subsidiaries, on a consolidated basis, the ratio of (i) Funded Debt as of any date of determination PLUS Operating Lease Payoff Value, to (ii) EBITDAR for the period of four consecutive Fiscal Quarters ending on that date of determination.

"ADVANCE" means any Revolving Credit Advance or Swing Line Advance, as the context may require.

"AFFILIATE" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, ten percent (10%) or more of the Stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, (c) each of such Person's officers, directors, joint venturers and partners and (d) in the case of any Credit Party, the immediate family members, spouses and lineal descendants of individuals who are Affiliates of such Credit Party. For the purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or

otherwise; PROVIDED, that the term "Affiliate" shall specifically include Don Wheeler and John Engquist and exclude Agent and each Lender.

"AGENT" means GE Capital in its capacity as Administrative Agent for Lenders or its successor appointed pursuant to Section 9.7.

"AGGREGATE BORROWING BASE" means, as of any date of determination, an amount equal to the sum of the Great Northern Borrowing Base and the H&E Borrowing Base.

"AGREEMENT" means the Credit Agreement by and among the Credit Parties party thereto, GE Capital, as Arranger, GE Capital, as Administrative Agent and Lender and the other Lenders from time to time party thereto, as the same may be amended, supplemented, amended and restated or otherwise modified from time to time.

"APPENDICES" has the meaning assigned to it in the recitals to the Agreement.

"APPLICABLE L/C MARGIN" means the per annum fee, from time to time in effect, payable with respect to outstanding Letter of Credit Obligations as determined by reference to Section 1.5(a).

"APPLICABLE MARGINS" means collectively the Applicable L/C Margin, the Applicable Unused Line Fee Margin, the Applicable Revolver Index Margin and the Applicable Revolver LIBOR Margin all as set forth in Section 1.5(a).

"APPLICABLE REVOLVER INDEX MARGIN" means the per annum interest rate margin from time to time in effect and payable in addition to the Index Rate applicable to the Revolving Credit Advances, the Swingline Advances, unreimbursed Letter of Credit Obligations and other Obligations (excluding LIBOR Loans) as determined by reference to Section 1.5(a).

"APPLICABLE REVOLVER LIBOR MARGIN" means the per annum interest rate from time to time in effect and payable in addition to the LIBOR Rate applicable to LIBOR Loans, as determined by reference to Section 1.5(a).

"APPLICABLE UNUSED LINE FEE MARGIN" means the per annum fee, from time to time in effect, payable in respect of Borrowers' non-use of committed funds pursuant to Section 1.9(b), which fee is determined by reference to Section 1.5(a).

"ARRANGER" has the meaning assigned to it in the recitals to the Agreement.

"ASSIGNMENT AGREEMENT" has the meaning assigned to it in Section 9.1(a).

"AUTHORIZED OFFICER" means any of the following officers of each Credit Party: the chief executive officer, the chief operating officer, the chief financial officer, executive vice president, the secretary and the treasurer.

"BANKRUPTCY CODE" means the provisions of Title 11 of the United States Code, 11 U.S.C. Sections 101 ET SEQ.

"AUTHORIZED REPRESENTATIVE" has the meaning assigned to it in Section 7.3.

"BLOCKED ACCOUNT AGREEMENT" has the meaning assigned to it in Annex C.

"BLOCKED ACCOUNTS" has the meaning assigned to it in Annex C.

"BORROWER" has the meaning assigned to it in the preamble to the Agreement.

"BORROWER REPRESENTATIVE" means H&E in its capacity as Borrower Representative pursuant to the provisions of Section 1.1(c).

"BORROWING AVAILABILITY" means as of any date of determination (a) as to all Borrowers, the lesser of (i) the Maximum Amount and (ii) the Aggregate Borrowing Base, in each case, LESS the sum of the aggregate Revolving Loan and Swing Line Loan then outstanding, or (b) as to an individual Borrower, the lesser of (i) the Maximum Amount LESS the sum of the Revolving Loan and Swing Line Loan outstanding to all other Borrowers and (ii) that Borrower's separate Borrowing Base, LESS the sum of the Revolving Loan and Swing Line Loan outstanding to that Borrower, PROVIDED, that in the case of determining Borrowing Availability under this clause (b), with respect to any requested H&E/Great Northern Advance, "such Borrower's separate Borrowing Base" shall mean the Great Northern Borrowing Base.

"BORROWING BASE" means, as the context may require, the H&E Borrowing Base, the Great Northern Borrowing Base or the Aggregate Borrowing Base.

"BORROWING BASE CERTIFICATE" means a certificate to be executed and delivered from time to time by Borrower Representative on behalf of each Borrower in the form attached to the Agreement as Exhibit 4.1(b).

"BRS" means collectively Bruckmann, Rosser, Sherrill & Co., L.P., a Delaware limited partnership, BRS Partners, LP and BRSE LLP.

"BRS MANAGEMENT AGREEMENT" has the meaning assigned to it in Section 3.14.

"BRS MANAGEMENT CO." has the meaning assigned to it in Section 3.14.

"BRS RELATED PARTY" means (1) any stockholder having more than 5% of any class of stock of any entity that comprises BRS, any individual controlling any such stockholder, any immediate family member of any such stockholder (if an individual) or of any such individual and any majority owned Subsidiary, of BRS; or (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding a majority interest of any of the entities that comprise BRS and/or such other Persons referred to in the immediately preceding clause (1).

"BUSINESS DAY" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of [Utah] or the State of New York and in reference to LIBOR Loans means any such day that is also a LIBOR Business Day.

"CAPITAL LEASE" means, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person.

"CAPITAL LEASE OBLIGATION" means as of any date of determination, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease as of the date of determination.

"CAPITAL LEASE PAYMENTS" means during any period for any Person, all payments (other than any portion of any payment included in Interest Expense for such period) required to be made by such Person during such period in respect of Capital Lease Obligations.

"CASH COLLATERAL ACCOUNT" has the meaning assigned to it Annex B.

"CASH EQUIVALENTS" has the meaning assigned to it in Annex B.

"CASH MANAGEMENT SYSTEMS" has the meaning assigned to it in Section 1.8.

"CERTIFICATE OF EXEMPTION" has the meaning assigned to it in Section 1.15(c).

"CHANGE OF CONTROL" any event, transaction or occurrence as a result of which (a) prior to any initial public offering of the Stock of H&E Holdings, BRS together with any BRS Related Party shall cease to own and control directly or indirectly all of the voting rights associated with ownership of at least fifty-one percent (51%) of the outstanding membership interests (or other outstanding Stock) of H&E Holdings, (b) following any such initial public offering of the Stock of H&E Holdings, BRS together with any BRS Related Party together with John Engquist (and

the immediate family members, spouse and lineal descendants of John Engquist) shall cease to own and control directly or indirectly all of the economic and voting rights associated with ownership of at least forty percent (40%) of the outstanding membership interests (or other outstanding Stock) of H&E Holdings, (c) H&E Holdings shall cease to own and control all of the economic and voting rights associated with ownership of at least one hundred percent (100%) of the outstanding membership interests (or other outstanding Stock) of H&E, (d) H&E shall cease to own and control all of the economic and voting rights associated with ownership of at least one hundred percent (100%) of the outstanding capital Stock of H&E Finance and GNE Investments, each on a fully diluted basis, (e) GNE Investments shall cease to own and control all of the economic and voting rights associated with ownership of at least one hundred percent (100%) of the outstanding capital Stock of Great Northern on a fully diluted basis, in each case except pursuant to a merger as provided in Section 6.1(b) or (f) there shall occur any "Change of Control" as such term is defined in the Senior Note Indenture or the Senior Subordinated Note Indenture.

"CHARGES" means all federal, state, county, city, municipal, local, foreign or other governmental taxes (including taxes owed to the PBGC at the time due and payable), levies, assessments, charges, liens, claims or encumbrances upon or relating to (a) the Collateral, (b) the Obligations, (c) the employees, payroll, income or gross receipts of any Credit Party,

(d) any Credit Party's ownership or use of any properties or other assets, or (e) any other aspect of any Credit Party's business.

"CHATTEL PAPER" means any "chattel paper," as such term is defined in the Code, including electronic chattel paper, now owned or hereafter acquired by any Credit Party.

"CLOSING CHECKLIST" means the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with the Agreement, the other Loan Documents and the transactions contemplated thereunder, substantially in the form attached hereto as Annex D.

"CLOSING DATE" means June 17, 2002.

"CODE" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; PROVIDED, that to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern; PROVIDED, FURTHER, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent's or any Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "CODE" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"COLLATERAL" means the property covered by the Security Agreements and the other Collateral Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Agent, on behalf of itself and Lenders, to secure the Obligations.

"COLLATERAL AGENT" means the Trustee for the Senior Notes, in its capacity as "Collateral Agent."

"COLLATERAL DOCUMENTS" means the Security Agreements, the Pledge Agreements, the Guaranties, the Patent Security Agreements, the Trademark Security Agreements, the Copyright Security Agreements and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of, the Obligations.

"COLLATERAL REPORTS" means the reports with respect to the Collateral referred to in Annex F.

"COLLECTION ACCOUNT" means that certain account of Agent, account number 502-328-54 in the name of Agent at Bankers Trust Company in New York, New York ABA No. 021 001 033, or such other account as may be specified in writing by Agent as the "Collection Account".

"COMMITMENT TERMINATION DATE" means the earliest of (a) June 17, 2007, (b) the date of termination of Lenders' obligations to make Advances and to incur Letter of Credit Obligations or permit existing Loans to remain outstanding pursuant to Section 8.2(b), and (c) the date of indefeasible prepayment in full in cash by Borrowers of the Loans and the cancellation and return (or stand-by guarantee) of all Letters of Credit or the cash collateralization of all Letter of Credit Obligations pursuant to Annex B, and the permanent reduction of all Commitments to zero dollars ($0) or the termination of all Commitments (or the cash collateralization or backing with standby letters of credit of all Letters of Credit in accordance with Annex B), in accordance with the provisions of Section 1.3(a).

"COMMITMENTS" means (a) as to any Lender, such Lender's Revolving Loan Commitment (including without duplication the Swing Line Lender's Swing Line Commitment as a subset of its Revolving Loan Commitment) as set forth on the signature page to the Agreement or in the most recent Assignment Agreement executed by such Lender and (b) as to all Lenders, the aggregate of all Lenders' Revolving Loan Commitments (including without duplication the Swing Line Lender's Swing Line Commitment as a subset of its Revolving Loan Commitment), which aggregate commitment shall be One Hundred Fifty Million Dollars ($150,000,000) on the Closing Date, as such amount may be reduced, amortized or adjusted from time to time in accordance with the Agreement.

"COMPLIANCE CERTIFICATE" has the meaning assigned to it in Annex E.

"CONCENTRATION ACCOUNT" has the meaning assigned to it in Annex C.

"CONTRACTS" means all "contracts," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, in any event, including

all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any

Credit Party may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

"CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION" has the meaning assigned to it in the recitals to the Agreement.

"CONTROL LETTER" means a letter agreement between Agent and (i) the issuer of uncertificated securities with respect to uncertificated securities in the name of any Credit Party, (ii) a securities intermediary with respect to securities, whether certificated or uncertificated, securities entitlements and other financial assets held in a securities account in the name of any Credit Party, (iii) a futures commission merchant or clearing house, as applicable, with respect to commodity accounts and commodity contracts held by any Credit Party, whereby, among other things, the issuer, securities intermediary or futures commission merchant disclaims any security interest in the applicable financial assets, acknowledges the Lien of Agent, on behalf of itself and Lenders, on such financial assets, and agrees to follow the instructions or entitlement orders of Agent without further consent by the affected Credit Party.

"COPYRIGHT LICENSE" means any and all rights now owned or hereafter acquired by any Credit Party under any written agreement granting any right to use any Copyright or Copyright registration.

"COPYRIGHT SECURITY AGREEMENTS" means the Copyright Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party.

"COPYRIGHTS" means all of the following now owned or hereafter acquired by any Credit Party: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

"CREDIT PARTIES" means each Borrower and each Guarantor.

"DEFAULT" means any event that, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

"DEFAULT NOTICE" has the meaning assigned to it in Section 7.3.

"DEFAULT RATE" has the meaning assigned to it in Section 1.5(d).

"DEPOSIT ACCOUNTS" means all "deposit accounts" as such term is defined in the Code, now or hereafter held in the name of any Credit Party.

"DISBURSEMENT ACCOUNTS" has the meaning assigned to it on Annex C.

"DISCLOSURE SCHEDULES" means the Schedules prepared by Borrowers and denominated as Disclosure Schedules 1.4 through 6.7 in the Index to the Agreement.

"DOCUMENTS" means all "documents," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located.

"DOLLARS" or "$" means lawful currency of the United States of America.

"EBITDA" means, with respect to any Person for any fiscal period, without duplication an amount equal to (a) consolidated net income of such Person for such period determined in accordance with GAAP, MINUS (b) the sum of (i) income tax credits, (ii) interest income, (iii) gain from extraordinary items for such period, and (iv) any aggregate net gain (but not any aggregate net loss) during such period arising from the sale, exchange or other disposition of capital assets by such Person (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities), and (v) any other non-cash gains that have been added in determining consolidated net income, in each case to the extent included in the calculation of consolidated net income of such Person for such period in accordance with GAAP, but without duplication, PLUS (c) the sum of (i) any provision for income taxes, (ii) Interest Expense, (iii) loss from extraordinary items for such period, (iv) the amount of non-cash charges (including depreciation and amortization) for such period, (v) amortized debt discount for such period, (vi) the

amount of any deduction to consolidated net income as the result of any grant to any members of the management of such Person of any Stock, in each case to the extent included in the calculation of consolidated net income of such Person for such period in accordance with GAAP, but without duplication and (vii) amounts not exceeding [$2,000,000] paid on or about the Closing Date in respect of transaction expenses relating to the Related Transactions. For purposes of this definition, the following items shall be excluded in determining consolidated net income of a Person: (1) the income (or deficit) of any other Person accrued prior to the date it became a Subsidiary of, or was merged or consolidated into, such Person or any of such Person's Subsidiaries; (2) the income (or deficit) of any other Person (other than a Subsidiary) in which such Person has an ownership interest, except to the extent any such income has actually been received by such Person in the form of cash dividends or distributions; (3) the undistributed earnings of any Subsidiary of such Person to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or requirement of law applicable to such Subsidiary; (4) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period; (5) any write-up of any asset; (6) any net gain from the collection of the proceeds of life insurance policies; (7) any net gain arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Indebtedness, of such Person, (8) in the case of a successor to such Person by consolidation or merger or as a transferee of its assets, any earnings of such successor prior to such consolidation, merger or transfer of assets, and (9) any deferred credit representing the excess of equity in any Subsidiary of such Person at the date of acquisition of such Subsidiary over the cost to such Person of the investment in such Subsidiary. For the purposes of this definition, Interest Expense

for the Fiscal Quarters ending on September 30, 2001, December 31, 2001, and March 31, 2002 shall be deemed to be $8,600,000 for each such Fiscal Quarter.

"EBITDAR" means, with respect to any Person for any fiscal period, EBITDA of such Person for such Period PLUS Operating Lease Payments of such Person for such Period.

"ELIGIBLE ACCOUNTS" has the meaning assigned to it in Section 1.6.

"ELIGIBLE EQUIPMENT INVENTORY" has the meaning assigned to it in Section 1.7A and excludes Eligible Parts and Tools Inventory and Eligible Rolling Stock.

"ELIGIBLE PARTS AND TOOLS INVENTORY" has the meaning assigned to it in Section 1.7 and excludes Eligible Equipment Inventory and Eligible Rolling Stock.

"ELIGIBLE RENTALS" has the meaning assigned to it in Section 1.6B.

"ELIGIBLE ROLLING STOCK" has the meaning assigned to it in Section 1.6A and excludes Eligible Parts and Tools Inventory and Eligible Equipment Inventory.

"ENVIRONMENTAL LAWS" means all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health or safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sections 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. Sections 5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sections 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. Sections 6901 et seq.); the Toxic Substance Control Act (15 U.S.C. Sections 2601 et seq.); the Clean Air Act (42 U.S.C. Sections 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. Sections 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. Sections 651 et seq.); and the Safe Drinking Water Act (42 U.S.C. Sections 300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"ENVIRONMENTAL LIABILITIES" means, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and

expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, including any arising

under or related to any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property.

"ENVIRONMENTAL PERMITS" means all permits, licenses, authorizations, certificates, approvals, registrations or other written documents required by any Governmental Authority under any Environmental Laws.

"EQUIPMENT INVENTORY" means Inventory of any Borrower consisting of equipment held for sale or lease to third parties and Inventory of such Borrower while on lease to third parties.

"EQUIPMENT INVENTORY APPRAISAL" means each periodic appraisal of Borrowers' Equipment Inventory and Parts and Tools Inventory conducted at the Borrowers' cost and expense by appraisers reasonably satisfactory to Agent and using a methodology reasonably satisfactory to Agent, PROVIDED, that unless an Event of Default is continuing, the Borrowers' shall be responsible for the cost and expense of not more than four (4) such appraisals during the first twelve months following the Closing Date and not more than three (3) such appraisals per year thereafter, it being agreed that so long as such limit is in effect, each item of Equipment Inventory shall be appraised pursuant to a visit to sites of any one or more Credit Parties on one occasion during each year and the balance of such appraisals of such item in such year shall be done as a "desk appraisal." An appraisal of Equipment Inventory and of Parts and Tools Inventory shall, for the purposes of the preceding sentence, constitute one appraisal.

"EQUIPMENT INVENTORY RENTAL REVENUES" means, with respect to any Person for any fiscal period, an amount equal to the gross revenues of such Person derived from the lease of Equipment Inventory owned by such Person to third parties (excluding revenues in respect of taxes, freight insurance and like items).

"EQUIPMENT INVENTORY RENTAL EXPENDITURES" means, with respect to any Person at any time, the aggregate acquisition cost (including all costs of initial acquisition, improvements and additions) of all Equipment Inventory owned by such Person at such time.

"ERISA" means the Employee Retirement Income Security Act of 1974, and any regulations promulgated thereunder.

"ERISA AFFILIATE" means, with respect to any Credit Party, any trade or business (whether or not incorporated) that, together with such Credit Party, is treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

"ERISA EVENT" means, with respect to any Credit Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan (other than an event with respect to which the reporting requirement has been waived); (b) the withdrawal of such Credit Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of such Credit Party or any ERISA Affiliate from any

Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by such Credit Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within 30 days; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; or (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA or (i) the loss of a Qualified Plan's qualification or tax exempt status; or (j) the termination of a Title IV Plan described in Section 4064 of ERISA.

"EUROCURRENCY LIABILITIES" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"EVENT OF DEFAULT" has the meaning assigned to it in Section 8.1.

"FAIR LABOR STANDARDS ACT" means the Fair Labor Standards Act, 29 U.S.C. Section 201 ET SEQ.

"FAIR SALABLE BALANCE SHEET" means a balance sheet of Borrowers prepared in accordance with Section 3.4(d).

"FEDERAL FUNDS RATE" means, for any day, a floating rate equal to the weighted average of the rates on overnight Federal funds transactions among members of the Federal Reserve System, as determined by Agent in its sole discretion, which determination shall be final, binding and conclusive (absent manifest error).

"FEDERAL RESERVE BOARD" means the Board of Governors of the Federal Reserve System.

"FEES" means any and all fees payable to Agent or any Lender pursuant to the Agreement or any of the other Loan Documents.

"FINANCIAL COVENANTS" means the financial covenants set forth in ANNEX G.

"FINANCIAL STATEMENTS" means the consolidated and consolidating income statements, statements of cash flows and balance sheets of Borrowers delivered in accordance with Section 3.4 and Annex E.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"FISCAL MONTH" means any of the monthly accounting periods of Borrowers.

"FISCAL QUARTER" means any of the quarterly accounting periods of Borrowers, ending on March 31, June 30, September 30, and December 31 of each year.

"FISCAL YEAR" means any of the annual accounting periods of Borrowers ending on December 31 of each year.

"FIXTURES" means all "fixtures" as such term is defined in the Code, now owned or hereafter acquired by any Credit Party.

"FLOOR PLAN EQUIPMENT INVENTORY" means Equipment Inventory purchased by any Credit Party for sale or lease in the ordinary course of business and subject to a purchase money Lien in favor of the seller thereof or a third party financing source.

"FOREIGN LENDER" has the meaning assigned to it in Section 1.15(c).

"FUNDED DEBT" means, with respect to any Person, without duplication, all Indebtedness for borrowed money evidenced by notes, bonds, debentures, or similar evidences of Indebtedness that by its terms matures more than one year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year from the date of creation thereof, and specifically including Capital Lease Obligations, current maturities of long-term debt, revolving credit and short-term debt extendible beyond one year at the option of the debtor, and including without limitation, in the case of Borrowers, the Obligations (calculated with reference to the average outstanding balance of the Obligations during the six month period ending immediately prior to the relevant date of determination (or such shorter period that begins on the Closing Date and ends immediately prior to such relevant date of determination)), the Senior Debt and the Subordinated Debt.

"GAAP" means generally accepted accounting principles in the United States of America consistently applied as such term is further defined in Annex G to the Agreement.

"GE CAPITAL" means General Electric Capital Corporation, a Delaware corporation.

"GE CAPITAL FEE LETTER" has the meaning assigned to it in Section 1.9(a).

"GENERAL INTANGIBLES" means all "general intangibles," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including all right, title and interest that such Credit Party may now or hereafter have in or under any Contract, all payment intangibles, customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in

Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated

securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged Stock and Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Credit Party or any computer bureau or service company from time to time acting for such Credit Party.

"GNE INVESTMENTS" has the meaning assigned to it in the recitals to the Agreement.

"GNE INVESTMENTS PLEDGE AGREEMENT" means the Pledge Agreement dated as of the Closing Date executed by GNE Investments in favor of Agent, on behalf of itself and Lenders, pledging all Stock of its Subsidiaries owned or held by GNE Investments.

"GOODS" means all "goods" as defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, including embedded software to the extent included in "goods" as defined in the Code, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

"GOVERNMENTAL AUTHORITY" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"GREAT NORTHERN" has the meaning assigned to it in the recitals to the Agreement.

"GREAT NORTHERN ADVANCE" shall mean an advance by H&E to Great Northern of the proceeds of an H&E/Great Northern Advance.

"GREAT NORTHERN BORROWING BASE" means, as of any date of determination by Agent, from time to time, an amount equal to the sum at such time of:

(a) up to eighty-five percent (85%) of Great Northern's Eligible Accounts plus up to eighty five percent (85%) of Great Northern's Eligible Rentals, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(b) up to fifty percent (50%) of the Net Book Value of Great Northern's Eligible Parts and Tools Inventory, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(c) up to one hundred percent (100%) of the Net Book Value of Great Northern's new Eligible Equipment Inventory held for sale, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(d) up to fifty percent (50%) of the Net Book Value of Great Northern's used Eligible Equipment Inventory held for sale, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; PLUS

(e) the lesser of (i) one hundred percent (100%) of the Net Book Value of Great Northern's Eligible Equipment Inventory held for lease to third parties or being leased to third parties and (ii) up to eighty percent (80%) of the Orderly Liquidation Value of Great Northern's Eligible Equipment Inventory held for lease or being leased to third parties, in each case, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(f) up to fifty percent (50%) of the Orderly Liquidation Value of Great Northern's Eligible Rolling Stock, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time.

"GUARANTEED INDEBTEDNESS" means, as to any Person, any obligation of such Person guaranteeing, providing comfort or otherwise supporting any Indebtedness, lease, dividend, or other obligation ("PRIMARY OBLIGATIONS") of any other Person (the "PRIMARY OBLIGOR") in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) protect the beneficiary of such arrangement from loss (other than product warranties given in the ordinary course of business) or (e) indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness, or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

"GUARANTIES" means, collectively, the H&E Holdings Guaranty, each Subsidiary Guaranty and any other guaranty executed by any Guarantor in favor of Agent and Lenders in respect of the Obligations.

"GUARANTORS" means H&E Holdings, Great Northern, each Subsidiary of each Borrower (other than each such Subsidiary that is a Borrower) and each other Person, if any, that executes a guaranty or other similar agreement in favor of Agent, for itself and the ratable benefit of Lenders, in connection with the transactions contemplated by the Agreement and the other Loan Documents.

"GULF WIDE" has the meaning assigned to it in the recitals to the Agreement.

"H&E" has the meaning assigned to it in the recitals to the Agreement.

"H&E BORROWING BASE" means, as of any date of determination by Agent, from time to time, an amount equal to the sum at such time of:

(a) up to eighty-five percent (85%) of H&E's Eligible Accounts plus up to eighty five percent of H&E's Eligible Rentals, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(b) up to fifty percent (50%) of the Net Book Value of H&E's Eligible Parts and Tools Inventory, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(c) up to one hundred percent (100%) of the Net Book Value of H&E's new Eligible Equipment Inventory held for sale, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(d) up to fifty percent (50%) of the Net Book Value of H&E's used Eligible Equipment Inventory held for sale, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; PLUS

(e) the lesser of (i) one hundred percent (100%) of the Net Book Value of H&E's Eligible Equipment Inventory held for lease to third parties or being leased to third parties, and (ii) up to eighty percent (80%) of the Orderly Liquidation Value of H&E's Eligible Equipment Inventory held for lease to third parties or being leased to third parties, in each case, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time; plus

(f) up to fifty percent (50%) of the Orderly Liquidation Value of H&E's Eligible Rolling Stock, less any Reserves (without duplication) established by Agent in good faith using reasonable credit judgment as of such time.

"H&E CONTRIBUTION" has the meaning assigned to it in the recitals to the Agreement.

"H&E FINANCE" has the meaning assigned to it in the recitals to the Agreement.

"H&E/GREAT NORTHERN ADVANCE" shall mean a Revolving Advance or Swing Line Advance made to H&E and identified as an "H&E/Great Northern Advance" on the applicable notice of Revolving Credit Advance, the proceeds of which are to be advanced by H&E to Great Northern as a Great Northern Advance. Payments in respect of the Obligations shall be applied between H&E/Great Northern Advances and Advances other than H&E/Great Northern Advances as determined by Agent.

"H&E HOLDINGS" has the meaning assigned to it in the recitals to the Agreement.

"H&E HOLDINGS GUARANTY" means the guaranty dated as of the Closing Date executed by H&E Holdings in favor of Agent, on behalf of itself and Lenders, in respect of the Obligations.

"H&E HOLDINGS PLEDGE AGREEMENT" means the Pledge Agreement dated as of the Closing Date executed by H&E Holdings in favor of Agent, on behalf of itself and Lenders, pledging all stock of its Subsidiaries owned or held by H&E Holdings and all Intercompany Notes owing to or held by it.

"HAZARDOUS MATERIAL" means any substance, material or waste that is regulated by or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance that is (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws, (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's), or any radioactive substance.

"HEDGING AGREEMENT" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement, treasury management products or other interest or currency exchange rate or commodity price hedging arrangement to which a Lender and one or more Credit Parties are parties.

"INDEBTEDNESS" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property payment for which is deferred six (6) months or more, but excluding obligations to trade creditors incurred in the ordinary course of business that are unsecured and not overdue by more than six (6) months unless being contested in good faith, (b) all reimbursement and other obligations with respect to letters of credit, bankers' acceptances and surety bonds, whether or not matured, (c) all obligations evidenced by notes, bonds, debentures or similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations and the present value (discounted at the Index Rate as in effect on the Closing Date) of future rental payments under all synthetic leases, (f) all obligations of such Person under commodity purchase or option agreements or other commodity price hedging arrangements, in each case whether contingent or matured, (g) all obligations of such Person under any foreign exchange contract, currency swap agreement, interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in currency values or interest rates, in each case whether contingent or matured, (h) all Indebtedness referred to above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property or other assets (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, and (i) the Obligations.

"INDEMNIFIED LIABILITIES" has the meaning assigned to it in Section 1.13.

"INDEMNIFIED PERSON" has the meaning assigned to it in Section 1.13.

"INDEX RATE" means, for any day, a floating rate equal to the higher of (i) the rate publicly quoted from time to time by THE WALL STREET JOURNAL as the "base rate on corporate loans posted by at least 75% of the nation's 30 largest banks" (or, if THE WALL STREET JOURNAL ceases quoting a base rate of the type described, the highest per annum rate of interest published by

the Federal Reserve Board in Federal Reserve statistical release H.15 (519) entitled "Selected Interest Rates" as the Bank prime loan rate or its equivalent), and (ii) the Federal Funds Rate PLUS fifty (50) basis points per annum. Each change in any interest rate provided for in the Agreement based upon the Index Rate shall take effect at the time of such change in the Index Rate.

"INDEX RATE LOAN" means a Loan or portion thereof bearing interest by reference to the Index Rate.

"INSPECTION " has the meaning assigned to it in Section 1.14.

"INSTRUMENTS" means any "instrument," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and, in any event, including all certificated securities, all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"INTELLECTUAL PROPERTY" means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with such Trademarks.

"INTERCOMPANY NOTES" has the meaning assigned to it in Section 6.3.

"INTER-CREDITOR AGREEMENT" means, the intercreditor agreement of even date herewith entered into by and among Bank of New York as Collateral Agent, Agent, H&E Finance and H&E.

"INTEREST EXPENSE" means, with respect to any Person for any fiscal period, interest expense paid in cash of such Person determined in accordance with GAAP for the relevant period ended on such date, including expense with respect to any Funded Debt of such Person and interest expense for the relevant period that has been capitalized on the balance sheet of such Person.

"INTEREST PAYMENT DATE" means (a) as to any Index Rate Loan, the first Business Day of each month to occur while such Loan is outstanding and (b) as to any LIBOR Loan, the last day of the applicable LIBOR Period; PROVIDED, that in the case of any LIBOR Period greater than three months in duration, interest shall be payable at three month intervals and on the last day of such LIBOR Period; and PROVIDED, FURTHER, that, in addition to the foregoing, each of (x) the date upon which all of the Commitments have been terminated and the Loans have been paid in full and (y) the Commitment Termination Date shall be deemed to be an "Interest Payment Date" with respect to any interest that has then accrued under the Agreement.

"INVENTORY" means all "inventory," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Credit Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in such Credit Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"INVESTMENT PROPERTY" means all "investment property" as such term is defined in the Code now owned or hereafter acquired by any Credit Party, wherever located, including (i) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (ii) all securities entitlements of any Credit Party, including the rights of any Credit Party to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (iii) all securities accounts of any Credit Party; (iv) all commodity contracts of any Credit Party; and (v) all commodity accounts of any Credit Party.

"IRC" means the Internal Revenue Code of 1986 and all regulations promulgated thereunder.

"IRS" means the Internal Revenue Service.

"L/C ISSUER" means (a) any Lender, any Affiliate of any Lender and, with respect to any Lender that is an investment fund that invests in commercial loans, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor, and (b) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) which extends credit, buys loans or provides letters of credit

as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which has a rating of BBB or higher from S&P and a rating of Baa2 or higher from Moody's at the date that it becomes an L/C Issuer; PROVIDED, that no Person or Affiliate of such Person (other than a Person that is already a Lender) holding Subordinated Debt or Stock issued by any Credit Party shall be an L/C Issuer.

"L/C SUBLIMIT" has the meaning assigned to such term in Annex B.

"LENDERS" means GE Capital, the other initial Lenders named on the signature pages of the Agreement, and, if any such Lender shall decide to assign all or any portion of the Obligations, such term shall include any registered assignee of such Lender.

"LETTER OF CREDIT FEE" has the meaning assigned to it in Annex B.

"LETTER OF CREDIT OBLIGATIONS" means all outstanding obligations incurred by Agent and Lenders at the request of any Borrower, whether direct or indirect, contingent or otherwise, due or not due, in connection with the issuance of Letters of Credit by Agent or any other L/C Issuer or the purchase of a participation as set forth in Annex B with respect to any Letter of Credit. The amount of such Letter of Credit Obligations shall equal the maximum amount that may be payable at such time or at any time thereafter by Agent or Lenders thereupon or pursuant thereto.

"LETTERS OF CREDIT" means documentary or standby letters of credit issued for the account of any Borrower by any L/C Issuer, and bankers' acceptances issued by any Borrower, for which Agent and Lenders have incurred Letter of Credit Obligations.

"LETTER-OF-CREDIT RIGHTS" means "letter-of-credit rights" as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including rights to payment or performance under a letter of credit, whether or not such Credit Party, as beneficiary, has demanded or is entitled to demand payment or performance.

LEVERAGE RATIO" means, with respect to H&E Holdings and its Subsidiaries, on a consolidated basis, the ratio of (i) Funded Debt of H&E Holdings and its Subsidiaries as of any date of determination, to (ii) EBITDA of H&E Holdings and its Subsidiaries for the twelve-month period ending on that date of determination.

"LIBOR BUSINESS DAY" means a Business Day on which banks in the City of London are generally open for interbank or foreign exchange transactions.

"LIBOR LOAN" means a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

"LIBOR PERIOD" means, with respect to any LIBOR Loan, each period commencing on a LIBOR Business Day selected by Borrower Representative pursuant to the Agreement and ending one, two, three or six months thereafter, as selected by Borrower Representative's irrevocable notice to Agent as set forth in Section 1.5(e); PROVIDED, that the foregoing provision relating to LIBOR Periods is subject to the following:

(a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;

(b) any LIBOR Period that would otherwise extend beyond the Commitment Termination Date shall end 1 LIBOR Business Days prior to such date;

(c) any LIBOR Period that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the

end of such LIBOR Period) shall end on the last LIBOR Business Day of a calendar month;

(d) Borrower Representative shall select LIBOR Periods so as not to require a payment or prepayment of any LIBOR Loan during a LIBOR Period for such Loan; and

(e) Borrower Representative shall select LIBOR Periods so that there shall be no more than ten (10) separate LIBOR Loans in existence at

any one time.

"LIBOR RATE" means for each LIBOR Period, (a) a rate of interest determined by Agent equal to the offered rate for deposits in United States Dollars for the applicable LIBOR Period that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the second full LIBOR Business Day next preceding the first day of such LIBOR Period (unless such date is not a Business Day, in which event the next succeeding Business Day will be used); DIVIDED by (b) a number equal to 1.0 MINUS the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day that is 2 LIBOR Business Days prior to the beginning of such LIBOR Period (including basic, supplemental, marginal and emergency reserves under any regulations of the Federal Reserve Board or other Governmental Authority having jurisdiction with respect thereto, as now and from time to time in effect) for Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board that are required to be maintained by a member bank of the Federal Reserve System. If such interest rate shall cease to be available from Telerate News Service, the LIBOR Rate shall be determined from such financial reporting service or other information as shall be mutually acceptable to Agent and Borrower Representative.

"LICENSE" means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Credit Party.

"LIEN" means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).

"LITIGATION" has the meaning assigned to it in Section 3.13.

"LOAN ACCOUNT" has the meaning assigned to it in Section 1.12.

"LOAN DOCUMENTS" means the Agreement, the Notes, the GE Capital Fee Letter, the Syndication Letter and the Collateral Documents and all other agreements, instruments, documents and certificates identified in the Closing Checklist executed and delivered to, or in favor of, Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on

behalf of any Credit Party, and delivered to Agent or any Lender in connection with the Agreement or the transactions contemplated thereby. Any reference in the Agreement, any other Loan Document or the Syndication Letter to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"LOANS" means the Revolving Loan and the Swing Line Loan.

"LOCK BOXES" has the meaning assigned to it in Annex C.

"MAJORITY REVOLVING LENDERS" means (a) Lenders having more than 50% of the Commitments of all Lenders, or (b) if the Commitments have been terminated, more than 50% of the aggregate outstanding amount of the Loans (without giving effect to the Swing Line Loan) and Letter of Credit Obligations.

"MARGIN STOCK" has the meaning assigned to in Section 3.10.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on (a) the business, assets, operations, prospects or financial or other condition of Credit Parties considered as a whole, (b) Borrowers' ability to pay any of the Loans or any of the other Obligations in accordance with the terms of the Agreement, (c) the Collateral or Agent's Liens, on behalf of itself and Lenders, on the Collateral or the priority of such Liens, or (d) Agent's or any Lender's rights and remedies under the Agreement and the other Loan Documents.

"MAXIMUM AMOUNT" means, as of any date of determination, an amount equal to the Revolving Loan Commitment of all Lenders as of that date.

"MERGERS" has the meaning assigned to it in the recitals to the Agreement.

"MULTIEMPLOYER PLAN" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and to which any Credit Party or an ERISA Affiliate is

making or is obligated to make, contributions on behalf of participants who are or were employed by any of them.

"NET BOOK VALUE" means book value as determined in accordance with GAAP, lower of cost and market, and after taking into account depreciation and excluding all "freight-in" costs and preparatory costs.

"NON-FUNDING LENDER" has the meaning assigned to it in Section 9.9(d).

"NOTES" means, collectively, the Revolving Notes and the Swing Line Notes.

"NOTICE OF CONVERSION/CONTINUATION" has the meaning assigned to it in Section 1.5(e).

"NOTICE OF REVOLVING CREDIT ADVANCE" has the meaning assigned to it in Section 1.1(a).

"OBLIGATIONS" means (a) all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Credit Party to Agent or any Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, arising under the Agreement or any of the other Loan Documents and (b) for the purposes of the application of payments under Section 1.11(a) and the Collateral Documents, all liabilities, indebtedness and obligations of any Borrower arising under any Hedging Agreement. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against any Credit Party in bankruptcy, whether or not allowed in such case or proceeding), Fees, Charges, expenses, attorneys' fees and any other sum chargeable to any Credit Party under the Agreement or any of the other Loan Documents or any Hedging Agreement.

"OFF BALANCE SHEET EQUIPMENT INVENTORY" means Equipment Inventory that has been leased by any Credit Party as lessee under an operating lease, and held for sublease by such Credit Party to third parties in the ordinary course of business.

"OPERATING LEASE PAYMENTS" means, for any Person during any period, all payments required to be made by such Person during such Period in respect of leases by such Person as lessee of Equipment Inventory, excluding any payment under any Capital Lease Obligation as lessee of such Equipment Inventory.

"OPERATING LEASE PAYOFF VALUE" means, with respect to any operating lease of Equipment Inventory to which any Borrower or Guarantor is a lessee, at any time, the sum of the then remaining lease payments under such operating lease, discounted to present value at the notional interest rate for such operating lease.

"ORDERLY LIQUIDATION VALUE" shall mean (i) with respect to Eligible Equipment Inventory, the orderly liquidation value thereof as determined by the most recent Equipment Inventory Appraisal and (ii) with respect to Eligible Rolling Stock, the orderly liquidation value thereof as determined by the most recent P&E Appraisal.

"ORIGINAL ADVANCE RATE" means, with respect to any percentage advance rate contained in the Great Northern Borrowing Base or the H&E Borrowing Base, such advance rate as in effect on the Closing Date.

"P&E" means all "equipment," as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located and, in any event, including all such Credit Party's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and

nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto. P&E excludes Equipment Inventory and Fixtures.

"P&E APPRAISAL" means each periodic appraisal of Borrowers' P&E conducted at the Borrowers' cost and expense by appraisers reasonably satisfactory to Agent and using a methodology reasonably satisfactory to Agent, PROVIDED, that unless an Event of Default has occurred and is continuing, the Borrowers shall be responsible for the cost and expense of not more than four (4) such appraisals during the first twelve months following the Closing Date and not more than three (3) such appraisals per year thereafter, it being agreed that so long as such limit is in effect, each item of Equipment Inventory shall be appraised pursuant to a visit to sites of any one or more Credit Parties on one occasion during each year and the balance of such appraisals of such item in such year shall be done as a "desk appraisal."

"P&E CAPITAL EXPENDITURES" means, with respect to any Person, all expenditures (by the expenditure of cash or the incurrence of Indebtedness) by such Person during any measuring period for any P&E or improvements or for replacements, substitutions or additions thereto, that have a useful life of more than one year and that are required to be capitalized under GAAP (excluding any such expenditures related to Permitted Acquisitions).

"PARTS AND TOOLS INVENTORY" means Inventory of any Borrower consisting of parts, tools and supplies.

"PATENT LICENSE" means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right with respect to any invention on which a Patent is in existence.

"PATENT SECURITY AGREEMENTS" means the Patent Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party.

"PATENTS" means all of the following in which any Credit Party now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

"PBGC" means the Pension Benefit Guaranty Corporation.

"PENSION PLAN" means a Plan described in Section 3(2) of ERISA.

"PERMITTED ACQUISITION" has the meaning assigned to it in Section 6.1.

"PERMITTED ENCUMBRANCES" means the following encumbrances: (a) Liens for taxes or assessments or other governmental Charges not yet due and payable, or which are being contested in accordance with Section 5.2(b); (b) pledges or deposits of money securing statutory obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA); (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to which any Borrower is a party as lessee made in the ordinary course of business; (d) deposits of money securing statutory obligations of any Borrower; (e) inchoate and unperfected workers', mechanics' or similar liens arising in the ordinary course of business, so long as such Liens attach only to P&E, Fixtures and/or Real Estate; (f) carriers', warehousemen's, suppliers' or other similar possessory liens arising in the ordinary course of business and securing liabilities, so long as such Liens attach only to Equipment Inventory; (g) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Borrower is a party; (h) any attachment or judgment lien not constituting an Event of Default under Section 8.1(j); (i) zoning restrictions, easements, licenses, or other restrictions on the use of any Real Estate or other minor irregularities in title (including leasehold title) thereto, so long as the same do not materially impair the use, value, or marketability of such Real Estate; (j) presently existing or hereafter created Liens in favor of Agent, on behalf of Lenders, and to the extent subject to the Inter-Creditor Agreement, in favor of Collateral Agent, on behalf of the holders of Senior Notes; and (k) Liens of landlords or mortgages arising by operation of law or pursuant to the terms of real property leases, PROVIDED, that the mortgage or rental payments secured thereby are not yet overdue, and the applicable mortgage or lease is not otherwise in default in a manner which could permit the applicable mortgagee or lessee to take enforcement action with respect to such Liens.

"PERSON" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division,

agency, body or department thereof).

"PLAN" means, at any time, an "employee benefit plan", as defined in Section 3(3) of ERISA, that any Credit Party maintains, contributes to or has an obligation to contribute to or has any liability under.

"PLEDGE AGREEMENTS" means the H&E Holdings Pledge Agreement, the H&E Pledge Agreement, the GNE Investments Pledge Agreement and any other pledge agreement entered into after the Closing Date in connection herewith (as required by the Agreement or any other Loan Document).

"PRIOR LENDERS" means the holders of the Prior Obligations.

"PRIOR OBLIGATIONS" means collectively, the indebtedness under or pursuant to, as applicable, (i) the Credit Agreement dated as of February 4, 1998, as amended and restated as of July 31, 1998, among ICM, Great Northern Equipment, Inc., Williams Bros. Construction, Inc., the Prior

Lenders, Bankers Trust Company as Syndication Agent and Co-Agent, GE Capital as Documentation Agent and Co-Agent and The CIT Group/Equipment Financing, Inc. as Agent, as subsequently amended; (ii) the Loan Agreement dated August 10, 1998 between The CIT Group/Equipment Financing, Inc. and H&E, as subsequently amended; and (iii) the 10% Senior Subordinated Promissory Note dated February 20, 2002 issued by ICM to John Engquist.

"PROCEEDS" means "proceeds," as such term is defined in the Code, including (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Credit Party from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Credit Party from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of governmental authority), (c) any claim of any Credit Party against third parties (i) for past, present or future infringement of any Patent or Patent License, or (ii) for past, present or future infringement or dilution of any Copyright, Copyright License, Trademark or Trademark License, or for injury to the goodwill associated with any Trademark or Trademark License, (d) any recoveries by any Credit Party against third parties with respect to any litigation or dispute concerning any of the Collateral, including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral, (e) all amounts collected on, or distributed on account of, other Collateral, including dividends, interest, distributions and Instruments with respect to Investment Property and pledged Stock, and (f) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of Collateral and all rights arising out of Collateral.

"PRO FORMA" means the unaudited consolidated and consolidating balance sheet of Borrowers and their Subsidiaries as of March 31, 2002 after giving PRO FORMA effect to the Related Transactions.

"PROHIBITED SWING LINE ADVANCE" means a Swing Line Advance (i) that was made without satisfaction of the condition contained in Section 2.2(e) by virtue of such Swing Line Advance exceeding Swing Line Availability due to the limitation imposed by Section 1.1(b)(i)(A) or 1.1(b)(i)(B)(x) (but not 1.1(b)(i)(B)(y)), or (ii) (x) that was made without satisfaction of the condition contained in Section 2.2(e) by virtue of such Swing Line Advance exceeding Swing Line Availability due to the limitation imposed by Section 1.1(b)(i)(B)(y) based on the Aggregate Borrowing Base as reflected in the most recent Borrowing Base Certificate delivered to the Agent prior to the making of such Swing Line Advance and (y) that (A) exceeds $4,000,000, or (B) when added to any Swing Line Advances (described in clause (ii)(x) of this definition) made (1) during the period of 10 Business Days ending on (and including) the date of making of such Swing Line Advance, exceeds $4,000,000 or (2) during the period from and after the Closing Date, exceeds $10,000,000.

"PROJECTIONS" means Borrowers' forecasted consolidated and consolidating (a) balance sheets; (b) profit and loss statements; (c) cash flow statements; and (d) capitalization statements, all prepared on a Subsidiary by Subsidiary or division-by-division basis, if applicable, and otherwise

consistent with the historical Financial Statements of Borrowers, together with appropriate supporting details and a statement of underlying assumptions.

"PROPERLY ELECTS" has the meaning assigned to it in Section 7.3.

"PRO RATA SHARE" means with respect to all matters relating to any Lender

and with respect to the Revolving Loan, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Loan Commitments of all Lenders.

"QUALIFIED ASSIGNEE" means (a) any Lender, any Affiliate of any Lender and, with respect to any Lender that is an investment fund that invests in commercial loans, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor, and (b) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933) which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which has a rating of BBB or higher from S&P and a rating of Baa2 or higher from Moody's at the date that it becomes a Lender and which, through its applicable lending office, is capable of lending to Borrowers without the imposition of any withholding or similar taxes; PROVIDED, that no Person determined by Agent to be acting in the capacity of a vulture fund or distressed debt purchaser shall be a Qualified Assignee, and no Person or Affiliate of such Person (other than a Person that is already a Lender) holding Subordinated Debt or Stock issued by any Credit Party shall be a Qualified Assignee.

"QUALIFIED PLAN" means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

"REAL ESTATE" has the meaning assigned to it in Section 3.6.

"REFINANCING" means the repayment in full by Borrowers of the Prior Obligations on the Closing Date.

"REFUNDED SWING LINE LOAN" has the meaning assigned to it in Section 1.1(b)(iii).

"RELATED TRANSACTIONS" means the initial borrowing under the Commitments on the Closing Date, the Mergers, contributions and other transactions to occur under the Contribution Agreement and Plan of Reorganization, the Refinancing, the issuance of the Senior Notes, the issuance of the Senior Subordinated Notes and the related preferred and common units, the payment of all fees, costs and expenses associated with all of the foregoing and the execution and delivery of all of the Related Transactions Documents.

"RELATED TRANSACTIONS DOCUMENTS" means the Loan Documents, the Contribution Agreement and Plan of Reorganization, the Senior Note Indenture, the Senior Subordinated Note Indenture and all other agreements and instruments executed and delivered in connection with the Related Transactions.

"RELEASE" means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

"RENTALS" means rental payments due to any Borrower from the rental of (i) Equipment Inventory owned by such Borrower or (ii) inventory leased by such Borrower.

"REQUISITE LENDERS" means (a) Lenders having at least 66 2/3% of the Commitments of all Lenders, or (b) if the Commitments have been terminated, at least 66 2/3% of the aggregate outstanding amount of the Loans (without giving effect to the Swing Line Loan) and Letter of Credit Obligations.

"RESERVES" means, with respect to the Borrowing Base of any Borrower (a) reserves established by Agent from time to time against Eligible Parts and Tools Inventory or Eligible Equipment Inventory pursuant to Section 5.9, (b) reserves established pursuant to Section 5.4(c), and (c) such other reserves against Eligible Accounts, Eligible Rentals, Eligible Parts and Tools Inventory, Eligible Rolling Stock, Eligible Equipment Inventory or Borrowing Availability of such Borrower that Agent may, in good faith and in its reasonable credit judgment, establish from time to time. Without limiting the generality of the foregoing, Reserves established to ensure the payment of accrued Interest Expenses shall be deemed to be a reasonable exercise of Agent's credit judgment.

"RESTRICTED PAYMENT" means, with respect to any Credit Party, (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets in respect of such Credit Party's Stock; (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of such Credit Party's Stock or any other payment or distribution made in respect thereof, either directly or indirectly; (c) any payment or

prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt; (d) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Stock of such Credit Party now or hereafter outstanding; (e) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of, any shares of such Credit Party's Stock or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission; (f) any payment, loan, contribution, or other transfer of funds or other property to any Stockholder of such Credit Party other than payment of compensation and directors' fees in the ordinary course of business to Stockholders who are employees of such Person; (g) any payment of management fees (or other fees of a similar nature) by such Credit Party to any Stockholder of such Credit Party or its Affiliates and (h) any optional payment or prepayment of principal of the Senior Notes or the Senior Subordinated Notes, any prepayment of premium, if any, or interest, fees, or other charges on or with respect to

the Senior Notes or the Senior Subordinated Notes, and any redemption, purchase, retirement, defeasance, subleasing fund or similar optional payment with respect to the Senior Notes or the Senior Subordinated Notes.

"RETIREE WELFARE PLAN" means, at any time, a Welfare Plan that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant's termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC and at the sole expense of the participant or the beneficiary of the participant.

"REVOLVING CREDIT ADVANCE" has the meaning assigned to it in Section 1.1(a)(i).

"REVOLVING LENDERS" means, as of any date of determination, Lenders having a Revolving Loan Commitment.

"REVOLVING LOAN" means, at any time, the sum of (i) the aggregate amount of Revolving Credit Advances outstanding, as the context may require, to any Borrower or all Borrowers PLUS (ii) the aggregate Letter of Credit Obligations incurred on behalf of any Borrower or all Borrowers. Unless the context otherwise requires, references to the outstanding principal balance of the Revolving Loan shall include the outstanding balance of Letter of Credit Obligations. A Letter of Credit issued for the account of a Borrower shall be included in calculating the Letter of Credit Obligations of, and consequently the outstanding principal balance of the Revolving Loan made to, such Borrower.

"REVOLVING LOAN COMMITMENT" means (a) as to any Revolving Lender, the aggregate commitment of such Revolving Lender to make Revolving Credit Advances or incur Letter of Credit Obligations as set forth on Annex J or in the most recent Assignment Agreement executed by such Revolving Lender and (b) as to all Revolving Lenders, the aggregate commitment of all Revolving Lenders to make Revolving Credit Advances or incur Letter of Credit Obligations, which aggregate commitment shall be One Hundred Fifty Million Dollars ($150,000,000) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with the Agreement, PROVIDED, HOWEVER, that in the event that the maximum amount permitted under clause (1) of the definition of "Permitted Debt" contained in the Senior Note Indenture or the Senior Subordinated Note Indenture is reduced by virtue of the application to "Senior Debt" (as defined in the Senior Note Indenture or Senior Subordinated Note Indenture) of "Net Proceeds" of "Assets Sales" (as such terms are defined in the Senior Note Indenture or Senior Subordinated Note Indenture), then and in such event the Revolving Loan Commitment shall be reduced automatically by the amount of each such reduction, with any such reduction to the Revolving Loan Commitment to be allocated to all Lenders pro rata.

"REVOLVING NOTE" has the meaning assigned to it in Section 1.1(a)(ii).

"SECURITY AGREEMENTS" means each Security Agreement of even date herewith entered into by and among Agent, on behalf of itself and Lenders, and each Credit Party that is a signatory thereto.

"SENIOR DEBT" of any Person, means all Indebtedness and Capital Lease Obligations of such Person, other than Subordinated Debt of such Person.

"SENIOR DEBT TO TANGIBLE ASSETS RATIO" means, with respect to any Person for any fiscal period, the ratio of Senior Debt of such Person to Tangible Assets of such Person.

"SENIOR NOTE INDENTURE" has the meaning assigned to it in the recitals to the Agreement.

"SENIOR NOTES" has the meaning assigned to it in the recitals to the Agreement.

"SENIOR SUBORDINATED NOTE INDENTURE" has the meaning assigned to it in the recitals to the Agreement.

"SENIOR SUBORDINATED NOTES" has the meaning assigned to it in the recitals to the Agreement.

"SETTLEMENT DATE" has the meaning assigned to it in Section 9.10(a)(ii).

"SOFTWARE" means all "software" as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, other than software embedded in any category of Goods, including all computer programs and all supporting information provided in connection with a transaction related to any program.

"SOLVENT" means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person; (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can be reasonably be expected to become an actual or matured liability.

"STOCK" means all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

"STOCKHOLDER" means, with respect to any Person, each holder of Stock of such Person.

"SUBJECT PROPERTY" has the meaning assigned to it in Section 7.3.

"SUBORDINATED DEBT" means Indebtedness evidenced by the Senior Subordinated Notes and any other Indebtedness of any Borrower subordinated to the Obligations in a manner and form satisfactory to Agent and Lenders in their sole discretion, as to right and time of payment and as to any other rights and remedies thereunder.

"SUBSIDIARY" means, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) or of which any such Person is a general partner or may exercise the powers of a general partner. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of a Borrower.

"SUBSIDIARY GUARANTIES" means each Subsidiary Guaranty executed by each Subsidiary, of even date herewith or at any time thereafter, of each Borrower in favor of Agent, on behalf of itself and Lenders.

"SUPPORTING OBLIGATIONS" means all "supporting obligations" as such term is defined in the Code, including letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles,

Instruments or Investment Property.

"SWING LINE ADVANCE" has the meaning assigned to it in Section 1.1(b)(i).

"SWING LINE AVAILABILITY" has the meaning assigned to it in Section 1.1(b)(i).

"SWING LINE COMMITMENT" means, as to the Swing Line Lender, the commitment of the Swing Line Lender to make Swing Line Loans as set forth on Annex J which commitment constitutes a subfacility of the Revolving Loan Commitment of the Swing Line Lender.

"SWING LINE LENDER" means GE Capital.

"SWING LINE LOAN" means at any time, as the context may require, the aggregate amount of Swing Line Advances outstanding to any Borrower or to all Borrowers.

"SWING LINE NOTE" has the meaning assigned to it in Section 1.1(b)(ii).

"SYNDICATION LETTER" means the letter agreement of every date herewith among the Borrowers and the Agent.

"TANGIBLE ASSETS" means, with respect to any Person, all tangible assets of such Person as of any date of determination calculated in accordance with GAAP.

"TARGET" has the meaning assigned to it in Section 6.1.

"TAXES" means taxes, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on or measured by the net income of Agent or a Lender by the jurisdictions under the laws of which Agent and Lenders are organized or conduct business or any political subdivision thereof.

"TERMINATION DATE" means the date on which (a) the Loans have been indefeasibly repaid in full in cash, (b) all other Obligations (other than contingent obligations for which no claim has been asserted), under the Agreement and the other Loan Documents have been completely discharged, (c) all Letter of Credit Obligations have been cash collateralized, canceled or backed by standby letters of credit in accordance with Annex B, and (d) none of the Borrowers shall have any further right to borrow any monies under the Agreement.

"TITLE IV PLAN" means an "employee pension benefit plan" as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is covered by Title IV of ERISA, and that any Credit Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to or has any liability with respect to on behalf of participants who are or were employed by any of them.

"TRADEMARK SECURITY AGREEMENTS" means the Trademark Security Agreements made in favor of Agent, on behalf of Lenders, by each applicable Credit Party.

"TRADEMARK LICENSE" means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right to use any Trademark.

"TRADEMARKS" means all of the following now owned or hereafter existing, adopted or acquired by any Credit Party: (a) all trademarks, trade names, limited liability company names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

"TRUSTEE" means Bank of New York as trustee for (i) the holders of Senior Notes under the Senior Note Indenture and (ii) the holders of Senior Subordinated Notes under the Senior Subordinated Note Indenture,

"UNASSERTED CONTINGENT OBLIGATIONS" means, at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for (i) the principal of and interest and premium (if any) on, and fees relating to, any Indebtedness and (ii) contingent

reimbursement obligations in respect of amounts that may be drawn under Letters of Credit) in respect of which no claim or demand for payment has been made (or, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"UNFUNDED PENSION LIABILITY" means, at any time, the aggregate amount, if any, of the sum of the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan.

"UTILIZATION RATE OF EQUIPMENT INVENTORY RATIO" means, with respect to any Person for any fiscal period, the ratio of Equipment Inventory Rental Revenues to Equipment Inventory Rental Expenditures of such Person for such period.

"VENDOR INTER-CREDITOR AGREEMENT" means an agreement in the form of Exhibit 6.7(d)(iii)(A) or Exhibit 6.7(d)(iii)(B), in each case, with such changes thereto as may be approved by the Agent, between the Agent and the holder of a purchase money Lien in Equipment Inventory or such other form of intercreditor agreement as the Agent may approve.

"WELFARE PLAN" means a Plan described in Section 3(1) of ERISA.

Rules of construction with respect to accounting terms used in the Agreement or the other Loan Documents shall be as set forth in Annex G. All other undefined terms contained in any of the Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the Code to the extent the same are used or defined therein; in the event that any term is defined differently in different Articles of the Code, the definition contained in Article 9 shall control. Unless otherwise specified, references in the Agreement or any of the Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in the Agreement. The words "herein," "hereof" and "hereunder" and other words of similar import refer to the Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in the Agreement or any such Annex, Exhibit or Schedule.

Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Loan Documents) or, in the case of governmental Persons, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any Loan Document refers to the knowledge (or an analogous phrase) of any Credit Party, such words are intended to signify that such Credit Party has actual knowledge or awareness of a particular fact or

circumstance or that such Credit Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

ANNEX B (SECTION 1.2)

TO

CREDIT AGREEMENT

LETTERS OF CREDIT

(a) Issuance

Subject to the terms and conditions of the Agreement, Agent and Revolving Lenders agree to incur, from time to time prior to the Commitment Termination Date, upon the request of Borrower Representative on behalf of the applicable Borrower and for such Borrower's account, Letter of Credit Obligations by causing Letters of Credit to be issued by an L/C Issuer for such Borrower's account and guaranteed by Agent; PROVIDED, that if the L/C Issuer is a Revolving Lender, then such Letters of Credit shall not be guaranteed by Agent but rather each Revolving Lender shall, subject to the terms and conditions hereinafter set forth, purchase (or be deemed to have purchased) risk participations in all such Letters of Credit issued with

the written consent of Agent, as more fully described in paragraph (b)(ii) below. The aggregate amount of all such Letter of Credit Obligations shall not at any time exceed the least of (i) Ten Million Dollars ($10,000,000) (the "L/C SUBLIMIT"), and (ii) the Maximum Amount LESS the aggregate outstanding principal balance of the Revolving Credit Advances and the Swing Line Loan, and (iii) the Aggregate Borrowing Base LESS the aggregate outstanding principal balance of the Revolving Credit Advances and the Swing Line Loan. Furthermore, the aggregate amount of any Letter of Credit Obligations incurred on behalf of any Borrower shall not at any time exceed such Borrower's separate Borrowing Base LESS the aggregate principal balance of the Revolving Credit Advances and the Swing Line Loan to such Borrower. No such Letter of Credit shall have an expiry date that is more than one year following the date of issuance thereof, unless otherwise determined by Agent in its sole discretion, and neither Agent nor Revolving Lenders shall be under any obligation to incur Letter of Credit Obligations in respect of, or purchase risk participations in, any Letter of Credit having an expiry date that is later than the date that is referred to in clause (a) of the definition of Commitment Termination Date. Each issuance of a Letter of Credit shall be made on notice by Borrower Representative on behalf of the applicable Borrower to the representative of Agent identified in Schedule 1.1 at the address specified therein. Any such notice must be given no later noon (New York time) on the date which is three (3) Business Days prior to the proposed issuance of such Letter of Credit. Each such notice (a "NOTICE OF ISSUANCE OF LETTER OF CREDIT") must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit B-1(a) and shall include the information required in such Exhibit and such other administrative information as may be reasonably required by Agent.

(b) Advances Automatic; Participations

(i) In the event that Agent or any Revolving Lender shall make any payment on or pursuant to any Letter of Credit Obligation, such payment shall then be deemed automatically to constitute a Revolving Credit Advance to the applicable Borrower under Section 1.1(a) of

the Agreement regardless of whether a Default or Event of Default has occurred and is continuing and notwithstanding any Borrower's failure to satisfy the conditions precedent set forth in Section 2, and each Revolving Lender shall be obligated to pay its Pro Rata Share thereof in accordance with the Agreement. The failure of any Revolving Lender to make available to Agent for Agent's own account its Pro Rata Share of any such Revolving Credit Advance or payment by Agent under or in respect of a Letter of Credit shall not relieve any other Revolving Lender of its obligation hereunder to make available to Agent its Pro Rata Share thereof, but no Revolving Lender shall be responsible for the failure of any other Revolving Lender to make available such other Revolving Lender's Pro Rata Share of any such payment.

(ii) If it shall be illegal or unlawful for any Borrower to incur Revolving Credit Advances as contemplated by paragraph (b)(i) above because of an Event of Default described in Section 8.1(h) or Section 8.1(i) or otherwise or if it shall be illegal or unlawful for any Revolving Lender to be deemed to have assumed a ratable share of the reimbursement obligations owed to an L/C Issuer, or if the L/C Issuer is a Revolving Lender, then (A) immediately and without further action whatsoever, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Agent (or such L/C Issuer, as the case may be) an undivided interest and participation equal to such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations in respect of all Letters of Credit then outstanding and (B) thereafter, immediately upon issuance of any Letter of Credit, each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased from Agent (or such L/C Issuer, as the case may be) an undivided interest and participation in such Revolving Lender's Pro Rata Share (based on the Revolving Loan Commitments) of the Letter of Credit Obligations with respect to such Letter of Credit on the date of such issuance. Each Revolving Lender shall fund its participation in all payments or disbursements made under the Letters of Credit in the same manner as provided in the Agreement with respect to Revolving Credit Advances.

(c) Cash Collateral

(i) If Borrowers are required to provide cash collateral for any Letter of Credit Obligations pursuant to the Agreement prior to the Commitment Termination Date, each Borrower will pay to Agent for the ratable benefit of itself and Revolving Lenders cash or cash equivalents acceptable to Agent ("CASH EQUIVALENTS") in an amount equal to 105% of the maximum amount then available to be drawn under each applicable Letter of Credit outstanding for the benefit of such

Borrower. Such funds or Cash Equivalents shall be held by Agent in a cash collateral account (the "CASH COLLATERAL ACCOUNT") maintained at a bank or financial institution acceptable to Agent. The Cash Collateral Account shall be in the name of the applicable Borrower and shall be pledged to, and subject to the control of, Agent, for the benefit of Agent and Lenders, in a manner reasonably satisfactory to Agent. Each Borrower hereby pledges and grants to Agent, on behalf of itself and Lenders, a security interest in all such funds and Cash Equivalents held in the

Cash Collateral Account from time to time and all proceeds thereof, as security for the payment of all amounts due in respect of the Letter of Credit Obligations and other Obligations, whether or not then due. The Agreement, including this Annex B, shall constitute a security agreement under applicable law.

(ii) If any Letter of Credit Obligations, whether or not then due and payable, shall for any reason be outstanding on the Commitment Termination Date, Borrowers shall either (A) provide cash collateral therefor in the manner described above, or (B) cause all such Letters of Credit and guaranties thereof, if any, to be canceled and returned, or (C) deliver a stand-by letter (or letters) of credit in guaranty of such Letter of Credit Obligations, which stand-by letter (or letters) of credit shall be of like tenor and duration as, and in an amount equal to 105% of the aggregate maximum amount then available to be drawn under, the Letters of Credit to which such outstanding Letter of Credit Obligations relate and shall be issued by a Person, and shall be subject to such terms and conditions, as are be satisfactory to Agent in its sole discretion.

(iii) From time to time after funds are deposited in the Cash Collateral Account by any Borrower, whether before or after the Commitment Termination Date, Agent may apply such funds or Cash Equivalents then held in the Cash Collateral Account to the payment of any amounts, and in such order as Agent may elect, as shall be or shall become due and payable by such Borrower to Agent and Lenders with respect to such Letter of Credit Obligations of such Borrower and, upon the satisfaction in full of all Letter of Credit Obligations of such Borrower, to any other Obligations of any Borrower then due and payable.

(iv) No Borrower nor any Person claiming on behalf of or through any Borrower shall have any right to withdraw any of the funds or Cash Equivalents held in the Cash Collateral Account, except that upon the termination of all Letter of Credit Obligations and the payment of all amounts payable by Borrowers to Agent and Lenders in respect thereof, any funds remaining in the Cash Collateral Account shall be applied to other Obligations then due and owing and upon payment in full of such Obligations, any remaining amount shall be paid to Borrowers or as otherwise required by law. Interest earned on deposits in the Cash Collateral Account shall be for the account of Agent.

(d) Fees and Expenses

Borrowers agree to pay to Agent for the benefit of Revolving Lenders, as compensation to such Lenders for Letter of Credit Obligations incurred hereunder, (i) all costs and expenses incurred by Agent or any Lender on account of such Letter of Credit Obligations, and (ii) for each month during which any Letter of Credit Obligation shall remain outstanding, a fee (the "LETTER OF CREDIT FEE") in an amount equal to the Applicable L/C Margin from time to time in effect multiplied by the maximum amount available from time to time to be drawn under the applicable Letter of Credit. Such fee shall be paid to Agent for the benefit of the Revolving Lenders in arrears, on the first day of each month and on the Commitment Termination Date. In addition, Borrowers shall pay to any L/C Issuer, on demand, such fees (including all per annum fees),

charges and expenses of such L/C Issuer in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued.

(e) Request for Incurrence of Letter of Credit Obligations

Borrower Representative shall give Agent at least two (2) Business Days' prior written notice requesting the incurrence of any Letter of Credit Obligation. The notice shall be accompanied by the form of the Letter of Credit (which shall be acceptable to the L/C Issuer). Notwithstanding anything contained herein to the contrary, Letter of Credit applications by

Borrower Representative and approvals by Agent and the L/C Issuer may be made and transmitted pursuant to electronic codes and security measures mutually agreed upon and established by and among Borrower Representative, Agent and the L/C Issuer.

(f) Obligation Absolute

The obligation of Borrowers to reimburse Agent and Revolving Lenders for payments made with respect to any Letter of Credit Obligation shall be absolute, unconditional and irrevocable, without necessity of presentment, demand, protest or other formalities, and the obligations of each Revolving Lender to make payments to Agent with respect to Letters of Credit shall be unconditional and irrevocable. Such obligations of Borrowers and Revolving Lenders shall be paid strictly in accordance with the terms hereof under all circumstances including the following:

(i) any lack of validity or enforceability of any Letter of Credit or the Agreement or the other Loan Documents or any other agreement;

(ii) the existence of any claim, setoff, defense or other right that any Borrower or any of its Affiliates or any Lender may at any time have against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such transferee may be acting), Agent, any Lender, or any other Person, whether in connection with the Agreement, the Letter of Credit, the transactions contemplated herein or therein or any unrelated transaction (including any underlying transaction between any Borrower or any of its Affiliates and the beneficiary for which the Letter of Credit was procured);

(iii) any draft, demand, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) payment by Agent (except as otherwise expressly provided in paragraph (g)(ii)(C) below) or any L/C Issuer under any Letter of Credit or guaranty thereof against presentation of a demand, draft or certificate or other document that does not comply with the terms of such Letter of Credit or such guaranty;

(v) any other circumstance or event whatsoever, that is similar to any of the foregoing; or

(vi) the fact that a Default or an Event of Default has occurred and is continuing.

(g) Indemnification; Nature of Lenders' Duties

(i) In addition to amounts payable as elsewhere provided in the Agreement, Borrowers hereby agree to pay and to protect, indemnify, and save harmless Agent and each Lender from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees and allocated costs of internal counsel) that Agent or any Lender may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit or guaranty thereof, or (B) the failure of Agent or any Lender seeking indemnification or of any L/C Issuer to honor a demand for payment under any Letter of Credit or guaranty thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent solely as a result of the gross negligence or willful misconduct of Agent or such Lender (as finally determined by a court of competent jurisdiction).

(ii) As between Agent and any Lender and Borrowers, Borrowers assume all risks of the acts and omissions of, or misuse of any Letter of Credit by beneficiaries of any Letter of Credit. In furtherance and not in limitation of the foregoing, to the fullest extent permitted by law neither Agent nor any Lender shall be responsible for: (A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document issued by any party in connection with the application for and issuance of any Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, that may prove to be invalid or ineffective for any reason; (C) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to demand payment under such Letter of Credit; PROVIDED that, in the case of any payment by Agent under any Letter of Credit or guaranty thereof, Agent shall be

liable to the extent such payment was made solely as a result of its gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) in determining that the demand for payment under such Letter of Credit or guaranty thereof complies on its face with any applicable requirements for a demand for payment under such Letter of Credit or guaranty thereof; (D) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they may be in cipher; (E) errors in interpretation of technical terms; (F) any loss or delay in the transmission or otherwise of any document required in order to make a payment under any Letter of Credit or guaranty thereof or of the proceeds thereof; (G) the credit of the proceeds of any drawing under any Letter of Credit or guaranty thereof; and (H) any consequences arising from causes beyond the control of Agent or any Lender. None of the above shall affect, impair, or prevent the vesting of any of Agent's or any Lender's rights or powers hereunder or under the Agreement.

(iii) Nothing contained herein shall be deemed to limit or to expand any waivers, covenants or indemnities made by Borrowers in favor of any L/C Issuer in any letter of credit application, reimbursement agreement or similar document, instrument or agreement between or among Borrowers and such L/C Issuer.

ANNEX C (SECTION 1.8)

TO

CREDIT AGREEMENT

CASH MANAGEMENT SYSTEMS

Borrowers shall and shall cause each other Credit Party to establish and maintain the Cash Management Systems described below:

(a) On or before the Closing Date, and until the Termination Date, each Borrower shall (i) establish lock boxes ("LOCK BOXES") or at Agent's discretion, blocked accounts ("BLOCKED ACCOUNTS") at one or more of the banks set forth in Disclosure Schedule (3.19), and shall request in writing and otherwise take such reasonable steps to ensure that all Account Debtors (except as set forth below) forward payment directly to such Lock Boxes, and (ii) deposit and cause its Subsidiaries to deposit or cause to be deposited promptly, and in any event no later than the first Business Day after the date of receipt thereof, all cash, checks, drafts or other similar items of payment relating to or constituting payments made in respect of any and all Collateral (whether or not otherwise delivered to a Lock Box) into one or more Blocked Accounts in such Borrower's name or any such Subsidiary's name and at a bank identified in Disclosure Schedule (3.19) (each, a "RELATIONSHIP BANK"). At the request of Agent, each Borrower shall have established a concentration account in its name (each a "CONCENTRATION ACCOUNT" and collectively, the "CONCENTRATION ACCOUNTS") at the bank which shall be designated as the Concentration Account bank for such Borrower in Disclosure Schedule (3.19) (the "CONCENTRATION ACCOUNT BANK" and, collectively, the "CONCENTRATION ACCOUNT BANKS") which bank shall be reasonably satisfactory to Agent and Borrowers.

(b) Each Borrower may maintain, in its name, an account (each a "DISBURSEMENT ACCOUNT" and collectively, the "DISBURSEMENT ACCOUNTS") at a bank reasonably acceptable to Agent into which Agent shall, from time to time, deposit proceeds of Revolving Credit Advances and Swing Line Advances made to such Borrower pursuant to Section 1.1 for use by such Borrower solely in accordance with the provisions of Section 1.4. No Credit Party shall maintain any deposit account other than a deposit account that is subject to a Blocked Account Agreement, PROVIDED, that until the date forty-five (45) days following the Closing Date the Credit Parties may maintain not more than ten deposit accounts that are not subject to a Blocked Account Agreement so long as no such deposit account has at any time a balance of more than $5,000.

(c) On or before the Closing Date (or such later date as Agent shall consent to in writing), each Concentration Account Bank, each bank where a Disbursement Account is maintained and all other Relationship Banks, shall have entered into tri-party blocked account agreements with Agent, for the benefit of itself and Lenders, and the applicable Credit Party and Subsidiaries thereof, as applicable, in form and substance reasonably acceptable to Agent, which shall become operative on or prior to the Closing Date (a "BLOCKED ACCOUNT Agreement"). Each such blocked account agreement shall provide, among other things, that (i) all items of payment deposited in

such account and proceeds thereof deposited in the applicable Concentration Account are held by such bank as agent or bailee-in-possession for Agent, on behalf of itself and Lenders, (ii) the bank executing such agreement has no rights of setoff or recoupment or any other claim against such account, as the case may be, other than for payment of its service fees and other charges directly related to the administration of such account and for returned checks or other items of payment, and (iii) from and after the Closing Date (A) with respect to banks at which a Blocked Account is maintained, such bank agrees, from and after the receipt of a notice (an "ACTIVATION NOTICE") from Agent (which Activation Notice may be given by Agent at any time at which (1) a Default or Event of Default has occurred and is continuing, (2) Agent reasonably believes based upon information available to it that a Default or an Event of Default is likely to occur; (3) Agent reasonably believes that an event or circumstance that is likely to have a Material Adverse Effect has occurred, or (4) Agent reasonably has grounds to believe that the integrity of any Credit Party Cash Management Systems has been compromised or any Credit Party compliance with the provisions of this Annex C or any other provisions of the Loan Documents to the extent related to such Cash Management Systems (any of the foregoing being referred to herein as an "ACTIVATION EVENT")), to forward immediately all amounts in each Blocked Account to such Borrower's Concentration Account Bank and to commence the process of daily sweeps from such Blocked Account into the applicable Concentration Account and (B) with respect to each Concentration Account Bank, such bank agrees from and after the receipt of an Activation Notice from Agent upon the occurrence of an Activation Event, to immediately forward all amounts received in the applicable Concentration Account to the Collection Account through daily sweeps from such Concentration Account into the Collection Account. From and after the date Agent has delivered an Activation Notice to any bank with respect to any Blocked Account(s), no Credit Party shall, or shall cause or permit any Subsidiary thereof to, accumulate or maintain cash in Disbursement Accounts or payroll accounts as of any date of determination in excess of checks outstanding against such accounts as of that date and amounts necessary to meet minimum balance requirements.

(d) So long as no Default or Event of Default has occurred and is continuing, Credit Parties may amend Disclosure Schedule (3.19) to add or replace a Relationship Bank, Lock Box or Blocked Account or to replace any Concentration Account or any Disbursement Account; PROVIDED, that (i) Agent shall have consented in writing in advance to the opening of such account or Lock Box with the relevant bank and (ii) prior to the time of the opening of such account or Lock Box, the applicable Credit Party or its Subsidiaries, as applicable, and such bank shall have executed and delivered to Agent a tri-party blocked account agreement, in form and substance reasonably satisfactory to Agent. Each Credit Party shall close any of its accounts (and establish replacement accounts in accordance with the foregoing sentence) promptly and in any event within thirty (30) days following notice from Agent that the creditworthiness of any bank holding an account is no longer acceptable in Agent's reasonable judgment, or as promptly as practicable and in any event within sixty (60) days following notice from Agent that the operating performance, funds transfer or availability procedures or performance with respect to accounts or Lock Boxes of the bank holding such accounts or Agent's liability under any tri-party blocked account agreement with such bank is no longer acceptable in Agent's reasonable judgment.

(e) The Lock Boxes, Blocked Accounts, Disbursement Accounts and the Concentration Accounts shall be cash collateral accounts, with all cash, checks and other similar items of payment in such accounts securing payment of the Loans and all other Obligations, and in which the applicable Credit Party and each Subsidiary thereof shall have granted a Lien to Agent, on behalf of itself and Lenders, pursuant to its Security Agreement.

(f) All amounts deposited in the Collection Account shall be deemed received by Agent in accordance with Section 1.10 and shall be applied (and allocated) by Agent in accordance with Section 1.11. In no event shall any amount be so applied unless and until such amount shall have been credited in immediately available funds to the Collection Account.

(g) Each Credit Party shall and shall cause its Affiliates, officers, employees, agents, directors or other Persons acting for or in concert with such Borrower (each a "RELATED PERSON") to (i) hold in trust for Agent, for the benefit of itself and Lenders, all checks, cash and other items or payment constituting proceeds of Collateral received by such Credit Party or any such Related Person, and (ii) within one (1) Business Day after receipt by such Borrower or any such Related Person of any checks, cash or other items or payment, deposit the same into a Blocked Account of such Credit Party. Each Credit Party and each Related Person thereof acknowledges and agrees that all cash, checks or other items of payment constituting proceeds of Collateral are part of the Collateral. All

proceeds of the sale or other disposition of any Collateral, shall be deposited directly into the applicable Blocked Accounts.

ANNEX D (SECTION 2.1(a))

TO

CREDIT AGREEMENT

CLOSING CHECKLIST

In addition to, and not in limitation of, the conditions described in Section 2.1 of the Agreement, pursuant to Section 2.1(a), the following items must be received by Agent in form and substance satisfactory to Agent on or prior to the Closing Date (each capitalized term used but not otherwise defined herein has the meaning ascribed thereto in Annex A to the Agreement):

(A) Appendices

All Appendices to the Agreement, in form and substance satisfactory to Agent.

(B) Revolving Notes and Swing Line Note

Duly executed originals of the Revolving Notes and Swing Line Notes for each applicable Lender, dated the Closing Date, if requested by the respective Lenders.

(C) Security Agreements

Duly executed originals of the Security Agreements executed by each Credit Party, dated the Closing Date, and all instruments, documents and agreements executed pursuant thereto.

(D) Insurance

Satisfactory evidence that the insurance policies required by Section 5.4 are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements, as requested by Agent, in favor of Agent, on behalf of Lenders.

(E) Security Interests and Code Filings

(a) Evidence satisfactory to Agent that Agent (for the benefit of itself and Lenders) has a valid and perfected first priority security interest in the Collateral, including (i) such documents duly executed by each Credit Party (including financing statements under the Code and other applicable documents under the laws of any jurisdiction with respect to the perfection of Liens) as Agent may request in order to perfect its security interests in the Collateral and (ii) copies of Code search reports listing all effective financing statements that name any Credit Party as debtor, together with copies of such financing statements, none of which shall cover the Collateral, except for those relating to the Prior Obligations (all of which shall be terminated on the Closing Date) or Permitted Encumbrances.

(b) Evidence satisfactory to Agent, including copies, of all UCC-1 and other financing statements filed in favor of any Credit Party with respect to each location, if any, at which Parts and Tools Inventory or Equipment Inventory may be consigned.

(c) Control Letters from (i) all issuers of uncertificated securities and financial assets held by each Borrower, (ii) all securities intermediaries with respect to all securities accounts and securities entitlements of each Borrower, and (iii) all futures commission agents and clearing houses with respect to all commodities contracts and commodities accounts held by any Borrower.

(d) Notwithstanding the foregoing, each Credit Party shall take all necessary action (including, without limitation, the delivery of all certificates of title to Agent and the addition of Agent as a Lien holder to each such certificate of title), to provide Agent with a first priority perfected security interest in all P&E covered by a certificate of title held by such Credit Party as soon as practicable following the Closing Date, but in no event later than thirty (30) days following the Closing Date.

(F) Payoff Letter; Termination Statements

Copies of a duly executed payoff letter, in form and substance reasonably satisfactory to Agent, by and between all parties to the Prior Lenders' loan documents evidencing repayment in full of all Prior Obligations, together with (a) UCC-3 or other appropriate termination statements, in form and substance reasonably satisfactory to Agent, manually signed by the Prior Lenders releasing all liens of Prior Lender upon any of the personal property of each applicable Credit Party, and (b) termination of all blocked account agreements, bank agency agreements or other similar agreements or arrangements or arrangements in favor of Prior Lender or relating to the Prior Obligations.

(G) Intellectual Property Security Agreements

Duly executed originals of Trademark Security Agreements, Copyright Security Agreements and Patent Security Agreements, each dated the Closing Date and signed by each Credit Party that owns Trademarks, Copyrights and/or Patents, as applicable, all in form and substance reasonably satisfactory to Agent, together with all instruments, documents and agreements executed pursuant thereto.

(H) Initial Borrowing Base Certificate

Duly executed originals of an initial Borrowing Base Certificate from each Borrower, dated the Closing Date, reflecting information concerning Eligible Accounts, Eligible Parts and Tools Inventory, Eligible Rolling Stock and Eligible Equipment Inventory of Borrowers.

(I) Initial Notice of Revolving Credit Advance

Duly executed originals of a Notice of Revolving Credit Advance, dated the Closing Date, with respect to the initial Revolving Credit Date Advance to be requested by Borrowers on the Closing Date.

(J) Letter of Direction

Duly executed originals of a letter of direction from Borrowers addressed to Agent, on behalf of itself and Lenders, with respect to the disbursement on the Closing Date of the proceeds of the initial Revolving Credit Advance.

(K) Cash Management System; Blocked Account Agreements

Evidence satisfactory to Agent that, as of the Closing Date, Cash Management Systems complying with Annex C to the Agreement have been established and are currently being maintained in the manner set forth in such Annex C, together with copies of duly executed tri-party blocked account and lock box agreements, reasonably satisfactory to Agent, with the banks as required by Annex C.

(L) Certificate of Formation and Good Standing

For each Credit Party, (a) its articles or certificate of incorporation or certificate of formation, as applicable, and all amendments thereto, (b) good standing certificates (including verification of tax status) in its state of incorporation or formation, as applicable, and (c) good standing certificates (including verification of tax status) and certificates of qualification to conduct business in each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, each dated a recent date prior to the Closing Date and certified by the applicable Secretary of State or other authorized Governmental Authority.

(M) By-laws and Resolutions

For each Credit Party, (a) its by-laws or operating agreement, as applicable, together with all amendments thereto and (b) resolutions of such Person's Board of Directors or Board of Members, as applicable, approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party and the transactions to be consummated in connection therewith, each certified as of the Closing Date by such Person's secretary or an assistant secretary as being in full force and effect without any modification or amendment.

(N) Incumbency Certificates

For each Credit Party, signature and incumbency certificates of the officers of such Person executing any of the Loan Documents, certified as of the Closing Date by such Person's secretary or an assistant secretary as being true, accurate, correct and complete.

(O) Opinions of Counsel

Duly executed originals of opinions of Kirkland & Ellis, New York counsel for the Credit Parties, together with opinions of Louisiana, Delaware, Washington and Montana counsel, each in form and substance reasonably satisfactory to Agent and its counsel, dated the Closing Date, and each accompanied by a letter addressed to such counsel from the Credit Parties, authorizing and directing such counsel to address its opinion to Agent, on behalf of Lenders, and to include in such opinion an express statement to the effect that Agent and Lenders are authorized to rely on such opinion.

(P) Pledge Agreements

Duly executed originals of each of the Pledge Agreements accompanied by (as applicable) share certificates representing all of the outstanding Stock being pledged pursuant to such Pledge Agreement and stock powers for such share certificates executed in blank.

(Q) Accountants' Letter

A letter from the Credit Parties to the independent auditors authorizing the independent certified public accountants of the Credit Parties to communicate with Agent and Lenders in accordance with Section 4.2 and acknowledging Lenders' reliance on the auditor's certification of past and future Financial Statements.

(R) Appointment of Agent for Service

An appointment of CT Corporation as each Credit Party's agent for service of process.

(S) Guaranties

Duly executed originals of each Guaranty dated the Closing Date, and all documents, instruments and agreements executed pursuant thereto.

(T) GE Capital Fee Letter

Duly executed originals of the GE Capital Fee Letter in form and substance satisfactory to GE Capital.

(U) Officer's Certificate

Duly executed originals of a certificate of an Authorized Officer of each Credit Party, dated the Closing Date, stating that, since December 31, 2001 (a) no event or condition has occurred or is existing which could reasonably be expected to have a Material Adverse Effect; (b) there has been no material adverse change in the industry in which any Borrower operates; (c) no Litigation has been commenced against such Credit Party which, if successful, would have a Material Adverse Effect or could challenge any of the transactions contemplated by the Agreement and the other Loan Documents; (d) there have been no Restricted Payments made by any Credit Party;

and (e) there has been no material increase in liabilities, liquidated or contingent, and no material decrease in assets of any Borrower or any of its Subsidiaries.

(V) Waivers

Landlord waivers and consents, bailee letters and mortgagee agreements in form and substance reasonably satisfactory to Agent, in each case as required pursuant to Section 5.9, PROVIDED that Agent may waive this condition as to any one or more locations as contemplated by Section 5.9 and the various borrowing base definitions.

(W) Appraisals

Equipment Inventory Appraisals and P&E Appraisals conducted by an appraiser reasonably satisfactory to Agent and Borrowers and using a methodology reasonably satisfactory to Agent, each of which shall be in form and substance reasonably satisfactory to Agent.

(X) Environmental Reports

Agent shall have received such environmental review and audit reports with respect to the Real Estate of any Credit Party as Agent shall have requested, and Agent shall be satisfied, in its sole discretion, with the contents of all such environmental reports.

(Y) Audited Financials; Financial Condition

The Financial Statements, Projections and other materials set forth in

Section 3.4, certified by an Authorized Officer of Borrower Representative, in each case in form and substance reasonably satisfactory to Agent, and Agent shall be satisfied, in its sole discretion, with all of the foregoing. Agent shall have further received a certificate of an Authorized Officer of each Borrower, based on such Pro Forma and Projections, to the effect that (a) such Borrower will be Solvent upon the consummation of the transactions contemplated herein; (b) the Pro Forma fairly presents the financial condition of such Borrower as of the date thereof after giving effect to the transactions contemplated by the Loan Documents; (c) the Projections are based upon estimates and assumptions stated therein, all of which such Borrower believes to be reasonable and fair in light of current conditions and current facts known to such Borrower and, as of the Closing Date, reflect such Borrower's good faith and reasonable estimates of its future financial performance and of the other information projected therein for the period set forth therein; (d) the Fair Salable Balance Sheet was prepared on the same basis as the Pro Forma, except that Borrowers' assets are set forth therein at their fair SALABLE values on a going concern basis, and the liabilities set forth therein include all contingent liabilities of Borrower stated at the reasonably estimated present values thereof; and (e) containing such other statements with respect to the solvency of such Borrower and matters related thereto as Agent shall request.

(Z) Syndication Letter

Duly executed originals of the Syndication Letter in form and substance satisfactory to GE Capital.

(AA) Inter-Creditor Agreement

Duly executed originals of the Inter-Creditor Agreement, and all documents, instruments and agreements executed pursuant thereto.

(BB) Vendor Inter-Creditor Agreements

Duly executed originals of a Vendor Inter-Creditor Agreement for each holder of a Lien described in Section 6.7(d) in the form required by such Section, in each case as required pursuant to Section 6.7(d), PROVIDED that Agent may waive this condition as to any one or more holders of such a Lien within the $17,500,000 limit contemplated by the last proviso to Section 6.7(d).

(CC) Other Documents

Such other certificates, documents and agreements respecting and Credit Party as Agent may, in its sole discretion, request.

ANNEX E (SECTION 4.1(a))

TO

CREDIT AGREEMENT

FINANCIAL STATEMENTS AND PROJECTIONS -- REPORTING

H&E Holdings and Borrowers shall deliver or cause to be delivered to Agent or to Agent and Lenders, as indicated, the following:

(a) Monthly Financials

To Agent and Lenders, within thirty (30) days after the end of each Fiscal Month, financial information regarding H&E Holdings and its Subsidiaries, certified by an Authorized Officer of Borrower Representative, consisting of consolidated and consolidating, if applicable (i) unaudited balance sheets as of the close of such Fiscal Month (including a summary of the outstanding balance of all Intercompany Notes as of the last day of such Fiscal Month) and the related statements of income and cash flow and shareholders' equity for that portion of the Fiscal Year ending as of the close of such Fiscal Month and (ii) unaudited statements of income, cash flows and shareholders' equity for such Fiscal Month, setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Projections for such Fiscal Year, all prepared in accordance with GAAP (subject to normal year-end adjustments). Such financial information shall be accompanied by (A) a statement in reasonable detail (each, a "COMPLIANCE CERTIFICATE") showing the calculations used in determining compliance with each Financial Covenant which is tested on a monthly basis as of the end of such Fiscal Quarter, and (B) the certification of an Authorized Officer of Borrower Representative

that (i) such financial information presents fairly in accordance with GAAP (subject to normal year-end adjustments) the financial position and results of operations of H&E Holdings and its Subsidiaries, on a consolidated and consolidating basis, if applicable, in each case as at the end of such Fiscal Month and for that portion of the Fiscal Year then ended and (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default.

(b) Quarterly Financials

To Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, consolidated and consolidating, if applicable, financial information regarding H&E Holdings and its Subsidiaries, certified by an Authorized Officer of Borrower Representative, including (i) unaudited balance sheets as of the close of such Fiscal

Quarter and the related statements of income and cash flow for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter and (ii) unaudited statements of income and cash flows for such Fiscal Quarter, in each case setting forth in comparative form, the figures for the corresponding period in the prior year and the figures contained in the Projections for such Fiscal Year, all prepared in accordance with GAAP (subject to normal year-end adjustments). Such financial information shall be accompanied by (A) a Compliance Certificate in respect of each of the Financial Covenants that are tested on a quarterly basis as at the end of such Fiscal Quarter and (B) the certification of an Authorized Officer of Borrower Representative that (i) such financial information presents fairly in accordance with GAAP (subject to normal year-end adjustments) the financial position, results of operations and statements of cash flows of H&E Holdings and its Subsidiaries, on both a consolidated and consolidating basis, if applicable, as at the end of such Fiscal Quarter and for that portion of the Fiscal Year then ended, (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default. In addition, H&E Holdings and Borrowers shall deliver to Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, a management discussion and analysis that includes a comparison to budget for that Fiscal Quarter and a comparison of performance for that Fiscal Quarter to the corresponding period in the prior year.

(c) Operating Plan

To Agent and Lenders, as soon as available, but not later than forty-five (45) days after the end of each Fiscal Year, an annual operating plan for H&E Holdings and its Subsidiaries, on a consolidated and consolidating basis, approved by the Board of Directors of H&E Holdings, (a) for the first Fiscal Year following the Closing Date, which (i) includes a statement of all of the material assumptions on which such plan is based and (ii) includes monthly balance sheets, a monthly budget, income statements and statements of cash flow for the following year and (b) for the four Fiscal Years thereafter, which (i) includes a statement of all of the material assumptions on which such plan is based and (ii) includes monthly balance sheets, a monthly budget, income statements and statements of cash flow for the following year, and in each such case, integrates sales, gross profits, operating expenses, operating profit, cash flow projections and Borrowing Availability projections, all prepared on the same basis and in similar detail as that on which operating results are reported (and in the case of cash flow projections, representing management's good faith estimates of future financial performance based on historical performance), and including plans for personnel, Capital Expenditures and facilities.

(d) Annual Audited Financials

To Agent and Lenders, within ninety (90) days after the end of each Fiscal Year, audited Financial Statements for H&E Holdings and its Subsidiaries on a consolidated and (unaudited) consolidating basis, if applicable, consisting of balance sheets and statements of income

and retained earnings and cash flows, setting forth in comparative form in each case the figures for the previous Fiscal Year which Financial Statements shall be prepared in accordance with GAAP and certified without qualification, by an independent certified public accounting firm of national standing or otherwise acceptable to Agent. Such Financial Statements shall be accompanied by (i) a statement prepared in reasonable detail showing the calculations used in determining compliance with each of the Financial Covenants as of the end of such Fiscal Year, (ii) a report from such accounting firm to the effect that, in connection with their audit examination, nothing has come to their attention to cause them to believe that a Default or Event of Default has occurred (or specifying those Defaults and Events of Default that they became aware of), it being understood that such audit examination extended only to accounting matters and that no special investigation was made with respect to the existence of Defaults or Events of Default, (iii) a letter addressed to Agent, on behalf of itself and Lenders, in form and substance reasonably satisfactory to Agent and subject to standard qualifications required by nationally recognized accounting firms, signed by such accounting firm acknowledging that Agent and Lenders are entitled to rely upon such accounting firm's certification of such audited Financial Statements, (iv) the annual letters to such accountants in connection with their audit examination detailing contingent liabilities and material litigation matters, and (v) the certification of an Authorized Officer of Borrower Representative that all such Financial Statements present fairly in accordance with GAAP the financial position, results of operations and statements of cash flows of H&E Holdings and its Subsidiaries on a consolidated and consolidating basis, if applicable, as at the end of such Fiscal Year and for the period then ended, and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default.

(e) Management Letters

To Agent and Lenders, within ten (10) Business Days after receipt thereof by any Credit Party, copies of all management letters, exception reports or similar letters or reports received by such Credit Party from its independent certified public accountants.

(f) Default Notices

To Agent and Lenders, as soon as practicable, and in any event within five (5) Business Days after an executive officer of any Credit Party has actual knowledge of the existence of any Default, Event of Default or other event that has had a Material Adverse Effect, telephonic or telecopied notice specifying the nature of such Default or Event of Default

or other event, including the anticipated effect thereof, which notice, if given telephonically, shall be promptly confirmed in writing on the next Business Day.

(g) SEC Filings and Press Releases

To Agent and Lenders, promptly upon their becoming available, copies of: (i) all Financial Statements, reports, notices and proxy statements made publicly available by any Credit Party to its security holders; (ii) all regular and periodic reports and all registration statements and prospectuses, if any, filed by any Credit Party with any securities exchange or with the Securities and Exchange Commission or any governmental regulatory authority; and (iii) all press releases and other statements made available by any Credit Party to the public concerning material adverse changes or developments in the business of such Credit Party.

(h) Subordinated Debt, Senior Notes and Equity Notices

To Agent and Lenders, as soon as practicable, copies of all material written notices given or received by any Credit Party with respect to any Subordinated Debt (including the Senior Subordinated Notes), the Senior Notes or Stock of such Credit Party, and, within two (2) Business Days after such Credit Party obtains knowledge of any matured or unmatured event of default with respect to any Subordinated Debt (including the Senior Subordinated Notes), or the Senior Notes, notice of such event of default.

(i) Supplemental Schedules

To Agent, supplemental disclosures, if any, required by Section 5.6.

(j) Litigation

To Agent and Lenders in writing, promptly upon learning thereof, written notice of any Litigation commenced or threatened against any Credit Party that (i) seeks damages in excess of $500,000, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan, its fiduciaries or its assets or against any Credit Party or ERISA Affiliate in connection with any Plan, (iv) alleges criminal misconduct by any Credit Party, or (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Liabilities or (vi) involves any product recall.

(k) Insurance Notices

To Agent, disclosure of losses or casualties required by Section 5.4.

(l) Default and Other Notices

To Agent and Lenders, within five (5) Business Days after receipt thereof, copies of (i) any and all default notices received under or with respect to any leased location or

public warehouse where Collateral is located, and (ii) such other notices or documents as Agent may reasonably request.

(m) Lease Amendments

To Agent within five (5) Business Days after the receipt thereof, copies of all material amendments to any of the five (5) largest real estate leases (by the value of annual payments of the real estate so leased) or to any real estate lease to which Don Wheeler or John Engquist is a lessor.

(n) Other Documents

To Agent and Lenders, such other financial and other information respecting any Credit Party's business or financial condition as Agent or any Lender shall, from time to time, reasonably request.

ANNEX F (SECTION 4.1(b))

TO

CREDIT AGREEMENT

COLLATERAL REPORTS

Borrowers shall deliver or cause to be delivered the following:

(a) To Agent, upon its request, and in no event less frequently than ten (10) Business Days after the end of each Fiscal Month (together with a copy of all or any part of the following reports requested by any Lender in writing after the Closing Date), each of the following reports, each of which shall be prepared by the applicable Borrower as of the last day of the immediately preceding Fiscal Month or the date two (2) days prior to the date of any such request:

(i) a Borrowing Base Certificate with respect to each Borrower, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(ii) with respect to each Borrower, a summary of Parts and Tools Inventory and Equipment Inventory by branch location and type with a supporting perpetual Parts and Tools Inventory and Equipment Inventory report, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(iii) with respect to each Borrower, a monthly trial balance showing Accounts outstanding aged from invoice due date as follows: 1 to 30 days, 31 to 60 days, 61 to 90 days and 91 days or more, accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion; and

(iv) with respect to each Borrower, a report describing outstanding Equipment Inventory rentals for such period and the Equipment Inventory subject thereto.

(b) To Agent, on a weekly basis or at such more frequent intervals as Agent may request from time to time (together with a copy of all or any part of such

delivery requested by any Lender in writing after the Closing Date), collateral reports with respect to each Borrower, including all additions and reductions (cash and non-cash) with respect to Accounts of each Borrower, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion each of which shall be prepared by the applicable Borrower as of the last day of the immediately preceding week or the date 2 days prior to the date of any such request;

(c) To Agent, at the time of delivery of each of the monthly Financial Statements delivered pursuant to Annex E:

(i) a reconciliation of the Accounts trial balance of each Borrower to such Borrower's most recent Borrowing Base Certificate, general ledger and monthly Financial

Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(ii) a reconciliation of the perpetual inventory by branch location of each Borrower to such Borrower's most recent Borrowing Base Certificate, general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(iii) an aging of accounts payable and a reconciliation of that accounts payable aging to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion; and

(iv) a reconciliation of the outstanding Loans as set forth in the monthly Loan Account statement provided by Agent to each Borrower's general ledger and monthly Financial Statements delivered pursuant to Annex E, in each case accompanied by such supporting detail and documentation as shall be requested by Agent in its reasonable discretion;

(d) To Agent, at the time of delivery of each of the quarterly Financial Statements delivered pursuant to Annex E, (i) a listing of government contracts of each Borrower subject to the Federal Assignment of Claims Act of 1940; and (ii) a list of any applications for the registration of any Patent, Trademark or Copyright filed by any Credit Party with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in the prior Fiscal Quarter;

(e) Each Borrower, at its own expense, shall deliver to Agent the results of each physical verification, if any, that such Borrower or any of its Subsidiaries may in their discretion have made, or caused any other Person to have made on their behalf, of all or any portion of their Parts and Tools Inventory or Equipment Inventory (and, if an Event of Default has occurred and is continuing, each Borrower shall, upon the request of Agent, conduct, and deliver the results of, such physical verifications as Agent may require);

(f) Each Borrower, at its own expense, shall deliver to Agent monthly, a fleet utilization report, prepared on a "days rented" basis, or on such other basis or format as is reasonably acceptable to the Agent;

(g) Each Borrower, at its own expense, shall deliver to Agent the Equipment Inventory Appraisal, the P&E Appraisal and such other appraisals of its assets as Agent may request at any time after the occurrence and during the continuance of a Default or an Event of Default, such appraisals to be conducted by an appraiser, and in form and substance, reasonably satisfactory to Agent; and

(h) Such other reports, statements and reconciliations with respect to the Borrowing Base, Collateral or Obligations of any Borrower or any other Credit Party as Agent shall from time to time request in its reasonable discretion.

ANNEX G (SECTION 6.10)

TO

CREDIT AGREEMENT

FINANCIAL COVENANTS

Neither H&E Holdings nor any Subsidiary thereof shall breach or fail to

comply with any of the following financial covenants, each of which shall be calculated in accordance with GAAP consistently applied:

(a) MAXIMUM SENIOR DEBT TO TANGIBLE ASSETS RATIO. H&E Holdings and its Subsidiaries shall have on a consolidated basis at the end of each Fiscal Quarter, a Senior Debt to Tangible Assets Ratio as of the last day of such Fiscal Quarter of not more than 1.10 to 1.00 for such Fiscal Quarter.

(b) MAXIMUM LEVERAGE RATIO. H&E Holdings and its Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, a Leverage Ratio as of the last day of such Fiscal Quarter and for the 12-month period then ended of not more than the following:

4.60 to 1.00	for each Fiscal Quarter ending on or prior to December 31, 2004;
4.25 to 1.00	for each Fiscal Quarter ending thereafter.

(c) MAXIMUM ADJUSTED LEVERAGE RATIO. H&E Holdings and its Subsidiaries on a consolidated basis shall have, at the end of each Fiscal Quarter set forth below, an Adjusted Leverage Ratio as of the last day of such Fiscal Quarter and for the 12-month period then ended of not more than the following:

4.60 to 1.00	for each Fiscal Quarter ending on or prior to December 31, 2004;
4.40 to 1.00	for each Fiscal Quarter ending thereafter.

(d) MINIMUM UTILIZATION RATE OF EQUIPMENT INVENTORY RATIO. H&E Holdings and its Subsidiaries shall have on a consolidated basis at the end of each Fiscal Quarter set forth below, a Utilization Rate of Equipment Inventory Ratio for the 12-month period then ended of not less than 28% for such Fiscal Quarter.

(e) MINIMUM ADJUSTED INTEREST COVERAGE RATIO. H&E Holdings and its Subsidiaries on a consolidated basis shall have at the end of each Fiscal Quarter set forth below, an Adjusted Interest Coverage Ratio for the 12-month period then ended of not less than the following:

1.45 to 1.00	for each Fiscal Quarter ending on or prior to March 31, 2004;
1.50 to 1.00	for each Fiscal Quarter ending on or after June 30, 2004 and on or prior to December 31, 2004;
1.60 to 1.00	for each Fiscal Quarter ending thereafter.

(f) MAXIMUM P&E CAPITAL EXPENDITURES. H&E Holdings and its Subsidiaries on a consolidated basis shall not make P&E Capital Expenditures during any Fiscal Year that exceed in the aggregate $5,000,000 for such Fiscal Year.

Unless otherwise specifically provided herein, any accounting term used in the Agreement has the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing. If any "Accounting Changes" (as defined below) occur and such changes result in a change in the calculation of the financial covenants, standards or terms used in the Agreement or any other Loan Document, then Borrowers, Agent and Lenders agree to enter into negotiations in order to amend such provisions of the Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating Borrowers' and their Subsidiaries' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made; PROVIDED, that the agreement of Requisite Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. "ACCOUNTING CHANGES" means (a) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions), (b) changes in accounting principles concurred in by any Borrower's certified public accountants; (c) purchase accounting adjustments under A.P.B. 16 or 17 and EITF 88-16, and the application of the accounting principles set forth in FASB 109, including the establishment of reserves pursuant thereto and any subsequent reversal (in whole or in part) of such reserves; and (d) the reversal of any reserves established as a result of purchase accounting adjustments. All such adjustments resulting from expenditures made subsequent to the Closing Date (including capitalization of costs and expenses or payment of pre-Closing Date liabilities) shall be treated as expenses in the period the expenditures are made and deducted as part of the calculation of EBITDA in such period. If Agent, Borrowers and Requisite Lenders agree upon the required amendments, then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained in the Agreement or in any other Loan Document shall, only to the extent of such Accounting Change, refer to GAAP, consistently applied after giving effect to the implementation of such Accounting Change. If Agent, Borrowers

and Requisite Lenders cannot agree upon the required amendments within thirty (30) days following the date of implementation of any Accounting Change, then all Financial Statements delivered and all calculations of financial covenants and other standards and terms in accordance with the Agreement and the other Loan Documents shall be prepared, delivered and made without regard to the underlying Accounting Change. For purposes of Section 8.1, a breach of a Financial Covenant contained in this Annex G shall be deemed to have occurred as of any date of determination by Agent as of the last day of any specified measurement period, regardless of when the Financial Statements reflecting such breach are delivered to Agent.

ANNEX H (SECTION 9.10(a))

TO

CREDIT AGREEMENT

LENDERS' WIRE TRANSFER INFORMATION

Name:	General Electric Capital Corporation
Bank:	Bankers Trust Company New York, New York
ABA #:	021001033
Account #:	50232854
Account Name:	GECC/CAF Depository
Reference:	CFC [4121]

Name:	Bank of America Business, N.A.
Bank:	Bank of America, N.A.
ABA #:	121-000-358
Account #:	1235303848
Account Name:	Bank of America Business Credit
Reference:	H&E Equipment

Name:	Fleet Capital Corporation
Bank:	Fleet National Bank
ABA #:	011-900-571
Account #:	936-933-7579
Account Name:	For Credit To: Fleet Capital NE Collections
Reference:	H&E Finance

Name:	LaSalle Business Credit, Inc.
Bank:	LaSalle National Bank
ABA #:	071000505
Account #:	5800333378
Account Name:	LaSalle Business Credit, Inc.
Reference:	Head & Engquist Participation

Name:	ORIX Financial Services, Inc.
Bank:	Mellon Bank
ABA #:	043-000-261
Account #:	050-2481
Account Name:	ORIX Financial Services, Inc.
Reference:	H&E Equipment Services

Name:	PNC Bank National Association
Bank:	PNC Bank
ABA #:	031207607
Account #:	196039957830
Account Name:	PNC Business Credit
Reference:	H&E Equipment Services

ANNEX I (SECTION 11.10)

TO

CREDIT AGREEMENT

NOTICE ADDRESSES

(A) If to Agent or GE Capital, at:

General Electric Capital Corporation
Capital Funding, Inc.
335 Madison Avenue
12th Floor
New York, NY 10017
Attention: H&E Equipment Services L.L.C. Account Manager
Telephone No.: (212) 370-8047
Telecopier No.: (212) 682-6031

with copies to:

General Electric Capital Corporation
Capital Funding, Inc.
777 Long Ridge, Building B, First Floor
Stamford, CT 06927
Attention: Corporate Counsel
Telephone No.: (203) 357-3159
Telecopier No.: (203) 703-1777

and:

General Electric Capital Corporation
201 High Ridge Road
Stamford, CT 06927-5100
Attention: Corporate Counsel
Telephone No.: (203) 316-7552
Telecopier No.: (203) 316-7889

and:

Clifford Chance Rogers & Wells LLP
200 Park Avenue
New York, NY 10166
Attention: Robert S. Finley
Telephone No.: (212) 878-3194
Telecopier No.: (212) 878-8375

and

General Electric Capital Corporation, Commercial Equipment Finance
44 Old Ridgebury Road
Danbury, CT 06810
Attention: Steve Kopitskie
Telephone No.: (203) 796-2393
Telecopier No.: (212) 796-2352

(B) If to a Lender other than GE Capital, at the following, as applicable:

PNC Bank, National Association
One PNC Plaza
249 Fifth Avenue - 6th Floor
Pittsburgh, PA 15222
Attention: Doug Hoffman
Telephone No.: (412) 768-1333
Telecopier No.: (212) 768-4369

LaSalle Business Credit, Inc.
One Centerpointe Drive
Suite 500
Lake Oswego, OR 97035
Attention: David G. Wilson
Telephone No.: (503) 431-6142
Telecopier No.: (503) 684-4665

Fleet Capital Corporation
1633 Broadway
29th Floor
New York, NY 10019
Attention: David Fiorito
Telephone No.: (646) 366-4374
Telecopier No.: (646) 366-4395

Orix Financial Services, Inc.
1177 Avenue of the Americas
10th Floor
New York, NY 10036
Telephone No.: (212) 739-1716
Telecopier No.: (212) 739-1523

Bank of America, N.A.

335 Madison Avenue
6th Floor
New York, NY 10017
Attention: Ed Kahn
Telephone No.: (212) 503-7370
Telecopier No.: (212) 503-7340

(C) If to any Credit Party, to Borrower Representative at:
H&E Equipment Services L.L.C.
11100 Mead Road, Suite 200
Baton Rouge, LA 70816
Attention: Terry Eastman
Telecopier No.: (225) 298-5232
Telephone No.: (225) 298-5332

ANNEX J (FROM ANNEX A - COMMITMENTS DEFINITION)

to

CREDIT AGREEMENT

Lender(s):

GENERAL ELECTRIC CAPITAL CORPORATION

Revolving Loan Commitment:	$ 50,000,000
Swing Line Commitment:	$ 10,000,000

PNC BANK, NATIONAL ASSOCIATION

Revolving Loan Commitment:	$ 20,000,000

LASALLE BUSINESS CREDIT, INC.

Revolving Loan Commitment:	$ 15,000,000

FLEET CAPITAL CORPORATION

Revolving Loan Commitment:	$ 30,000,000

ORIX FINANCIAL SERVICES, INC.

Revolving Loan Commitment:	$ 10,000,000

BANK OF AMERICA, N.A.

Revolving Loan Commitment:	$ 25,000,000

EXHIBIT 10.2

EXECUTION COPY

CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION

This Contribution Agreement and Plan of Reorganization, is dated as of June 14, 2002 (this "AGREEMENT"), by and among H&E Holdings L.L.C., a Delaware limited liability company ("H&E HOLDINGS"), BRSEC Co-Investment II, LLC ("BRSEC-II"), John M. Engquist ("ENGQUIST"), Kristan Engquist Dunne ("DUNNE"), BRS Equipment Company, Inc. ("BRSEC CORP"), Wheeler Investments, Inc.("WHEELER INVESTMENTS"), Don Wheeler ("WHEELER"), Southern Nevada Capital Corporation ("SNCC"), Bagley Family Investments, L.L.C. ("BAGLEY INVESTMENTS"), Kenneth Sharp, Jr. ("SHARP"), Siegfried Wallin ("WALLIN"), The Conner Family Trust ("CONNER TRUST"), The McClain Family Revocable Trust ("MCCLAIN TRUST"), C/J Land & Livestock L.P. ("GERALD WILLIAMS INVESTMENTS"), John and Ellen Williams Limited Partnership ("JOHN WILLIAMS INVESTMENTS") Robert G. Williams Limited Partnership ("ROBERT WILLIAMS INVESTMENTS"), H&E Equipment Services L.L.C. (f/k/a Gulf Wide Industries, L.L.C.), a Louisiana limited liability company ("GULF WIDE") and ICM Equipment Company L.L.C., a Delaware limited liability company ("ICM"). Unless otherwise indicated herein, capitalized terms used in this Agreement have the meanings set forth in Section 1 of this Agreement.

WHEREAS, BRSEC-II, Engquist and Dunne (collectively, the "GULF WIDE EQUITYHOLDERS") are the holders of record of all of the outstanding equity securities (such equity securities, collectively, the "GULF WIDE EQUITY SECURITIES") of Gulf Wide;

WHEREAS, Wheeler Investments, Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments (collectively, the "ICM MANAGERS") and BRSEC Corp (collectively with the ICM Managers, the "ICM EQUITYHOLDERS") are the holders of record of all of the outstanding equity securities (such equity securities, collectively, the "ICM EQUITY SECURITIES") of ICM; and

WHEREAS, subject to the terms and conditions contained herein, at the Closing (as herein defined), the Gulf Wide Equityholders and the ICM Equityholders desire to form H&E Holdings by (i) executing and delivering the H&E Holdings LLC Agreement (as herein defined) and (ii) contributing the Gulf Wide Equity Securities and the ICM Equity Securities, to H&E Holdings in exchange for all of the equity securities of H&E Holdings as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, conditions and covenants herein contained, the parties agree as follows.

Section 1. DEFINITIONS. For the purposes of this Agreement, the following terms have the meanings set forth below:

"BRSEC CORP LIQUIDATION AGREEMENT" means the Contribution and Liquidation Agreement and Termination of Options to be entered into on the Closing Date between BRSEC LLC and BRSEC Corp.

"BRSEC LLC" means BRS Co-Investment, LLC, a Delaware limited liability company and, as of the date hereof, the owner of all of the issued and outstanding capital stock of BRSEC Corp.

"CONTRIBUTIONS TO H&E HOLDINGS" means the contributions to H&E Holdings as set forth in Section 2A hereof.

"ENGQUIST FEBRUARY 2001 $2,000,000 PROMISSORY NOTE" means the $2,000,000 principal amount of 10% Senior Subordinated Promissory Note issued by ICM to Engquist on February 20, 2001.

"GOVERNMENTAL ENTITY" means individually, and "GOVERNMENTAL ENTITIES" means collectively, the United States of America, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any court.

"GULF WIDE CLASS A COMMON UNITS" means Gulf Wide's Class A Common Units (as such term is defined in the Gulf Wide LLC Agreement).

"GULF WIDE CLASS B COMMON UNITS" means Gulf Wide's Class B Common Units (as such term is defined in the Gulf Wide LLC Agreement).

"GULF WIDE JUNIOR PREFERRED UNITS" means Gulf Wide's Junior Preferred Units (as such term is defined in the Gulf Wide LLC Agreement).

"GULF WIDE LLC AGREEMENT" means that certain Amended and Restated Operating Agreement of Gulf Wide, dated as of August 10, 2001, by and among the Gulf Wide Equityholders.

"GULF WIDE REGISTRATION RIGHTS AGREEMENT" means that certain Registration Rights Agreement, dated as of June 29, 1999, by and among Gulf Wide and the Gulf Wide Equityholders.

"GULF WIDE SECURITYHOLDERS AGREEMENT" means that certain Securityholders Agreement, dated as of June 29, 1999, by and among Gulf Wide and the Gulf Wide Equityholders.

"GULF WIDE SENIOR EXCHANGEABLE PREFERRED UNITS" means Gulf Wide's Senior Exchangeable Preferred Units (as such term is defined in the Gulf Wide LLC Agreement).

"GULF WIDE SENIOR SUBORDINATED PREFERRED UNITS" means Gulf Wide's Senior Subordinated Preferred Units (as such term is defined in the Gulf Wide LLC Agreement).

"GULF WIDE SERIES A SENIOR PREFERRED UNITS" means Gulf Wide's Series A Senior Preferred Units (as such term is defined in the Gulf Wide LLC Agreement).

"H&E HOLDINGS CLASS A COMMON UNITS" means H&E Holdings' Class A Common Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS CLASS B COMMON UNITS" means H&E Holdings' Class B Common Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS EQUITYHOLDERS" means collectively the Gulf Wide Equityholders and the ICM Equityholders (except that, as a result of the Liquidation of BRSEC Corp (as herein defined), BRSEC LLC shall be an "H&E Holdings Equityholder" rather than BRSEC Corp).

"H&E HOLDINGS LLC AGREEMENT" means the Limited Liability Company Agreement of H&E Holdings to be entered into as of the Closing among the H&E Holdings Equityholders, which Limited Liability Company Agreement shall be substantially in the form attached hereto as EXHIBIT A.

"H&E HOLDINGS REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement of H&E Holdings to be entered into as of the Closing among H&E Holdings and the H&E Holdings Equityholders, which Registration Rights Agreement shall be substantially in the form attached hereto as EXHIBIT B.

"H&E HOLDINGS SECURITYHOLDERS AGREEMENT" means the Securityholders Agreement of H&E Holdings to be entered into as of the Closing among H&E Holdings and the H&E Holdings Equityholders, which Securityholders Agreement shall be substantially in the form attached hereto as EXHIBIT C.

"H&E HOLDINGS SERIES A PREFERRED UNITS" means H&E Holdings' Series A Preferred Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS SERIES B PREFERRED UNITS" means H&E Holdings' Series B Preferred Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS SERIES C PREFERRED UNITS" means H&E Holdings' Series C Preferred Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS SERIES D PREFERRED UNITS" means H&E Holdings' Series D Preferred Units (as such term will be defined in the H&E Holdings LLC Agreement).

"H&E HOLDINGS UNITS" means any of the H&E Holdings Series A Preferred Units, H&E Holdings Series B Preferred Units, H&E Holdings Series C Preferred Units, H&E Holdings Series D Preferred Units, H&E Holdings Class A Common Units and/or H&E Holdings Class B Common Units.

"HEAD & ENGQUIST EQUIPMENT COMPANY" means Head & Engquist Equipment, L.L.C., a Louisiana limited liability company and, as of the date hereof, a wholly-owned subsidiary of Gulf Wide.

"ICM CLASS A COMMON UNITS" means ICM's Class A Common Units (as such term is defined in the ICM LLC Agreement).

"ICM CLASS A PREFERRED UNITS" means ICM's Class A Preferred Units (as such term is defined in the ICM LLC Agreement).

"ICM CLASS B PREFERRED UNITS" means ICM's Class B Preferred Units (as such term is defined in the ICM LLC Agreement).

"ICM CLASS C PREFERRED UNITS" means ICM's Class C Preferred Units (as such term is defined in the ICM LLC Agreement).

"ICM DEBT LIENS" means the liens on the ICM Equity Securities granted by the ICM Equityholders in connection with ICM's senior credit agreement, as in effect as of the date hereof.

"ICM LLC AGREEMENT" means that certain Amended and Restated Limited Liability Company Agreement of ICM, dated as of May 31, 2002, by and among the ICM Equityholders.

"ICM REGISTRATION RIGHTS AGREEMENT" means that certain Registration Rights Agreement, dated as of May 26, 1999, by and among ICM and the ICM Equityholders.

"ICM SECURITYHOLDERS AGREEMENT" means that certain Securityholders Agreement, dated as of May 26, 1999, by and among ICM and the ICM Equityholders.

"ICM SERIES A-1 SENIOR PREFERRED REDEMPTION VALUE" means the Series A-1 Senior Preferred Redemption Value (as such term is defined in the ICM LLC Agreement).

"ICM SERIES A-1 SENIOR PREFERRED UNITS" means ICM's Series A-1 Senior Preferred Units (as such term is defined in the ICM LLC Agreement).

"ICM SERIES A-2 SENIOR PREFERRED REDEMPTION VALUE" means the Series A-2 Senior Preferred Redemption Value (as such term is defined in the ICM LLC Agreement).

"ICM SERIES A-2 SENIOR PREFERRED UNITS" means ICM's Series A-2 Senior Preferred Units (as such term is defined in the ICM LLC Agreement).

"ICM SERIES A-3 SENIOR PREFERRED REDEMPTION VALUE" means the Series A-3 Senior Preferred Redemption Value (as such term is defined in the ICM LLC Agreement).

"ICM SERIES A-3 SENIOR PREFERRED UNITS" means ICM's Series A-3 Senior Preferred Units (as such term is defined in the ICM LLC Agreement).

"IRC" means the Internal Revenue Code of 1986, as amended.

"LAW" means all constitutions, statutes, laws, codes, ordinances, regulations, rules, orders, judgments, writs, injunctions, acts or decrees of any Governmental Entity.

"LIENS" means any mortgage, pledge, restriction, security interest, encumbrance, option, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof), any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute.

"PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a trust, a joint venture, an unincorporated organization or a Governmental Entity.

"SECURITIES ACT" means the Securities Act of 1933, as amended, and the rules promulgated thereunder.

"TRANSACTION DOCUMENTS" means the BRSEC Corp Liquidation Agreement, the H&E Holdings LLC Agreement, the H&E Holdings Registration Rights Agreement and the H&E Holdings Securityholders Agreement.

"WHEELER INVESTMENTS FEBRUARY 2001 $4,000,000 PROMISSORY NOTE" means the $4,000,000 principal amount of 10% Senior Subordinated Promissory Note issued by ICM to Wheeler Investments on February 20, 2001, as amended pursuant to that certain Consent to Accept Interest in place of Cash Pay Interest dated as of April 2002.

Section 2. CONTRIBUTIONS TO H&E HOLDINGS; CLOSING.

2A. CONTRIBUTIONS TO H&E HOLDINGS.

(i) ISSUANCE OF H&E HOLDINGS SERIES A PREFERRED UNITS. Subject to the terms and conditions of this Agreement, at the Closing, BRSEC Corp shall contribute to H&E Holdings the right to receive $10,500,000 of the ICM Series A-1 Senior Preferred Redemption Value attributable to the ICM Series A-1 Senior Preferred Units owned by BRSEC Corp and, in exchange for such contribution, H&E Holdings shall issue to BRSEC Corp 10,500 H&E Holdings Series A Preferred Units.

(ii) ISSUANCE OF H&E HOLDINGS SERIES B PREFERRED UNITS. Subject to the terms and conditions of this Agreement, at the Closing:

(a) Dunne shall contribute to H&E Holdings all right, title and

interest to the 1,235.229 Gulf Wide Series A Senior Preferred Units owned by Dunne and, in exchange for such contribution, H&E Holdings shall issue to Dunne that number of H&E Holdings Series B Preferred Units equal to the then aggregate Series A Senior Preferred Redemption Value (as such term is defined in the Gulf Wide LLC Agreement) DIVIDED BY $1,000;

(b) BRSEC-II shall contribute to H&E Holdings all right, title and interest to the 10,000 Gulf Wide Senior Exchangeable Preferred Units owned by BRSEC-II and, in exchange for such contribution, H&E Holdings shall issue to BRSEC-II that number of H&E Holdings Series B Preferred Units equal to the then aggregate Senior Exchangeable Preferred Redemption Value (as such term is defined in the Gulf Wide LLC Agreement) DIVIDED BY $1,000;

(c) BRSEC Corp shall contribute to H&E Holdings the right to receive $9,200,000 of the ICM Series A-1 Senior Preferred Redemption Value attributable to the ICM Series A-1 Senior Preferred Units owned by BRSEC Corp and, in exchange for such

contribution, H&E Holdings shall issue to BRSEC Corp 9,200 H&E Holdings Series B Preferred Units;

(d) Wheeler shall contribute to H&E Holdings the right to receive $3,800,000 of the ICM Series A-1 Senior Preferred Redemption Value attributable to the ICM Series A-1 Senior Preferred Units owned by Wheeler and, in exchange for such contribution, H&E Holdings shall issue to Wheeler 3,800 H&E Holdings Series B Preferred Units;

(e) SNCC shall contribute to H&E Holdings the right to receive $800,000 of the ICM Series A-1 Senior Preferred Redemption Value attributable to the ICM Series A-1 Senior Preferred Units owned by SNCC and, in exchange for such contribution, H&E Holdings shall issue to SNCC 800 H&E Holdings Series B Preferred Units; and

(f) SNCC shall contribute to H&E Holdings the right to receive $1,600,000 of the ICM Series A-2 Senior Preferred Redemption Value attributable to the ICM Series A-2 Senior Preferred Units owned by SNCC and, in exchange for such contribution, H&E Holdings shall issue to SNCC 1,600 H&E Holdings Series B Preferred Units (such H&E Holdings Series B Preferred Units, the "TRANSITORY H&E HOLDINGS SERIES B PREFERRED UNITS").

(iii) ISSUANCE OF CERTAIN H&E HOLDINGS SERIES C PREFERRED UNITS. Subject to the terms and conditions of this Agreement, at the Closing:

(a) BRSEC Corp shall contribute to H&E Holdings all right, title and interest to the 38,505.753 ICM Series A-1 Senior Preferred Units owned by BRSEC Corp and, in exchange for such contribution, H&E Holdings shall issue to BRSEC Corp that number of H&E Holdings Series C Preferred Units equal to the then aggregate ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred Units owned by BRSEC Corp (as reduced pursuant to the contributions of certain rights to receive ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred Units owned by BRSEC Corp pursuant to Sections 2A(i) and 2B(ii)(c) above) DIVIDED BY $1,000;

(b) BRSEC Corp shall contribute to H&E Holdings all right, title and interest to the 1,763.002 ICM Series A-3 Senior Preferred Units owned by BRSEC Corp and, in exchange for such contribution, H&E Holdings shall issue to BRSEC Corp that number of H&E Holdings Series C Preferred Units equal to the then aggregate ICM Series A-3 Senior Preferred Redemption Value attributable to such ICM Series A-3 Senior Preferred Units owned by BRSEC Corp DIVIDED BY $1,000;

(c) Wheeler shall contribute to H&E Holdings all right, title and interest to the 12,280.752 ICM Series A-1 Senior Preferred Units owned by Wheeler and, in exchange for such contribution, H&E Holdings shall issue to Wheeler that number of H&E Holdings Series C Preferred Units equal to the then aggregate ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred

Units owned by Wheeler (as reduced pursuant to the contributions of certain rights to receive ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred Units owned by Wheeler pursuant to Section 2B(ii)(d) above) DIVIDED BY $1,000;

(d) SNCC shall contribute to H&E Holdings all right, title and interest to the 2,392.137 ICM Series A-1 Senior Preferred Units owned by SNCC and, in exchange for such contribution, H&E Holdings shall issue to SNCC that number of H&E Holdings Series C Preferred Units equal to the then aggregate ICM Series A-1 Senior Preferred Redemption Value attributable to

such ICM Series A-1 Senior Preferred Units owned by SNCC (as reduced pursuant to the contributions of certain rights to receive ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred Units owned by SNCC pursuant to Section 2B(ii)(e) above) DIVIDED BY $1,000; and

(e) SNCC shall contribute to H&E Holdings all right, title and interest to the 5,148.056 ICM Series A-2 Senior Preferred Units owned by SNCC and, in exchange for such contribution, H&E Holdings shall issue to SNCC that number of H&E Holdings Series C Preferred Units equal to the then aggregate ICM Series A-2 Senior Preferred Redemption Value attributable to such ICM Series A-2 Senior Preferred Units owned by SNCC (as reduced pursuant to the contributions of certain rights to receive ICM Series A-2 Senior Preferred Redemption Value attributable to such ICM Series A-2 Senior Preferred Units owned by SNCC pursuant to Section 2B(ii)(f) above) DIVIDED BY $1,000 (such H&E Holdings Series C Preferred Units, the "TRANSITORY H&E HOLDINGS SERIES C PREFERRED UNITS").

(iv) ISSUANCE OF CERTAIN H&E HOLDINGS SERIES C PREFERRED UNITS AND CERTAIN H&E HOLDINGS SERIES D PREFERRED UNITS. Subject to the terms and conditions of this Agreement, at the Closing:

(a) Wheeler Investments shall contribute to H&E Holdings all right, title and interest to the 10,328.611 ICM Series A-1 Senior Preferred Units owned by Wheeler Investments and, in exchange for such contribution, H&E Holdings shall issue to Wheeler Investments that number of H&E Holdings Series D Preferred Units equal to the then aggregate ICM Series A-1 Senior Preferred Redemption Value attributable to such ICM Series A-1 Senior Preferred Units owned by Wheeler Investments DIVIDED BY $1,000;

(b) Engquist shall contribute to H&E Holdings all right, title and interest to the 5,000 Gulf Wide Junior Preferred Units owned by Engquist and, in exchange for such contribution, H&E Holdings shall issue to Engquist (i) 3,500 H&E Holdings Series C Preferred Units and (ii) that number of H&E Holdings Series D Preferred Units equal to (x) (I) the then aggregate Junior Preferred Redemption Value (as such term is defined in the Gulf Wide LLC Agreement) MINUS (II) $3,500,000 DIVIDED BY (y) $1,000; and

(c) BRSEC-II shall contribute to H&E Holdings all right, title and interest to the 36,286.902 Gulf Wide Senior Subordinated Preferred Units owned by BRSEC-II and, in exchange for such contribution, H&E Holdings shall issue to BRSEC-II (i) that number of H&E Holdings Series C Preferred Units equal to (x) (I) the then aggregate Senior Subordinated Preferred Redemption Value (as such term is defined in the Gulf Wide LLC Agreement) MINUS (II) $3,500,000 DIVIDED BY (y) $1,000 and (ii) 3,500 H&E Holdings Series D Preferred Units.

(v) ISSUANCE OF H&E HOLDINGS CLASS A AND CLASS B COMMON UNITS AND CERTAIN H&E HOLDINGS SERIES D PREFERRED UNITS. Subject to the terms and conditions of this Agreement, at the Closing:

(a) BRSEC-II shall contribute to H&E Holdings all right, title and interest to the 115,152.8 Gulf Wide Class A Common Units owned by BRSEC-II and, in exchange for such contribution, H&E Holdings shall issue to BRSEC-II (x) 13,700 H&E Holdings Series D Preferred Units and (y) that number of H&E Holdings Class A Common Units set forth next to BRSEC-II's name on SCHEDULE 1 attached hereto (the "H&E HOLDINGS COMMON UNITS ALLOCATION SCHEDULE");

(b) Engquist shall contribute to H&E Holdings all right, title and interest to the 108,243.6 Gulf Wide Class B Common Units owned by Engquist and, in exchange for such contribution, H&E Holdings shall issue to Engquist (x) 12,878 H&E Holdings Series D Preferred Units and (y) that number of H&E Holdings Class B Common Units set forth next to Engquist's name on the H&E Holdings Common Units Allocation Schedule;

(c) Dunne shall contribute to H&E Holdings all right, title and interest to the 6,909.2 Gulf Wide Class B Common Units owned by Dunne and, in exchange for such contribution, H&E Holdings shall issue to Dunne (x) 822 H&E Holdings Series D Preferred Units and (y) that number of H&E Holdings Class B Common Units set forth next to Dunne's name on the H&E Holdings Common Units Allocation Schedule;

(d) BRSEC Corp shall contribute to H&E Holdings all right, title and interest to the ICM Class A Preferred Units, the ICM Class B Preferred Units, the ICM Class C Preferred Units and the ICM Class A Common Units owned by BRSEC Corp, as set forth on SCHEDULE 2 attached hereto (the "ICM EQUITYHOLDERS SCHEDULE"), and, in exchange for such contribution, H&E Holdings shall issue to BRSEC Corp that number of H&E Holdings Class A Common Units set forth next to BRSEC Corp's name on the H&E Holdings Common Units Allocation Schedule; and

(e) Each ICM Manager shall contribute to H&E Holdings all right,

title and interest to the ICM Class A Preferred Units, the ICM Class B Preferred Units, the ICM Class C Preferred Units and the ICM Class A Common Units owned by such ICM Manager, as set forth on the ICM Equityholders Schedule, and, in exchange for such contribution, H&E Holdings shall issue to such ICM Manager that number of H&E Holdings Class B Common Units set forth next to such ICM Manager's name on the H&E Holdings Common Units Allocation Schedule.

2B. LIQUIDATION OF BRSEC CORP. As provided in the BRSEC Corp Liquidation Agreement, immediately following the Contributions to H&E Holdings, BRSEC Corp shall liquidate and distribute all of the H&E Holdings Units then held by it to BRSEC LLC (such liquidation and distribution, the "LIQUIDATION OF BRSEC CORP").

2C. PREPAYMENT OF THE WHEELER INVESTMENTS FEBRUARY 2001 $4,000,000 PROMISSORY NOTE AND THE ENGQUIST FEBRUARY 2001 $2,000,000 PROMISSORY NOTE. At the Closing, H&E Holdings shall cause ICM (or its successor) to prepay in full all principal amount then outstanding pursuant to (i) the Wheeler Investments February 2001 $4,000,000 Promissory Note as well as all accrued interest thereon and (ii) the Engquist February 2001 $2,000,000 Promissory Note as well as all accrued interest thereon.

2D. THE CLOSING. Subject to the conditions contained herein, the closing (the "CLOSING") of the transactions contemplated by this Agreement shall take place at 9:00 a.m., New York time (or such other time as may be agreed to by BRSEC Corp, BRSEC-II, Engquist and Bagley Investments), on a date to be specified by BRSEC Corp, BRSEC-II, Engquist and Bagley Investments, which date shall be no later than the third business day after the satisfaction (or waiver) of the conditions set forth in Section 3 (the "CLOSING DATE"), at the offices of Kirkland & Ellis, Citigroup Center, 153 East 53rd Street, New York, New York 10022 or such other place as may be agreed to by BRSEC Corp, BRSEC-II, Engquist and Bagley Investments.

Section 3. CONDITIONS TO THE CLOSING.

3A. CONDITIONS OF EACH GULF WIDE EQUITYHOLDER'S AND EACH ICM EQUITYHOLDER'S OBLIGATIONS AT THE CLOSING. The obligation of each Gulf Wide Equityholder and each ICM Equityholder to consummate the Contributions to H&E Holdings at the Closing shall be subject to the fulfillment at or prior to the Closing of each of the following conditions, any and all of which may be waived in whole or in part by BRSEC Corp, BRSEC-II, Engquist and Bagley Investments:

(i) HIGH YIELD DEBT OFFERING. A subsidiary of H&E Holdings (or a company which will be a subsidiary of H&E Holdings as of immediately after the Closing) shall have consummated either (i) a public offering and sale of debt securities of the Company pursuant to an effective registration statement under the Securities Act resulting in net proceeds to such subsidiary of at least $175,000,000 or (ii) an offering and sale of debt securities of such subsidiary to United States buyers who fit the requirements of Rule 144A of the Securities Act and/or overseas buyers under Regulation S of the Securities Act resulting in net proceeds to such subsidiary of at least $175,000,000, but only if such offering and sale requires that such subsidiary file and effect a registration statement under the Securities Act for such debt securities within one year after the consummation of such offering and sale.

(ii) SENIOR DEBT FACILITY. A subsidiary of H&E Holdings (or a company which will be a subsidiary of H&E Holdings as of immediately after the Closing) shall have entered into a senior debt facility on terms reasonably satisfactory to H&E Holdings.

(iii) H&E HOLDINGS REGISTRATION RIGHTS AGREEMENT. The H&E Holdings Registration Rights Agreement shall have been executed and delivered by H&E Holdings.

(iv) H&E HOLDINGS SECURITYHOLDERS AGREEMENT. The H&E Holdings Securityholders Agreement shall have been executed and delivered by H&E Holdings.

(v) RELEASE OF ICM DEBT LIENS. The ICM Debt Liens shall have been released.

(vi) GOVERNMENTAL ORDER. No Governmental Entity shall have issued an order, decree or ruling or taken any action temporarily or permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby.

3B. CONDITIONS OF H&E HOLDINGS' OBLIGATIONS AT THE CLOSING. The obligation of H&E Holdings to consummate the Contributions to H&E Holdings at the Closing shall be subject to the fulfillment at or prior to the Closing of each of the following conditions, any and all of which may be waived in whole or

in part by H&E Holdings:

(i) HIGH YIELD DEBT OFFERING. A subsidiary of H&E Holdings (or a company which will be a subsidiary of H&E Holdings as of immediately after the Closing) shall have consummated either (i) a public offering and sale of debt securities of the Company pursuant to an effective registration statement under the Securities Act resulting in net proceeds to such subsidiary of at least $175,000,000 or (ii) an offering and sale of debt securities of such subsidiary to United States buyers who fit the requirements of Rule 144A of the Securities Act and/or overseas buyers under Regulation S of the Securities Act resulting in net proceeds to such subsidiary of at least $175,000,000, but only if such offering and sale requires that such subsidiary file and effect a registration statement under the Securities Act for such debt securities within one year after the consummation of such offering and sale.

(ii) SENIOR DEBT FACILITY. A subsidiary of H&E Holdings (or a company which will be a subsidiary of H&E Holdings as of immediately after the Closing) shall have entered into a senior debt facility on terms reasonably satisfactory to H&E Holdings.

(iii) REPRESENTATIONS AND WARRANTIES. The representations and warranties contained in Sections 4 and 5 hereof shall be true, correct and complete as of as of the date hereof and the Closing Date.

(iv) DELIVERY OF GULF WIDE UNIT CERTIFICATES. Each Gulf Wide Equityholder shall have delivered to H&E Holdings one or more unit certificates (along with, if necessary, appropriately executed unit powers or other forms of transfer) representing the Gulf Wide Equity Securities being contributed to H&E Holdings by such Gulf Wide Equityholder hereunder.

(v) DELIVERY OF ICM UNIT CERTIFICATES. Each ICM Equityholder shall have delivered to H&E Holdings one or more unit certificates (along with, if necessary, appropriately executed unit powers or other forms of transfer) representing the ICM Equity Securities being contributed to H&E Holdings by such ICM Equityholder hereunder.

(vi) H&E HOLDINGS LLC AGREEMENT. The H&E Holdings LLC Agreement shall have been executed and delivered by each H&E Holdings Equityholder.

(vii) H&E HOLDINGS REGISTRATION RIGHTS AGREEMENT. The H&E Holdings Registration Rights Agreement shall have been executed and delivered by each H&E Holdings Equityholder.

(viii) H&E HOLDINGS SECURITYHOLDERS AGREEMENT. The H&E Holdings Securityholders Agreement shall have been executed and delivered by each H&E Holdings Equityholder.

(ix) CONSENTS AND APPROVALS. ICM, Gulf Wide and Head & Engquist Equipment Company shall have obtained all consents, authorizations and approvals under all laws or from any person under any material contract of any of ICM, Gulf Wide and/or Head & Engquist Equipment Company, in each case, required to be obtained by any of any of ICM, Gulf Wide and/or Head & Engquist Equipment Company in connection with the execution, delivery and performance of this Agreement and the consummation of the transaction contemplated hereby, including the mergers described in Section 6D hereof.

(x) GARY BAGLEY EMPLOYMENT AGREEMENT. ICM (or its successor) and Gary Bagley shall have entered into an amendment to Gary Bagley's Employment Agreement, which amendment shall be in a form and in substance, satisfactory to H&E Holdings.

(xi) SHARP EMPLOYMENT AGREEMENT. ICM (or its successor) and Sharp shall have entered into an amendment to Sharp's Employment Agreement, which amendment shall be in a form and in substance, satisfactory to H&E Holdings.

(xii) GOVERNMENTAL ORDER. No Governmental Entity shall have issued an order, decree or ruling or taken any action temporarily or permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby.

Section 4. REPRESENTATIONS AND WARRANTIES OF THE ICM EQUITYHOLDERS. Each ICM Equityholder hereby represents and warrants to H&E Holdings that the following statements contained in this Section 4 are true, correct and complete as of the date hereof and will be true, correct and complete as of the Closing Date:

4A. EXISTENCE AND AUTHORIZATION. Such ICM Equityholder who is a natural person is competent and has all requisite capacity, power and authority to execute and deliver this Agreement and the Transaction Documents to which such ICM Equityholder will be a party and to consummate the transactions contemplated hereby and thereby. Such ICM Equityholder who is a natural person and who is required under applicable law to obtain the consent of his/her spouse in order to execute this Agreement and perform his/her obligations hereunder and

under the Transaction Documents to which such ICM Equityholder will be a party has obtained such consent. Such ICM Equityholder which is not a natural person is duly organized and/or formed and validly existing and in good standing under the laws of its jurisdiction of organization and/or formation, and has all requisite powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. The execution, delivery and performance by such ICM Equityholder of this Agreement and the Transaction Documents to which such ICM Equityholder will be a party have been duly authorized by such ICM Equityholder. This Agreement and the Transaction Documents to which such ICM

Equityholder is a party constitute, or, when executed, will constitute, valid and binding obligations of such ICM Equityholder enforceable in accordance with their terms, except as such enforceability may be limited by: (i) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally, or (ii) applicable equitable principles (whether considered in a proceeding at law or in equity).

4B. TITLE TO ICM EQUITY SECURITIES. Except, in the case of BRSEC Corp, as contemplated by the Liquidation of BRSEC Corp, such ICM Equityholder is, and, as of the Closing, such ICM Equityholder will be, the record and beneficial owner of the ICM Equity Securities that such ICM Equityholder is to contribute to H&E Holdings pursuant to this Agreement, free and clear of any and all Liens whatsoever other than, as of the date hereof, the ICM Debt Liens. There are no statutory or contractual pre-emptive rights, rights of first refusal or options pertaining or applicable to the ICM Equity Securities owned by such ICM Equityholder other than as set forth in the ICM Securityholders Agreement.

4C. NO BREACH. The execution, delivery and performance by such ICM Equityholder of this Agreement and each of the Transaction Documents to which he or it will be a party will not result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which such ICM Equityholder is a party or by which such ICM Equityholder is bound.

4D. DISCLOSURE OF INFORMATION. Such ICM Equityholder has received and reviewed information about H&E Holdings, ICM, Gulf Wide and their respective subsidiaries (including Head & Engquist Equipment Company), including the Confidential Offering Circular, dated June 3, 2002 regarding the proposed issuance by H&E Equipment Services L.L.C. and H&E Finance Corp. of certain Senior Secured Notes (the "NOTES OFFERING CIRCULAR"), and has had an opportunity to ask questions and receive answers from H&E Holdings, ICM, Gulf Wide and Head & Engquist Equipment Company regarding the terms and conditions of the offering of the H&E Holdings Units pursuant to this Agreement and the business, properties, prospects and financial condition of H&E Holdings, ICM, Gulf Wide and their respective subsidiaries (including Head & Engquist Equipment Company) and to conduct such due diligence review as he or it has deemed appropriate.

4E. INVESTMENT EXPERIENCE. Such ICM Equityholder acknowledges that he or it is able to fend for himself or itself, can bear the economic risk of his or its investment in H&E Holdings Units, and has such knowledge and experience in financial or business matters that he or it is capable of evaluating the merits and risks of owning an investment in H&E Holdings Units.

4F. ACCREDITED INVESTOR. Such ICM Equityholder is an "accredited investor" as defined under Rule 501 promulgated under the Securities Act.

4G. INVESTMENT INTENT. Such ICM Equityholder is acquiring the applicable H&E Holdings Units for his or its own account, not as nominee or agent, with the present intention of holding such securities for purposes of investment, and has no intention of selling such securities in a public distribution in violation of the federal securities Laws or any applicable state securities Laws; PROVIDED that, notwithstanding the foregoing, (i) BRSEC Corp

shall consummate (and shall be permitted to consummate) the Liquidation of BRSEC Corp and (ii) SNCC and Wheeler Investments shall consummate (and shall be permitted to consummate) the transactions contemplated by Section 6E hereof.

4H. NO PUBLIC MARKET. Such ICM Equityholder understands that no public market now exists for the H&E Holdings Units and that there is no assurance that a public market will ever exist for the H&E Holdings Units. Such ICM Equityholder also understands that Rule 144 promulgated under the Securities Act is not presently available with respect to the sale of any of the H&E Holdings Units.

4I. RISK FACTORS. Such ICM Equityholder has reviewed, understands and accepts each of the "Risk Factors" contained in the Notes Offering Circular.

Section 5. REPRESENTATIONS AND WARRANTIES OF THE GULF WIDE

EQUITYHOLDERS. Each Gulf Wide Equityholder hereby represents and warrants to H&E Holdings that the following statements contained in this Section 5 are true, correct and complete as of the date hereof and will be true, correct and complete as of the Closing Date:

5A. EXISTENCE AND AUTHORIZATION. Such Gulf Wide Equityholder who is a natural person is competent and has all requisite capacity, power and authority to execute and deliver this Agreement and the Transaction Documents to which such Gulf Wide Equityholder will be a party and to consummate the transactions contemplated hereby and thereby. Such Gulf Wide Equityholder who is a natural person and who is required under applicable law to obtain the consent of his/her spouse in order to execute this Agreement and perform his/her obligations hereunder and under the Transaction Documents to which such Gulf Wide Equityholder will be a party has obtained such consent. Such Gulf Wide Equityholder which is not a natural person is duly organized and/or formed and validly existing and in good standing under the laws of its jurisdiction of organization and/or formation, and has all requisite powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. The execution, delivery and performance by such Gulf Wide Equityholder of this Agreement and the Transaction Documents to which such Gulf Wide Equityholder will be a party have been duly authorized by such Gulf Wide Equityholder. This Agreement and the Transaction Documents to which such Gulf Wide Equityholder is a party constitute, or, when executed, will constitute, valid and binding obligations of such Gulf Wide Equityholder enforceable in accordance with their terms, except as such enforceability may be limited by: (i) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally, or (ii) applicable equitable principles (whether considered in a proceeding at law or in equity).

5B. TITLE TO GULF WIDE EQUITY SECURITIES. Such Gulf Wide Equityholder is, and, as of the Closing, such Gulf Wide Equityholder will be, the record and beneficial owner of the Gulf Wide Equity Securities that such Gulf Wide Equityholder is to contribute to H&E Holdings pursuant to this Agreement, free and clear of any and all Liens whatsoever. There are no statutory or contractual pre-emptive rights, rights of first refusal or options pertaining or applicable to the Gulf Wide Equity Securities owned by such Gulf Wide Equityholder other than as set forth in the Gulf Wide Securityholders Agreement.

5C. NO BREACH. The execution, delivery and performance by such Gulf Wide Equityholder of this Agreement and each of the Transaction Documents to which he or it will be a party will not result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which such Gulf Wide Equityholder is a party or by which such Gulf Wide Equityholder is bound.

5D. DISCLOSURE OF INFORMATION. Such Gulf Wide Equityholder has received and reviewed information about H&E Holdings, ICM, Gulf Wide and their respective subsidiaries (including Head & Engquist Equipment Company), including the Notes Offering Circular, and has had an opportunity to ask questions and receive answers from H&E Holdings, ICM, Gulf Wide and Head & Engquist Equipment Company regarding the terms and conditions of the offering of the H&E Holdings Units pursuant to this Agreement and the business, properties, prospects and financial condition of H&E Holdings, ICM, Gulf Wide and their respective subsidiaries (including Head & Engquist Equipment Company) and to conduct such due diligence review as he or it has deemed appropriate.

5E. INVESTMENT EXPERIENCE. Such Gulf Wide Equityholder acknowledges that he or it is able to fend for himself or itself, can bear the economic risk of his or its investment in H&E Holdings Units, and has such knowledge and experience in financial or business matters that he or it is capable of evaluating the merits and risks of owning an investment in H&E Holdings Units.

5F. ACCREDITED INVESTOR. Such Gulf Wide Equityholder is an "accredited investor" as defined under Rule 501 promulgated under the Securities Act.

5G. INVESTMENT INTENT. Such Gulf Wide Equityholder is acquiring the applicable H&E Holdings Units for his or its own account, not as nominee or agent, with the present intention of holding such securities for purposes of investment, and has no intention of selling such securities in a public distribution in violation of the federal securities Laws or any applicable state securities Laws.

5H. NO PUBLIC MARKET. Such Gulf Wide Equityholder understands that no public market now exists for the H&E Holdings Units and that there is no assurance that a public market will ever exist for the H&E Holdings Units. Such Gulf Wide Equityholder also understands that Rule 144 promulgated under the Securities Act is not presently available with respect to the sale of any of the H&E Holdings Units.

5I. RISK FACTORS. Such Gulf Wide Equityholder has reviewed, understands and accepts each of the "Risk Factors" contained in the Notes

Offering Circular.

Section 6. COVENANTS.

6A. TERMINATION OF GULF WIDE REGISTRATION RIGHTS AGREEMENT AND GULF WIDE SECURITYHOLDERS AGREEMENT. Each Gulf Wide Equityholder and Gulf Wide hereby agree that, effective as of immediately prior to the Closing, the Gulf Wide Registration Rights Agreement and the Gulf Wide Securityholders Agreement are hereby terminated and that no party thereto shall have any rights or obligations thereunder; PROVIDED, that the provisions of this Section 6A shall have no legal force or effect unless the Closing occurs.

6B. TERMINATION OF ICM REGISTRATION RIGHTS AGREEMENT AND ICM SECURITYHOLDERS AGREEMENT. Each ICM Equityholder and ICM hereby agree that, effective as of immediately prior to the Closing, the ICM Registration Rights Agreement and the ICM Securityholders Agreement are hereby terminated and that no party thereto shall have any rights or obligations thereunder; PROVIDED, that the provisions of this Section 6B shall have no legal force or effect unless the Closing occurs.

6C. CONTRIBUTION BY H&E HOLDINGS OF THE ICM EQUITY SECURITIES TO GULF WIDE. H&E Holdings hereby agrees that, effective as of immediately after the Contributions to H&E Holdings, H&E Holdings shall be deemed to have contributed all of the ICM Equity Securities to Gulf Wide, and, upon Gulf Wide's receipt of such contribution, ICM shall be a wholly-owned subsidiary of Gulf Wide; PROVIDED, that the provisions of this Section 6C shall have no legal force or effect unless the Closing occurs.

6D. MERGER OF ICM AND HEAD & ENGQUIST EQUIPMENT COMPANY WITH AND INTO GULF WIDE. Gulf Wide hereby agrees that, as of immediately after the contribution described in Section 6C above, Gulf Wide will cause (x) ICM to be merged with and into Gulf Wide and (y) Head & Engquist Equipment Company to be merged with and into Gulf Wide, in each instance with Gulf Wide as the surviving entity with the name "H&E Equipment Services L.L.C."; PROVIDED, that the provisions of this Section 6D shall have no legal force or effect unless the Closing occurs.

6E. SALE OF THE TRANSITORY H&E HOLDINGS SERIES C PREFERRED UNITS AND THE TRANSITORY H&E HOLDINGS SERIES D PREFERRED UNITS BY SNCC TO WHEELER INVESTMENTS. Effective as of immediately after the Contribution to H&E Holdings, SNCC hereby sells and assigns to Wheeler Investments the Transitory H&E Holdings Series C Preferred Units and the Transitory H&E Holdings Series D Preferred Units, in each case, for a cash purchase price of $1,000 per each such Preferred Unit. Wheeler Investments shall pay to SNCC the aggregate cash purchase price for such sale and assignment by delivery of immediately available funds to an account or accounts as specified by SNCC. The parties hereto hereby acknowledge and agree that the sale and assignment of H&E Holdings Units pursuant to this Section 6E shall be deemed to occur immediately prior to the effectiveness of the H&E Holdings Securityholders Agreement. The provisions of this Section 6E shall have no legal force or effect unless the Closing occurs.

6F. TERMINATION OF ENGQUIST SECURITY AGREEMENT. Engquist hereby agrees that, effective as of immediately prior to the Closing, Engquist and Head & Engquist Equipment Company shall terminate the Security Agreement, dated as of August 10, 2001, between Engquist and Head & Engquist Equipment Company as well as any mortgages on any of Head & Engquist Equipment Company's properties in connection therewith; PROVIDED, that the provisions of this Section 6F shall have no legal force or effect unless the Closing occurs.

6G. PUBLIC ANNOUNCEMENTS. Neither any party hereto nor any of their respective agents or representatives will make any press release or public announcement concerning this Agreement or the transactions contemplated hereby, except as required by law or with the written consent of BRSEC Corp (or its successor), BRSEC-II, Engquist and Bagley Investments.

6H. CLOSING DELIVERIES. Each H&E Equityholder hereby agrees that at the Closing such H&E Equityholder shall execute and deliver each of the H&E Holdings LLC Agreement, the H&E Holdings Registration Rights Agreement and the H&E Holdings Securityholders Agreement. At the Closing, each Gulf Wide Equityholder hereby agrees to deliver to H&E Holdings the unit certificate(s) (along with, if necessary, appropriately executed unit powers or other forms of transfer) representing the Gulf Wide Equity Securities being contributed to H&E Holdings by such Gulf Wide Equityholder hereunder. At the Closing, each ICM Equityholder hereby agrees to deliver to H&E Holdings the unit certificate(s) (along with, if necessary, appropriately executed unit powers or other forms of transfer) representing the ICM Equity Securities being contributed to H&E Holdings by such ICM Equityholder hereunder. Each ICM Manager hereby irrevocable appoints Gary Bagley has such ICM Manager's attorney-in-fact and agent with full power of substitution and to act on such ICM Manager's behalf (including the power to execute and deliver, in the name of and on behalf of such ICM Manager,

appropriate documents and agreements, including the H&E Holdings LLC Agreement, the H&E Holdings Registration Rights Agreement and the H&E Holdings Securityholders Agreement, which documents and agreements shall be in such form as Gary Bagley deems appropriate) in complying with the other provisions of this Section 6H and to otherwise consummate the transactions contemplated by this Agreement.

6I. REPORTING. Each of the parties hereto agrees to treat (i) the Contributions to H&E Holdings as described in Section 351 of the IRC and (ii) the contributions to H&E Holdings hereunder by BRSEC Corp followed by the Liquidation of BRSEC Corp as a reorganization within the meaning of Section 368(a)(1)(C) of the IRC and to timely file all reports required under Treasury Regulations promulgated under such IRC Sections in a manner consistent with this Agreement.

Section 7. TERMINATION

7A. TERMINATION. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of BRSEC Corp, BRSEC-II, Engquist and Bagley Investments;

(b) by any of BRSEC Corp, BRSEC-II, Engquist or Bagley Investments if the Closing has not occurred on or before the date ninety (90) days after the date hereof; and

(c) by any of BRSEC Corp, BRSEC-II, Engquist or Bagley Investments if any Governmental Entity shall have issued an order, decree or ruling or taken any action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby and such order, decree or ruling or other action shall have become final and nonappealable.

7B. EFFECT OF TERMINATION. In the event of a termination of this Agreement pursuant to Section 7A, this Agreement shall forthwith become void, and there shall be no

liability or obligation on the part of any party hereto, except that, notwithstanding the foregoing, the provisions of this Section 7B and Section 6G shall survive any such termination.

Section 8. MISCELLANEOUS.

8A. FURTHER ASSURANCES. At any time and from time to time after the Closing, at H&E Holdings' request, any Gulf Wide Equityholder or any ICM Equityholder shall execute and deliver such further documents, and perform such further acts, as may be reasonably necessary in order to effectively transfer and convey any of the Gulf Wide Equity Securities and/or the ICM Equity Securities to H&E Holdings, on the terms herein contained, and to otherwise comply with the terms of this Agreement and consummate the transactions contemplated hereby.

8B. SUCCESSORS AND ASSIGNS. Neither any Gulf Wide Equityholder nor any ICM Equityholder shall assign any rights under this Agreement without the prior written consent of H&E Holdings (and any attempted assignment without such consent shall be null and void). This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and permitted assigns.

8C. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

8D. AMENDMENTS. This Agreement may be amended only upon the written consent of BRSEC Corp (or its successor), BRSEC-II, Engquist and Bagley Investments.

8E. COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

8F. DESCRIPTIVE HEADINGS; INTERPRETATION. Section headings used in this Agreement are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting, such agreement. The use of the word "including" or any variation or derivative thereof in this Agreement is by way of example rather than by limitation.

8G. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware, without giving effect to

any rules, principles or provisions of choice of law or conflict of laws.

8H. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

8I. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

8J. ENTIRE AGREEMENT. This Agreement, the Transaction Documents and the other documents referred to herein contain the entire agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

8K. TIME OF THE ESSENCE; COMPUTATION OF TIME. Time is of the essence for each and every provision of this Agreement. Whenever the last day for the exercise of any privilege or the discharge of any duty hereunder shall fall upon a Saturday, Sunday, or any date on which commercial banks in the State of Delaware are authorized to be closed, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a regular business day.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Contribution Agreement and Plan of Reorganization as of the date first written above.

H&E HOLDINGS L.L.C.

By: /s/ RICE EDMONDS

Name: Rice Edmonds
Title: Authorized Person

BRSEC CO-INVESTMENT II, LLC

By: /s/ RICE EDMONDS

Name: Rice Edmonds
Title: Secretary

/s/ JOHN M. ENGQUIST

JOHN M. ENGQUIST

/s/ KRISTAN ENGQUIST

KRISTAN ENGQUIST DUNNE, by John M. Engquist, through Power of Attorney dated May 15, 1999

BRS EQUIPMENT COMPANY, INC.

By: /s/ RICE EDMONDS

Name: Rice Edmonds
Title: Secretary

WHEELER INVESTMENTS, INC.

By: /s/ DON M. WHEELER

Name: Don M. Wheeler
Title: President

[Continuation of Signature Page to this Contribution Agreement and Plan of Reorganization]

/s/ DON WHEELER

DON WHEELER

SOUTHERN NEVADA CAPITAL CORPORATION

By: /s/ DALE ROESENER

Name: Dale Roesener
Title: President

BAGLEY FAMILY INVESTMENTS, L.L.C.

By: /s/ GARY BAGLEY

Name: Gary Bagley
Title: Manager

/s/ KENNETH SHARP, JR.

KENNETH SHARP, JR.

/s/ SIEGFRIED WALLIN

SIEGFRIED WALLIN

THE CONNER FAMILY TRUST

By: /s/ RALPH M. CONNER

Name: Ralph M. Conner
Title: Trustee

THE MCCLAIN FAMILY REVOCABLE TRUST

By: /s/ STEVEN M. MCCLAIN

Name: Steven M. McClain
Title: Trustee

[Continuation of Signature Page to this Contribution Agreement and Plan of Reorganization]

C/J LAND & LIVESTOCK L.P.

By: [ILLEGIBLE]

Name:
Title:

JOHN AND ELLEN WILLIAMS LIMITED PARTNERSHIP

By: /s/ JOHN D. WILLIAMS

Name: John D. Williams
Title: Partner

ROBERT G. WILLIAMS LIMITED PARTNERSHIP

By: /s/ ROBERT G. WILLIAMS

Name: Robert G. Williams
Title: Member

H&E EQUIPMENT SERVICES L.L.C.

By: /s/ JOHN M. ENGQUIST

Name: John M. Engquist
Title: President and Chief Executive Officer

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ GARY BAGLEY

Name: Gary Bagley
Title: President and Chief Executive Officer

SCHEDULE 1

ALLOCATION OF H&E HOLDINGS COMMON UNITS

H&E Holdings Class A Common Units	H&E Holdings Class B Common Units	H&E Holdings Equityholders
BRS Equipment Company, Inc.*	785,000	--
BRSEC Co-Investment II, LLC	1,245,000	--
John M. Engquist	--	1,170,300.0000
Kristan Engquist Dunne	--	74,700.0000
Wheeler Investments, Inc.	--	261,560.7810
Don Wheeler	--	2,174.9643
Southern Nevada Capital Corporation	--	164,325.5681
Bagley Family Investments, L.L.C.	--	85,813.7130
Kenneth Sharp, Jr.	--	44,561.5525
Siegfried Wallin	--	28,955.9663
The Conner Family Trust	--	24,235.9744
The McClain Family Revocable Trust	--	16,474.0928
C/J Land & Livestock L.P.	--	32,299.1292
John and Ellen Williams Limited Partnership	--	32,299.1292
Robert G. Williams Limited Partnership	--	32,299.1292
Totals	2,030,000	1,970,000,0000

*To be immediately transferred to BRSEC Co-Investment, LLC pursuant to the Liquidation of BRSEC Corp.

SCHEDULE 2

OWNERSHIP OF THE ICM CLASS A PREFERRED UNITS, ICM CLASS B PREFERRED UNITS, ICM CLASS C PREFERRED UNITS AND ICM CLASS A COMMON UNITS

ICM Class A Preferred Units	ICM Class B Preferred Units	ICM Class C Preferred Units	ICM Class A Common Units	Name of ICM Equityholder
21,957.146	17,746.308	8,875.059	3,204,174	BRS Equipment Company, Inc.
6,635.644	7,161.178	3,584.636	724,623	Don Wheeler
--	--	--	207,161	Southern Nevada Capital Corporation
4,273.761	4,444.808	2,225.586	528,134	Bagley Family Investments, L.L.C.
2,259.473	2,369.420	1,187.644	355,784	Kenneth Sharp, Jr.
1,153.993	1,213.738	608.370	244,496	Siegfried Wallin
754.193	784.378	392.750	89,138	The Conner Family Trust
615.565	642.922	321.910	122,730	The McClain Family Revocable Trust
410.465	430.123	215.356	107,826	C/J Land & Livestock L.P.
841.269	874.939	438.096	99,429	John and Ellen Williams Limited Partnership
841.269	874.939	438.096	99,429	Robert G. Williams Limited Partnership
841.269	874.939	438.096	99,429	-

| - | --- |
-- Totals	
40,584.047	
37,417.692	
18,725.599	
5,882,353	

EXHIBIT A

FORM OF H&E HOLDINGS LLC AGREEMENT

EXHIBIT B

FORM OF H&E HOLDINGS REGISTRATION RIGHTS AGREEMENT

EXHIBIT C

FORM OF H&E HOLDINGS SECURITYHOLDERS AGREEMENT

EXHIBIT 10.3

EXECUTION COPY

SECURITYHOLDERS AGREEMENT

This SECURITYHOLDERS AGREEMENT is dated as of June 17, 2002, by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"); BRSEC Co-Investment, LLC ("BRSEC"); BRSEC Co-Investment II, LLC ("BRSEC-II"); John M. Engquist ("ENGQUIST"); Kristan Engquist Dunne ("DUNNE"); Wheeler Investments, Inc. ("WHEELER INVESTMENTS"); Don Wheeler ("WHEELER"); Wheeler Investments, Inc. ("WHEELER INVESTMENTS"); Southern Nevada Capital Corporation ("SNCC"); Bagley Family Investments, L.L.C. ("BAGLEY INVESTMENTS"); Kenneth Sharp, Jr. ("SHARP"); Siegfried Wallin ("WALLIN"); The Conner Family Trust ("CONNER TRUST"); The McClain Family Revocable Trust ("MCCLAIN TRUST"); C/J Land & Livestock L.P. ("GERALD WILLIAMS INVESTMENTS"); John and Ellen Williams Limited Partnership ("JOHN WILLIAMS INVESTMENTS"); and Robert G. Williams Limited Partnership ("ROBERT WILLIAMS INVESTMENTS").

As of the date hereof, (i) BRSEC and BRSEC-II each own a number of the Company's Class A Common Units, and (ii) Engquist, Dunne, Wheeler Investments, Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments each own a number of the Company's Class B Common Units.

The Company and the Equityholders (as defined below) desire to enter into this Agreement for the purposes, among others, of (i) establishing the composition of the Board (as defined below), (ii) assuring continuity in the management and ownership of the Company and (iii) limiting the manner and terms by which the Equityholder Units (as defined below) may be transferred.

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

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

"AFFILIATE" means, when used with reference to a specified Person, any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" shall also include, without limitation, any member of such individual's Family Group.

"BOARD" means the Company's board of directors.

"BRS INVESTOR" means any of BRSEC, BRSEC-II or any of their respective Permitted Transferees.

"BRS MAJORITY HOLDERS" means, at any time, the holders of a majority of the number of the BRS Units that are Common Units.

"BRS UNITS" means all Equityholder Units owned by any BRS Investor.

"CLASS A COMMON UNITS" means the Company's Class A Common Units (as such term is defined in the LLC Agreement).

"CLASS A DIRECTOR" shall have the meaning ascribed to such term in the LLC Agreement.

"CLASS B COMMON UNITS" means the Company's Class B Common Units (as such term is defined in the LLC Agreement).

"CLASS B DIRECTOR" shall have the meaning ascribed to such term in the LLC Agreement.

"COMMON UNITS" means collectively the Class A Common Units, the Class B Common Units and any other equity securities of the Company (or its successors) which is not limited to a fixed sum or percentage of par value or stated value in respect of the rights of the holders thereof to participate in dividends or other distributions or in the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the issuer of such securities, including any common equity securities of any successor entity of the Company issued pursuant to a transaction of the type described in Section 10.17 of the LLC Agreement.

"EQUITYHOLDER UNITS" means (i) all Common Units held, directly or indirectly, by the Equityholders, (ii) all Preferred Units held, directly or indirectly, by the Equityholders, and (iii) all equity securities issued directly or indirectly with respect to any Common Units referred to in clause (i) above or with respect to any Preferred Units referred to in clause (ii) above, in each case, by way of a unit or stock dividend or other distribution, or unit or stock split, or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization, including pursuant to Section 10.17 of the LLC Agreement. As to any particular units or shares constituting Equityholder Units, such units or shares will cease to be Equityholder Units when they have been Transferred in a Public Sale.

"EQUITYHOLDERS" means collectively the BRS Investors, the Management Investors and the Other Investors.

"FAMILY GROUP" means, with respect to any Person who is an individual, (i) such Person's spouse, former spouse, ancestors and descendants (whether natural or adopted), parents and their descendants and any spouse of the foregoing persons (collectively, "RELATIVES"), (ii) the trustee, fiduciary or personal representative of such Person and any trust solely for the benefit of such Person and/or such Person's relatives or (iii) any limited partnership or limited liability company the governing instruments of which provide that such Person shall have the exclusive, nontransferable power to direct the management and policies of such entity and of which the sole owners of partnership interests, membership interests or any other equity interests are, and will remain, limited to such Person and such Person's relatives.

"INDEPENDENT THIRD PARTY" means any Person who, immediately prior to the contemplated transaction, does not own in excess of 5% of the number of Common Units on a fully diluted basis (a "5% OWNER"), who is not an Affiliate of any such 5% Owner and who is not the spouse or descendent (by birth or adoption) of any such 5% Owner or a trust for the benefit of any such 5% Owner and/or such other Persons.

"LLC AGREEMENT" means the Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

"MANAGEMENT INVESTOR" means any of Engquist, Dunne, SNCC, Bagley Investments, Sharp, McClain Trust, or any of their respective Permitted Transferees.

"OTHER INVESTOR" means any of Wheeler Investments, Wheeler, Wallin, Conner Trust, Gerald Williams Investments, John Williams Investors, Robert Williams Investors or any of their respective Permitted Transferees.

"PERMITTED TRANSFEREE" has the meaning set forth in Section 4(c)(ii) hereof.

"PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

"PREFERRED UNITS" means any of the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Series D Preferred Units or any other preferred equity securities authorized by the Company (or its successors) which are not Common Units.

"PUBLIC OFFERING" means an underwritten public offering and sale of Common Units pursuant to an effective registration statement under the Securities Act; provided that a Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

"PUBLIC SALE" means any sale of Equityholder Units to the public pursuant to an offering registered under the Securities Act or, after the consummation of an initial Public Offering, to the public pursuant to the provisions of Rule 144 (or any similar rule or rules then in effect) under the Securities Act.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SERIES A PREFERRED UNITS" means the Company's Series A Preferred Units (as such term is defined in the LLC Agreement).

"SERIES B PREFERRED UNITS" means the Company's Series B Preferred Units (as such term is defined in the LLC Agreement).

"SERIES C PREFERRED UNITS" means the Company's Series C Preferred Units (as such term is defined in the LLC Agreement).

"SERIES D PREFERRED UNITS" means the Company's Series D Preferred Units (as such term is defined in the LLC Agreement).

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation or a limited liability company with voting securities, a majority of the total voting power of shares of stock (or units) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company without voting securities, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes of this Agreement, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

"TRANSFER" means any direct or indirect sale, transfer, assignment, pledge or other disposition or encumbrance.

2. BOARD OF DIRECTORS.

(a) To the extent permitted by law, each Equityholder shall vote all voting securities of the Company over which such Equityholder has voting control, and shall take all other reasonably necessary or desirable actions within such Equityholder's control (whether in such Equityholder's capacity as a equityholder, director, member of a board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and the Company shall take all necessary and desirable actions within its control (including, without limitation, calling special board and equityholder or member meetings), so that:

(i) BRS Majority Holders will designate a number of directors of the Board (whether Class A Directors and/or Class B Directors or otherwise) which possess a majority of the votes of the Board (each a "BRS DIRECTOR");

(ii) so long as Engquist is an employee of the Company or any of its Subsidiaries, Engquist shall be a Class B Director (unless Engquist declines to be on the Board);

(iii) so long as Gary Bagley is an employee of the Company or any of its Subsidiaries, Gary Bagley shall be a Class B Director (unless Gary Bagley declines to be on the Board);

(iv) any director designated pursuant to clause (i) above shall be removed from the Board (with or without cause) at the written request of the BRS Majority Holders, but only upon such written request and under no other circumstances (in each case, determined on the basis specified in clause (i) above);

(v) in the event that any director designated pursuant to clause (i) above for any reason ceases to serve as a member of the Board during such director's term of office, the resulting vacancy on the Board shall be filled by a director designated by the BRS Majority Holders; and

(vi) if, within a reasonable period of time, the BRS Majority Holders fail to designate in writing a representative to fill a director position pursuant to clauses (i) or (v) above, and such failure shall continue for more than 30 days after notice from the Company to the BRS Majority Holders with respect to such failure, the election of an individual to such director position shall be accomplished in accordance with the LLC Agreement and applicable law; provided that such individual shall be removed from such director position if the BRS Majority Holders so direct.

(b) In the event that, at any time, any provision of the LLC Agreement is inconsistent with the requirements of any provision of this Section 2, the Equityholders shall take such action as may be necessary and is within their legal rights to amend any such provision in the LLC Agreement to conform with such requirements.

(c) The provisions of this Section 2 shall terminate upon the consummation of an initial Public Offering.

3. CONFLICTING AGREEMENTS. Each Equityholder represents that such Equityholder has not granted and is not a party to any proxy, voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement, and no holder of Equityholder Units shall grant any proxy or become party to any voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement.

4. RESTRICTIONS ON TRANSFER OF EQUITYHOLDER UNITS.

(a) GENERAL RESTRICTIONS.

(i) Subject to Article IX of the LLC Agreement, a Management Investor or an Other Investor may Transfer Equityholder Units only (A) in Public Sales, (B) if such Management Investor or Other Investor, as the case may be, is exercising a tag-along right granted to such Management Investor or Other Investor, as the case may be, pursuant to Section 4(b), then to any Person, provided, that, unless waived in writing by the Board, such Person shall have complied with the requirements of Section 4(c)(ii), (C) pursuant to an Approved Company Sale (as herein defined), (D) to the Company, or (E) with the prior written consent of the Board, to any Person, provided, that, unless waived in writing by the Board, such Person shall have complied with the requirements of Section 4(c)(ii).

(ii) Subject to Article IX of the LLC Agreement, a BRS Investor may Transfer Equityholder Units only (A) in Public Sales, (B) if such BRS Investor has complied with the terms and requirements of Section 4(b), to the extent applicable, then to any Person, provided, that such Person shall have complied with the requirements of Section 4(c)(ii), or (C) pursuant to an Approved Company Sale.

(b) TAG-ALONG RIGHTS.

(i) TAG ALONG RIGHTS GRANTED TO THE MANAGEMENT INVESTORS AND THE OTHER INVESTORS. Subject to Section 4(c)(i), at least 10 business days prior to the Transfer by any BRS Investor(s) (collectively, the "BRS TRANSFERRING EQUITYHOLDER") of in excess of 25% of the number of Equityholder Units of any class or series of any type of Equityholder Units owned by all BRS Investors as of the date hereof to any Person(s) (other than pursuant to a Public Offering or pursuant to an Approved Company Sale), the BRS Transferring Equityholder shall deliver a written notice (the "BRS SALE NOTICE") to each of the Management Investors and the Other Investors (with a copy of such notice to the Company), specifying in reasonable detail the identity of the prospective transferee(s), the type, class or series, and the number of the Equityholder Units to be Transferred, and the other material terms and conditions of such contemplated Transfer. Any of the Management Investors or the Other Investors may elect to participate in such contemplated Transfer by delivering written notice to the BRS Transferring Equityholder within 10 business days after its receipt of the BRS Sale Notice. If any Management Investor or Other Investor elects to participate in such Transfer, each Management Investor and each Other Investor who elects to participate (the "TAGGING INVESTORS", and collectively with the BRS Transferring Equityholder, the "PARTICIPATING EQUITYHOLDERS") shall be entitled to sell in such contemplated Transfer, at the same price and on the same terms, up to a number of each class or series of each type of Equityholder Units to be Transferred equal to the product of (x) the quotient determined by dividing the percentage of such class or series of such type of Equityholder Units owned by such Tagging Investor by the aggregate percentage of such class or series of such type of Equityholder Units owned collectively by all of the Tagging Investors and the BRS Investors and (y) the aggregate number of such class or series of such type of Equityholder Units to be sold in such contemplated Transfer; provided, that if a BRS Transferring Equityholder is Transferring more than one class or series of a type of Equityholder Units or more than one type of Equityholder Units, then any Tagging Investor must elect to Transfer each class or series of each type of Equityholder Units which such BRS Transferring Equityholder is Transferring and which such Tagging Investor then owns in a manner which results, as closely as reasonably possible, in such Tagging Investor Transferring such classes or series and types of Equityholder Units in the same proportion as such BRS Transferring Equityholder. Each Equityholder Transferring Equityholder Units pursuant to this Section 4(b)(i) shall pay its pro rata share (based on the amount of consideration received) of the reasonable out-of-pocket expenses incurred by the Equityholders in connection with such Transfer and shall take all reasonably necessary and desirable actions as reasonably directed by the BRS Transferring Equityholder in connection with the consummation of such Transfer, including without limitation executing the applicable purchase agreement.

(ii) For purposes of this Section 4(b), the Class A Common Units and the Class B Common Units will be deemed to be the same type and class of Equityholders Units, whereas each of the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units will be deemed to be a different series and type of Equityholder Units.

(iii) The provisions of Section 4(b)(i) shall terminate upon the consummation of a initial Public Offering.

(c) PERMITTED TRANSFERS.

(i) The restrictions contained in Sections 4(a) and 4(b) shall not apply with respect to any Transfer of Equityholder Units by any Equityholder (A) in the case of an individual Equityholder, pursuant to applicable laws of descent and distribution or to any member of such Equityholder's Family Group, (B) in the case of a non-individual Equityholder, to its Affiliates, (C) in the case of Wheeler Investments, to Wheeler or to any of Wheeler's spouse, children or grandchildren, (D) in the case of SNCC, to Dale Roesener ("ROESENER"), to any trust of which Roesener is the sole trustee and Roesener's children are the sole beneficiaries, or to any of Roesener's spouse, children or grandchildren, or (E) in the case of Bruckmann, Rosser, Sherrill & Co., L.P. or Bruckmann, Rosser, Sherrill & Co. II, L.P. (in each case, if it becomes a Permitted Transferee), in a pro rata distribution to its partners; PROVIDED, in each case, that any such transferee shall have complied with the requirements of Section 4(c)(ii).

(ii) Prior to any proposed transferee's acquisition of Equityholder Units pursuant to a Transfer permitted by Section 4(a)(i)(B) or Section 4(a)(i)(E), in each case, unless waived in writing by the Board, or pursuant to a Transfer permitted by Section 4(a)(ii)(B) or Section 4(c)(i), such proposed transferee must agree to take such Equityholder Units subject to and to be fully bound by the terms of this Agreement applicable to such Equityholder Units by executing a joinder to this Agreement substantially in the form attached hereto as EXHIBIT A and delivering such executed joinder to the Secretary of the Company prior to the effectiveness of such Transfer (unless such Transfer is pursuant to applicable laws of descent and distribution, in which case, such executed joinder shall be delivered to the Secretary of the Company as soon as reasonably possible after such Transfer). All transferees acquiring Equityholder Units and executing a joinder in compliance with this Section 4(c)(ii) are collectively referred to herein as "PERMITTED TRANSFEREES".

(d) If any Equityholder Transfers Equityholder Units to an Affiliate and an event occurs which causes such Affiliate to cease to be an Affiliate of such Equityholder unless, prior to such event, such Affiliate Transfers such Equityholder Units back to such Equityholder, then, in each case, such event or Transfer shall be deemed a Transfer of Equityholder Units subject to all of the restrictions on Transfers of Equityholder Units set forth in this Agreement, including without limitation, this Section 4.

(e) Wheeler Investments shall not permit any event to occur which causes Wheeler Investments to cease to be a member of Wheeler's Family Group, unless, prior to such

event, Wheeler Investments Transfers, or causes the Transfer of, all Equityholder Units held by Wheeler Investments or any Affiliate of Wheeler Investments to Wheeler or one or more members of Wheeler's Family Group. SNCC shall not permit any event to occur which causes SNCC to cease to be a member of Roesener's Family Group, unless, prior to such event, SNCC Transfers, or causes the Transfer of, all Equityholder Units held by SNCC or any Affiliate of SNCC to Roesener. Bagley Investments shall not permit any event to occur which causes Bagley Investments to cease to be a member of Gary Bagley's Family Group, unless, prior to such event, Bagley Investments Transfers, or causes the Transfer of, all Equityholder Units held by Bagley Investments or any Affiliate of Bagley Investments to Gary Bagley. Connor Trust shall not permit any event to occur which causes Connor Trust to cease to be a member of Ralph Connor's Family Group, unless, prior to such event, Connor Trust Transfers, or causes the Transfer of, all Equityholder Units held by Connor Trust or any Affiliate of Connor Trust to Ralph Connor. McClain Trust shall not permit any event to occur which causes McClain Trust to cease to be a member of Steve McClain's Family Group, unless, prior to such event, McClain Trust Transfers, or causes the Transfer of, all Equityholder Units held by McClain Trust or any Affiliate of McClain Trust to Steve McClain. Gerald Williams Investments shall not permit any event to occur which causes Gerald Williams Investments to cease to be a member of Gerald Williams's Family Group, unless, prior to such event, Gerald Williams Investments Transfers, or causes the Transfer of, all Equityholder Units held by Gerald Williams Investments or any Affiliate of Gerald Williams Investments to Gerald Williams. John Williams Investments shall not permit any event to occur which causes John Williams Investments to cease to be a member of John Williams's Family Group, unless, prior to such event, John Williams Investments

Transfers, or causes the Transfer of, all Equityholder Units held by John Williams Investments or any Affiliate of John Williams Investments to John Williams. Robert Williams Investments shall not permit any event to occur which causes Robert Williams Investments to cease to be a member of Robert Williams's Family Group, unless, prior to such event, Robert Williams Investments Transfers, or causes the Transfer of, all Equityholder Units held by Robert Williams Investments or any Affiliate of Robert Williams Investments to Robert Williams.

5. APPROVED COMPANY SALE.

(a) If BRS Majority Holders approve a sale of all or substantially all of the Company's assets determined on a consolidated basis or a sale of all (or a lesser percentage, if necessary, as determined by BRS Majority Holders for accounting, tax or other reasons) of the Company's outstanding Common Units (in either case, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise) or any other transaction which has the same effect as any of the foregoing, to an Independent Third Party or group of Independent Third Parties (each such sale or transaction, an "APPROVED COMPANY SALE"), then each holder of Equityholder Units will vote for, consent to and raise no objections against the Approved Company Sale or the process. If the Approved Company Sale is structured as a merger or consolidation, then each holder of Equityholder Units shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger or consolidation. If the Approved Company Sale is structured as a Transfer of Equityholder Units, then each holder of Equityholder Units shall agree to sell all of his or its Equityholder Units and rights to acquire Equityholder Units on the same terms and conditions, in all material respects, as applicable to the respective types of Equityholder Units to be Transferred by the BRS Majority Holders. Each holder of Equityholder Units shall take all necessary or desirable actions in connection with the

consummation of an Approved Company Sale as requested by the Board, including, without limitation, executing the applicable purchase agreement.

(b) If the Board, the Company or any of the holders of Common Units enter into any negotiation or transaction for which Rule 506 (or any similar rule then in effect) promulgated by the Securities and Exchange Commission may be available with respect to such negotiation or transaction (including a merger, consolidation or other reorganization), each holder of Equityholder Units who is not an "accredited investor," as that term is defined in Regulation D as promulgated under the Securities Act, will, at the request of the Company, appoint either a purchaser representative (as such term is defined in Rule 501 under the Securities Act) designated by the Company, in which event the Company will pay the fees of such purchaser representative, or another purchaser representative (reasonably acceptable to the Company), in which event such holder will be responsible for the fees of the purchaser representative so appointed.

(c) All holders of Equityholder Units will bear their pro rata share (based upon the amount of consideration received or proposed to be received in the applicable actual or proposed Approved Company Sale) of the costs of any actual or proposed Approved Company Sale to the extent such costs are incurred for the benefit of all such holders of Equityholder Units and are not otherwise paid by the Company or the acquiring party. Costs incurred by the holders of Equityholder Units on their own behalf will not be considered costs of the Approved Company Sale; provided, that in any event the Company shall pay the reasonable attorney's fees and expenses of one counsel chosen by BRS Majority Holders in connection with the Approved Company Sale.

(d) The provisions of this Section 5 shall terminate upon the consummation of an initial Public Offering.

6. FINANCIAL STATEMENTS AND ACCESS TO INFORMATION.

(a) FINANCIAL STATEMENTS. Prior to the consummation of an initial Public Offering, the Company shall deliver to each BRS Investor who holds more than 5% of the then outstanding number of Common Units:

(i) within 60 days after the end of each monthly accounting period in each fiscal year of the Company (other than any monthly accounting period ending on the last day of a fiscal quarter of the Company), unaudited consolidated statements of income and cash flows of the Company and its Subsidiaries for such monthly period (as well as unaudited consolidated statements of income of the Company and its Subsidiaries for the period from the beginning of the fiscal year to the end of such month) and unaudited consolidated balance sheets of the Company and its Subsidiaries as of the end of such monthly period (and such financial statements shall set forth in each case comparisons to the Company's and its Subsidiaries' corresponding period in the preceding fiscal year). Such financial statements shall be prepared in accordance with generally accepted accounting principles, consistently applied, subject to the absence of footnote disclosures and to normal year-end adjustments;

(ii) within 60 days after the end of each quarterly accounting period in each fiscal year of the Company (other than any quarterly accounting period ending on the last day of a fiscal year of the Company), unaudited consolidated statements of income and cash flows of the Company and its Subsidiaries for such quarterly period (as well as unaudited consolidated statements of income of the Company and its Subsidiaries for the period from the beginning of the fiscal year to the end of such quarter) and unaudited consolidated balance sheets of the Company and its Subsidiaries as of the end of such quarterly period (and such financial statements shall set forth in each case comparisons to the Company's and its Subsidiaries' corresponding period in the preceding fiscal year). Such financial statements shall be prepared in accordance with generally accepted accounting principles, consistently applied, subject to the absence of footnote disclosures and to normal year-end adjustments; and

(iii) within 90 days after the end of each fiscal year of the Company, audited consolidated statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, and audited consolidated balance sheets of the Company and its Subsidiaries as of the end of such fiscal year (and such financial statements shall set forth in each case comparisons to the Company's and its Subsidiaries' corresponding period in the preceding fiscal year). Such financial statement shall be prepared in accordance with generally accepted accounting principles, consistently applied.

(b) ACCESS TO INFORMATION. The Company shall permit any BRS Investor who holds more than 5% of the then outstanding number of Common Units and their respective representatives (including, without limitation, its legal counsel and accountants), during normal business hours and such other times as any such holder may reasonably request, to (i) visit and inspect any of the properties of the Company and its Subsidiaries, (ii) examine the corporate and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and (iii) discuss the affairs, finances and accounts of any such entities with any of the executive officers of the Company.

7. LEGEND.

(a) Each certificate or instrument evidencing Equityholder Units and each certificate or instrument issued in exchange for or upon the Transfer of any Equityholder Units (if such securities remain Equityholder Units (as defined herein) after such Transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SECURITYHOLDERS AGREEMENT DATED AS OF JUNE 17, 2002, AS MAY BE AMENDED FROM TIME TO TIME, BY AND AMONG THE

ISSUER AND CERTAIN OF THE ISSUER'S EQUITYHOLDERS. A COPY OF SUCH SECURITYHOLDERS AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

The legend set forth above regarding this Agreement shall be removed from the certificates evidencing any securities which cease to be Equityholder Units. Upon the request of any Equityholder, the Company shall remove the Securities Act portion of the legend set forth above from the certificate or certificates for such Equityholder Units (if such Equityholder Units are certificated as of such time); provided, that such Equityholder Units are eligible (as reasonably determined by the Company) for sale pursuant to Rule 144(k) (or any similar rule or rules then in effect) under the Securities Act.

(b) Unless waived by the Company, no Equityholder may Transfer any Equityholder Units (except pursuant to an effective registration statement under the Securities Act) without first delivering to the Company an opinion of counsel reasonably acceptable in form and substance to the Company (which counsel will be reasonably acceptable to the Company) that registration under the Securities Act is not required in connection with such Transfer. If such opinion of counsel reasonably acceptable in form and substance to the Company further states that no subsequent Transfer of such Equityholder Units will require registration under the Securities Act (including due to such Equityholder Units being eligible for sale pursuant to Rule 144 (or any similar rule or rules then in effect) under the Securities Act), the Company will promptly upon such Transfer deliver new certificates for such securities (if

such securities are certificated as of such time) which do not bear the Securities Act portion of the legend set forth in Section 7(a).

8. TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Equityholder Units in violation of any provision of this Agreement or the LLC Agreement shall be null and void, and the Company shall not record such Transfer on its books or treat any purported transferee of such Equityholder Units as the owner of such securities for any purpose.

9. LIMITED PREEMPTIVE RIGHTS GRANTED TO THE MANAGEMENT INVESTORS AND THE OTHER INVESTORS.

(a) If at any time after the date hereof and prior to the consummation of an initial Public Offering the Company wishes to issue any Common Units or any options, warrants or other rights to acquire Common Units or any notes or other securities convertible or exchangeable into Common Units (all such Common Units and other rights and securities, collectively, the "EQUITY EQUIVALENTS") to BRSEC, BRSEC-II or to any Affiliate of BRSEC or BRSEC-II (collectively, the "BRS ENTITIES"), the Company shall promptly deliver a notice of intention to sell or otherwise issue (the "COMPANY'S NOTICE OF INTENTION TO SELL TO BRS") to each Management Investor and to each Other Investor setting forth a description and the number of the Equity Equivalents and any other securities proposed to be issued and the proposed purchase price and terms of sale. Upon receipt of the Company's Notice of Intention to Sell to BRS, each Management Investor and each Other Investor shall have the right to elect to purchase, at the price and on the terms stated in the Company's Notice of Intention to Sell to BRS, a number of

the Equity Equivalents equal to the product of (i) such Management Investor's or such Other Investor's, as the case may be, proportionate ownership of the then outstanding number of Common Units (calculated on a fully-diluted basis) held by all Persons multiplied by (ii) the number of Equity Equivalents proposed to be issued (as described in the applicable Company's Notice of Intention to Sell to BRS). Notwithstanding anything contained herein to the contrary, if the Company is issuing Equity Equivalents together as a unit with the issuance of any debt or other equity securities of the Company or any of its Subsidiaries, then any Management Investor or Other Investor who elects to purchase such Equity Equivalents pursuant to this Section 9 must also purchase a corresponding proportion of such other debt or equity securities, all at the proposed purchase price and on terms of sale as specified in the applicable Company's Notice of Intention to Sell to BRS. Such election shall be made by the electing Management Investor or Other Investor by written notice to the Company within ten (10) business days after receipt by such Management Investor or Other Investor of the Company's Notice of Intention to Sell to BRS (the "ACCEPTANCE PERIOD").

(b) To the extent an effective election to purchase has not been received from a Management Investor or an Other Investor pursuant to subsection (a) above in respect of the Equity Equivalents proposed to be issued pursuant to the applicable Company's Notice of Intention to Sell to BRS, the Company may, at its election, during a period of one hundred and eighty (180) days following the expiration of the applicable Acceptance Period, issue and sell the remaining Equity Equivalents to be issued and sold to any BRS Entity at a price and upon terms not more favorable to such BRS Entity than those stated in the applicable Company's Notice of Intention to Sell to BRS. In the event the Company has not sold any Equity Equivalents covered by a Company's Notice of Intention to Sell to BRS within such one hundred and eighty (180) day period, the Company shall not thereafter issue or sell such Equity Equivalents to any BRS Entity, without first offering such Equity Equivalents to each Management Investor and each Other Investor in the manner provided in this Section 9; PROVIDED, HOWEVER, that failure by a Management Investor or an Other Investor to exercise its option to purchase with respect to one issuance and sale of Equity Equivalents shall not affect its option to purchase Equity Equivalents in any subsequent offering, sale and purchase.

(c) If a Management Investor or an Other Investor gives the Company notice, pursuant to the provisions of this Section 9, that such Management Investor or Other Investor, as the case may be, desires to purchase any Equity Equivalents, payment therefor shall be by check or wire transfer of immediately available funds, against delivery of the securities (which securities shall be issued free and clear of any liens or encumbrances) at the executive offices of the Company no later than the last closing date fixed by the Company for the sale of the applicable Equity Equivalents to the applicable BRS Entities, which last closing date shall be no earlier than 15 business days after the date the Company delivers the applicable Company's Notice of Intention to Sell to BRS. In the event that any proposed sale is for a consideration other than cash, such Management Investor or Other Investor, as the case may be, may pay cash in lieu of all (but not part) of such other consideration, in the amount determined reasonably and in good faith by the Board to represent the fair value of such consideration other than cash.

(d) The preemptive rights contained in this Section 9 shall not apply to (i) the issuance of shares or units of Equity Equivalents as a stock or unit dividend or other distribution or upon any subdivision, split or

combination of the outstanding Common Units; (ii) the issuance

of Equity Equivalents upon conversion, exchange or redemption of any outstanding convertible or exchangeable securities; (iii) the issuance of Equity Equivalents upon exercise of any outstanding options or warrants; (iv) the issuance of Equity Equivalents as consideration (whether partial or otherwise) for the purchase by the Company or any of its Subsidiaries of assets constituting a business unit or of the stock or other equity securities of any Person or Persons; or (v) the issuance of Equity Equivalents in connection with the conversion of the Company from a limited liability company into a corporation.

(e) The provisions of this Section 9 shall terminate upon the consummation of an initial Public Offering.

10. AMENDMENT AND WAIVER. No modification or amendment of any provision of this Agreement shall be effective against the Equityholders or the Company unless such modification or amendment is approved in writing by (i) the Company and (ii) BRS Majority Holders; and any amendment to which such written consent is obtained will be binding upon the Company and each Equityholder. No waiver of any provision of this Agreement shall be effective against any Equityholder unless such waiver is approved in writing by such Equityholder. No waiver of any provision of this Agreement shall be effective against the Company unless such waiver is approved in writing by the Company. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. Each Equityholder shall remain a party to this Agreement only so long as such person is the holder of record of Equityholder Units.

11. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

13. TERMINATION. This Agreement will automatically terminate and be of no further force or effect immediately after the consummation of an Approved Company Sale.

14. SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns, including any corporation which is a successor to the Company, and the Equityholders and any subsequent holders of Equityholder Units and the respective successors, heirs and assigns of each of them, so long as they hold Equityholder Units.

15. COUNTERPARTS. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

16. REMEDIES. The parties hereto shall be entitled to enforce their rights under this Agreement specifically to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company and any Equityholder may in his, hers, or its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement.

17. NOTICES. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered if delivered personally, sent via a nationally recognized overnight courier, or sent via facsimile to the recipient, or if sent by certified or registered mail, return receipt requested, will be deemed to have been given two business days thereafter. Such notices, demands and other communications shall be sent to any Equityholder at such holder's last address on the records of the Company, and to

the Company at the address indicated below:

TO THE COMPANY:

H&E Holdings L.L.C.
1110 Mead Road, Second Floor
Baton Rouge, Louisiana 70816
Attention: Chief Executive Officer
Tel: (225) 298-5230
Fax: (225) 298-5382

WITH A COPY, WHICH SHALL NOT CONSTITUTE NOTICE, TO:

Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor
New York, NY 10022
Attention: Bruce Bruckmann and
Rice Edmonds
Tel: (212) 521-3700
Fax: (212) 521-3799

and

Kirkland & Ellis
153 East 53rd Street
New York, NY 10022
Attention: W. Brian Raftery, Esq.
Tel: (212) 446-4800
Fax: (212) 446-4900

and

Taylor, Porter, Brooks & Phillips, L.L.P.
Bank One Center
451 Florida Boulevard, 8th Floor
Baton Rouge, Louisiana 70821
Attention: J. Ashley Moore, Esq.
Tel: (225) 381-0218
Fax: (225) 346-8049

and

Kesler & Rust
2000 Beneficial Life Tower
36 South State Street
Salt Lake City, Utah 84111
Attention: Joseph C. Rust, Esq.
Tel: (801) 532-8000
Fax: (801) 531-7965

or such other address, telecopy number or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware, without giving effect to any rules, principles or provisions of choice of law or conflict of laws.

19. DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

20. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

21. VENUE; SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT ONLY IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE AND EACH PARTY TO THIS AGREEMENT HEREBY SUBMITS TO AND ACCEPTS

THE EXCLUSIVE JURISDICTION OF SUCH COURT FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO HIM OR IT AT THE ADDRESS AS PROVIDED IN SECTION 17

HEREOF. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH HE OR IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

22. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

23. ISSUANCE BY THE COMPANY OF ADDITIONAL PREFERRED UNITS OR COMMON UNITS. The parties hereto hereby acknowledge that, after the date hereof, the Company may issue additional Preferred Units and/or Common Units to certain Persons (the "NEW MEMBERS") in accordance with the terms of this Agreement. In connection with any such issuance, the parties hereto agree that, with the prior written consent of BRSEC and BRSEC-II, the Company may grant (but shall be under no obligation to grant) such New Members rights substantially similar to the rights granted to the Management Investors or the Other Investors hereunder (provided that, if such grant is made, each such New Member is also subject to the obligations of the Management Investors or the Other Investors, as the case may be, hereunder) by causing each such New Member to execute a joinder to this Agreement substantially in the form of EXHIBIT A hereto.

24. TIME OF THE ESSENCE; COMPUTATION OF TIME. Time is of the essence for each and every provision of this Agreement. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder shall fall upon a Saturday, Sunday, or any date on which commercial banks in the State of Delaware are authorized to be closed, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a regular business day.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Securityholders Agreement as of the date first above written.

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

BRSEC CO-INVESTMENT, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

BRSEC CO-INVESTMENT II, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

/s/ John M. Engquist

JOHN M. ENGQUIST

/s/ John M. Engquist

KRISTAN ENGQUIST DUNNE, by John M. Engquist, through of Power of Attorney dated May 15, 1999

WHEELER INVESTMENTS, INC.

By: /s/ Don M. Wheeler

Name: Don M. Wheeler
Title: President

[Continuation of Signature Page to this Securityholders Agreement]

/s/ Don Wheeler

DON WHEELER

SOUTHERN NEVADA CAPITAL CORPORATION

By: /s/ Dale Roesener

Name: Dale Roesener
Title: President

BAGLEY FAMILY INVESTMENTS, L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: Manager

/s/ Kenneth Sharp Jr.

KENNETH SHARP, JR.

/s/ Siegfried Wallin

SIEGFRIED WALLIN

THE CONNER FAMILY TRUST

By: /s/ Ralph M. Conner

Name: Ralph M. Conner
Title: Trustee

THE MCCLAIN FAMILY REVOCABLE TRUST

By: /s/ Steven M. McClain

Name: Steven M. McClain
Title: Vice President

[Continuation of Signature Page to this Securityholders Agreement]

C/J LAND & LIVESTOCK L.P.

By: Illegible

Name:
Title:

JOHN AND ELLEN WILLIAMS LIMITED PARTNERSHIP

By: /s/ John D. Williams

Name: John D. Williams
Title: Partner

ROBERT G. WILLIAMS LIMITED PARTNERSHIP

By: /s/ Robert G. Williams

Name: Robert G. Williams
Title: Member

FORM OF JOINDER TO
SECURITYHOLDERS AGREEMENT

THIS JOINDER to the Securityholders Agreement dated as of June 17, 2002 by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"), and certain securityholders of the Company (the "AGREEMENT"), is made and entered into as of _____ by and between the Company and _____ ("HOLDER"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement.

WHEREAS, Holder has acquired certain [SERIES A/B/C/D PREFERRED UNITS/CLASS [A/B] COMMON UNITS] from _____ and the Agreement and/or the Company require Holder, as a holder of such [SERIES A/B/C/D PREFERRED UNITS/CLASS [A/B] COMMON UNITS], to become a party to the Agreement, and Holder agrees to do so in accordance with the terms hereof.

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

1. AGREEMENT TO BE BOUND. Holder hereby agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto and shall be deemed a [BRS INVESTOR/MANAGEMENT INVESTOR/OTHER INVESTOR] and an Equityholder for all purposes thereof. In addition, Holder hereby agrees that all Preferred Units and all Common Units held by Holder shall be deemed Equityholder Units for all purposes of the Agreement.

2. SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors, heirs and assigns and Holder and any subsequent holders of Equityholder Units and the respective successors, heirs and assigns of each of them, so long as they hold any Equityholder Units.

3. COUNTERPARTS. This Joinder may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

4. NOTICES. For purposes of Section 17 of the Agreement, all notices, demands or other communications to the Holder shall be directed to:

[NAME]
[ADDRESS]

5. GOVERNING LAW. This Joinder shall be governed by and construed in accordance with the laws of the state of Delaware, without giving effect to any rules, principles or provisions of choice of law or conflict of laws.

6. DESCRIPTIVE HEADINGS. The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Joinder to the Securityholders Agreement as of the date set forth in the introductory paragraph hereof.

H&E HOLDINGS L.L.C.

By:

Name:
Title:

[HOLDER]

By:

Name:
Title:

EXHIBIT 10.4

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT is dated as of June 17, 2002 by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"); BRSEC Co-Investment, LLC ("BRSEC"); BRSEC Co-Investment II, LLC ("BRSEC-II"); John M. Engquist ("ENGQUIST"); Kristan Engquist Dunne ("DUNNE"); Wheeler Investments, Inc. ("WHEELER INVESTMENTS"); Don Wheeler ("WHEELER"); Southern Nevada Capital Corporation ("SNCC"); Bagley Family Investments, L.L.C. ("BAGLEY INVESTMENTS"); Kenneth Sharp, Jr. ("SHARP"); Siegfried Wallin ("Wallin"); The Conner Family Trust ("CONNER TRUST"); The McClain Family Revocable Trust ("MCCLAIN TRUST"); C/J Land & Livestock L.P. ("GERALD WILLIAMS INVESTMENTS"); John and Ellen Williams Limited Partnership ("JOHN WILLIAMS INVESTMENTS"); and Robert G. Williams Limited Partnership ("ROBERT WILLIAMS INVESTMENTS").

As of the date hereof, (i) BRSEC and BRSEC-II each own a number of the Company's Class A Common Units, and (ii) Engquist, Dunne, Wheeler Investments and Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments each own a number of the Company's Class B Common Units.

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

1. DEFINITIONS. As used herein, the following terms shall have the following meanings.

"AFFILIATE" means, when used with reference to a specified Person, any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" shall also include, without limitation, any member of such individual's Family Group.

"BRS REGISTRABLE SECURITIES" means (i) all Common Units acquired by, or issued or issuable to, BRSEC, BRSEC-II or any of their Affiliates on or after the date hereof and (ii) all equity securities issued or issuable directly or indirectly with respect to any Common Units described in clause (i) above by way of a unit or stock dividend or unit or stock split or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization, including pursuant to Section 10.17 of the LLC Agreement. As to any particular BRS Registrable Securities, such securities shall cease to be BRS Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public in compliance with Rule 144.

"CLASS A COMMON UNITS" means the Company's Class A Common Units (as such term is defined in the LLC Agreement).

"CLASS B COMMON UNITS" means the Company's Class B Common Units (as such term is defined in the LLC Agreement).

"COMMON UNITS" means collectively, the Class A Common Units, Class B Common Units and any other equity of the Company (or its successors) hereafter authorized which is not limited to a fixed sum or percentage of par value or stated value in respect to the rights of the holders thereof to participate in dividends or other distributions or in the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the issuer of such securities, including any common equity securities of any successor entity of the Company issued pursuant to a transaction of the type described in Section 10.17 of the LLC Agreement.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"FAMILY GROUP" means, with respect to any Person who is an individual, (i) such Person's spouse, former spouse and descendants (whether natural or adopted), parents and their descendants and any spouse of the foregoing persons (collectively, "RELATIVES") or (ii) the trustee, fiduciary or personal representative of such Person and any trust solely for the benefit of such Person and/or such Person's relatives.

"LLC AGREEMENT" means the Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

"OTHER REGISTRABLE SECURITIES" means (i) all fully vested Common Units acquired by, or issued or issuable to, Engquist, Dunne, Wheeler Investments, Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments on or after the date hereof and (ii) all fully vested equity securities issued or issuable directly or indirectly with respect to any Common Units described in clause (i) above by way of a unit or stock dividend or unit or stock split or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization, including pursuant to Section 10.17 of the LLC Agreement. As to any particular Other Registrable Securities, such securities shall cease to be Other Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public in compliance with Rule 144.

"PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a bank, a trust company, a land trust, a business trust, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization, whether or not it is a legal entity.

"PUBLIC OFFERING" means an underwritten public offering and sale of Common Units pursuant to an effective registration statement under the Securities Act; provided that a Public Offering shall not include an offering made in connection with a business acquisition or

combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

"REGISTRABLE SECURITIES" means, collectively, the BRS Registrable Securities and the Other Registrable Securities.

"REGISTRATION EXPENSES" means all expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing and distributing expenses, messenger and delivery expenses, fees and expenses of custodians, internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system, and fees and disbursements of counsel for the Company and the underwriters and all independent certified public accountants, underwriters (excluding discounts and commissions) and other Persons retained by the Company.

"RULE 144" means Rule 144 under the Securities Act (or any similar rule then in force).

"SEC" means the Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SUBSIDIARY" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation or a limited liability company with voting securities, a majority of the total voting power of shares of stock (or units) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company without voting securities, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or entity or a combination thereof. For purposes of this Agreement, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director, managing member, or general partner of such limited liability company, partnership, association or other business entity.

2. DEMAND REGISTRATIONS.

(a) REQUESTS FOR REGISTRATION.

(i) At any time after the date hereof, the holder(s) of a majority of the BRS Registrable Securities may request registration under the Securities Act of all or any

portion of their Registrable Securities on Form S-1 or any similar long-form registration (a "LONG-FORM REGISTRATION"), or on Form S-2 or S-3 or any similar short-form registration (a "SHORT-FORM REGISTRATION") if such a short form is available.

(ii) All registrations requested pursuant to this Section 2(a) are referred to herein as "DEMAND REGISTRATIONS". Each request for a Demand Registration (a "DEMAND REQUEST") shall specify the approximate number of Registrable Securities requested to be registered, the anticipated method or methods of distribution and the anticipated per share price range for such offering. Within ten days after receipt of any such Demand Request, the Company will give written notice of such requested registration (which shall specify the intended method of disposition of such Registrable Securities) to all other holders of Registrable Securities (a "COMPANY NOTICE") and the Company will include (subject to the provisions of this Agreement) in such registration, all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after the delivery of such Company Notice; provided that any such other holder may withdraw its request for inclusion at any time prior to executing the underwriting agreement or, if none, prior to the applicable registration statement becoming effective.

(b) LONG-FORM REGISTRATIONS. The holders of BRS Registrable Securities will be entitled to unlimited Long-Form Registrations. The Company will pay all Registration Expenses in connection with any registration initiated as a Long-Form Registration whether or not it has become effective.

(c) SHORT-FORM REGISTRATIONS. The holders of BRS Registrable Securities will be entitled to unlimited Short-Form Registrations. Demand Registrations by holders of BRS Registrable Securities will be Short-Form Registrations whenever the Company is permitted to use any applicable short form. After the Company has become subject to the reporting requirements of the Exchange Act, the Company will use its best efforts to make Short-Form Registrations on Form S-3 available for the sale of BRS Registrable Securities. The Company will pay all Registration Expenses in connection with any registration initiated as a Short-Form Registration by the holders of BRS Registrable Securities whether or not it has become effective.

(d) PRIORITY ON DEMAND REGISTRATIONS.

(i) The Company will not include in any Demand Registration any securities which are not Registrable Securities unless holder(s) of a majority of the Registrable Securities initiating such Demand Registration pursuant to Section 2(a) otherwise consent.

(ii) If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities, requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to holder(s) of a majority of the Registrable Securities initiating such Demand Registration pursuant to Section 2(a) and without adversely affecting the

marketability of the offering, then the Company will include in such Demand Registration (A) first, the number of Registrable Securities requested to be included in such Demand Registration (by holders initiating such Demand Registration as well as other holders who are permitted under this Agreement to request the inclusion of Registrable Securities in such Demand Registration), pro rata from among the holders of such Registrable Securities according to the number of Registrable Securities requested by them to be so included, and (B) second, any other securities of the Company requested to be included in such registration, in such manner as the Company may determine.

(e) RESTRICTIONS ON DEMAND REGISTRATIONS.

(i) The Company will not be obligated to file any registration statement with respect to any Long-Form Registration within 180 days after the effective date of a previous Long-Form Registration or a previous registration in which the holders of Registrable Securities were given piggyback rights pursuant to Section 3 and in which there were included not less than 80% of the number of Registrable Securities requested to be included.

(ii) The Company may postpone for up to 90 days the filing or the effectiveness of a registration statement for a Demand Registration if the Company determines that such Demand Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any acquisition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer, reorganization or similar transaction; provided that in such event the holders of Registrable Securities initiating such Demand Registration pursuant to Section 2(a) will be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration will not count as one of the permitted Demand Registrations hereunder and the Company will pay all Registration Expenses in connection with such requested registration. The Company may use the provisions of this clause (ii) to delay a Demand Registration initiated by holders of BRS Registrable Securities only once during any twelve-month period.

(f) SELECTION OF UNDERWRITERS. In the case of any Demand Registration, the holders of a majority of the BRS Registrable Securities to be included in such Demand Registration will have the right to select the investment banker(s) and manager(s) to administer the offering (which investment banker(s) and manager(s) will be nationally recognized).

(g) OTHER REGISTRATION RIGHTS. Except as provided in this Agreement, after the date hereof, the Company will not grant to any Persons the right to request the Company to register any Common Units, or any securities convertible or exchangeable into or exercisable for Common Units, without the prior written consent of the holders of a majority of the BRS Registrable Securities.

3. PIGGYBACK REGISTRATIONS.

(a) RIGHT TO PIGGYBACK. Whenever the Company proposes to register any of its Common Units under the Securities Act for its own account or for the account of any holder

of Common Units (other than pursuant to a Demand Registration, other than pursuant to a registration statement on Form S-8 or S-4 or any similar or successor form, other than in connection with a registration the primary purpose of which is to register debt securities (i.e., in connection with a so-called "EQUITY KICKER"), and, except, unless the Company has received the prior written consent of holders of a majority of the BRS Registrable Securities, in connection with an initial Public Offering) (a "PIGGYBACK REGISTRATION"), the Company will give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration and of such holders' rights under this Section 3(a). Upon the written request of any holder of Registrable Securities (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), the Company shall include in such registration (subject to the provisions of this Agreement) all Registrable Securities requested to be registered pursuant to this Section 3(a), subject to Section 3(b) below, with respect to which the Company has received written requests for inclusion therein within 20 days after the receipt of the Company's notice; provided that any such other holder may withdraw its request for inclusion at any time prior to executing the underwriting agreement or, if none, prior to the applicable registration statement becoming effective.

(b) PRIORITY ON PRIMARY REGISTRATIONS. If a Piggyback Registration is in part an underwritten primary registration on behalf of the Company and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company and without adversely affecting the marketability of the offering, then the Company will include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata from among the holders of such Registrable Securities according to the number of Registrable Securities requested by them to be so included, and (iii) third, any other securities requested to be included in such registration, in such manner as the Company may determine.

(c) PRIORITY ON SECONDARY REGISTRATIONS. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders initially requesting such registration and without adversely affecting the marketability of the offering, then the Company will include in such registration (i) first, (A) the securities requested to be included therein by the holders requesting such registration and (B) the Registrable Securities requested to be included in such registration, pro rata from among such holders and the holders of such Registrable Securities according to the number of Registrable Securities

requested by them to be so included, and (ii) second, any other securities requested to be included in such registration, in such manner as the Company may determine.

(d) OTHER REGISTRATIONS. If the Company has previously filed a registration statement with respect to Registrable Securities pursuant to Section 2 or pursuant to this Section 3, and if such previous registration has not been withdrawn or abandoned, then all the parties hereto agree that the Company shall not be required to effect any other registration of any of its equity or similar securities or securities convertible or exchangeable into or exercisable for its

equity or similar securities under the Securities Act (except on Forms S-4 or S-8 or any successor or similar form or in connection with a Demand Registration), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least 180 days has elapsed from the effective date of such previous registration.

(e) REGISTRATION EXPENSES. The Company will pay all Registration Expenses in connection with any Piggyback Registration whether or not such Piggyback Registration has become effective.

4. HOLDBACK AGREEMENTS.

(a) Each holder of Registrable Securities hereby agrees (i) not to effect any sale or distribution of Common Units, or any securities convertible into or exchangeable or exercisable for Common Units, during the seven days prior to and the 180-day period beginning on the effective date of a Public Offering (except as part of such Public Offering), unless the underwriters managing such Public Offering otherwise agree (which agreement shall be equally applicable to all holders of Registrable Securities) and (ii) to execute and deliver any reasonable agreement which is consistent with the provisions of clause (i) of this Section 4(a) and which may be required by the underwriters managing such Public Offering.

(b) The Company (i) will not effect any sale or distribution of Common Units, or any securities convertible into or exchangeable or exercisable for Common Units, during the seven days prior to and during the 180-day period beginning on the effective date of a Public Offering (except as part of such Public Offering), unless the underwriters managing such Public Offering otherwise agree (which agreement shall be equally applicable to all holders of Registrable Securities), and (ii) will cause each holder of Common Units or any securities convertible into or exchangeable or exercisable for Common Units, purchased from the Company at any time after the date of this Agreement (other than in a Public Offering) to agree not to effect any sale or distribution of any such securities during such period (except as part of such Public Offering, if otherwise permitted), unless the underwriters managing such Public Offering otherwise agree.

5. REGISTRATION PROCEDURES. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company will as expeditiously as possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected pursuant to Section 6(b) below copies of all such documents proposed to be filed, which documents will be subject to the prompt review and reasonable comment of such counsel), and upon filing such documents, the Company shall promptly notify in writing such counsel of the receipt by the Company of any written comments by the SEC with respect to such registration statement or prospectus or any

amendment or supplement thereto or any written request by the SEC for the amending or supplementing thereof or for additional information with respect thereto;

(b) notify each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 180 days or, if such registration statement relates to an underwritten offering, such longer period as, in the opinion of counsel for the underwriters, a prospectus is required by law to be delivered in connection with sales of Registrable Securities by any underwriter or dealer or such shorter period as will terminate

when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such registration statement (but in any event not before the expiration of any longer period required under the Securities Act), and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement and cause the prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) if requested by the holders of a majority of the BRS Registrable Securities in connection with any Demand Registration requested by such holders, use its commercially reasonable efforts to cause to be included in such registration Common Units having an aggregate value (based on the midpoint of the proposed offering price range specified in the registration statement used to offer such securities) of up to $50.0 million, to be offered in a primary offering of the Company's securities contemporaneously with such offering of Registrable Securities;

(e) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in any such jurisdiction in any jurisdiction where it is not so subject or (iii) consent to general service of process (i.e., service of process which is not limited solely to securities law violations) in any such jurisdiction in any jurisdiction where it is not so subject);

(f) promptly notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon

discovery that, or upon the discovery of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made, and, at the request of any such seller, the Company will, as soon as reasonably practicable, file and furnish to all sellers a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(g) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on the Nasdaq National Market System ("NASDAQ MARKET") and, if listed on the Nasdaq Market, use its best efforts to secure designation of all such Registrable Securities covered by such registration statement as a Nasdaq "National Market System security" within the meaning of Rule 11Aa2-1 under the Exchange Act or, failing that, to secure Nasdaq Market authorization for such Registrable Securities and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the National Association of Securities Dealers;

(h) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(i) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a split or a combination of stock or units); provided that no holder of Registrable Securities shall have any indemnification or contribution obligations inconsistent with Section 7 hereof;

(j) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such

registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information and participate in due diligence sessions reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(k) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(l) use reasonable best efforts to prevent the issuance of any stop order ("STOP ORDER") suspending the effectiveness of a registration statement, or of any order suspending or

preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, and, in the event of such issuance, the Company shall immediately notify the holders of Registrable Securities included in such registration statement of the receipt by the Company of such notification and shall use its best efforts promptly to obtain the withdrawal of such order;

(m) use its best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities, and cooperate and assist with any filings to be made with the NASD;

(n) obtain one or more "cold comfort" letters, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), signed by the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the holders of a majority of the Registrable Securities being sold reasonably request; and

(o) provide a legal opinion of the Company's outside counsel, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by legal opinions of such nature.

If any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if in such holder's sole and exclusive judgment, such holder is or might be deemed to be an underwriter or a controlling person of the Company, such holder shall have the right to (i) require the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar Federal statute then in force, require the deletion of the reference to such holder; provided, that with respect to this clause (ii), if requested by the Company, such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company.

6. REGISTRATION EXPENSES.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all Registration Expenses, will be borne by the Company.

(b) In connection with each Demand Registration and each Piggyback Registration, the Company will reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the Registrable Securities initially requesting such registration (which counsel shall be retained to represent all such holders).

7. INDEMNIFICATION.

(a) BY THE COMPANY. The Company agrees to, and will cause each of its Subsidiaries to agree to, indemnify, to the fullest extent permitted by law, each holder of Registrable Securities, its officers, directors, members, employees, agents, stockholders and general and limited partners and each Person who controls such holder (within the meaning of the Securities Act and Exchange Act) against any and all losses, claims, damages, liabilities and expenses (or actions or proceedings, whether commenced or threatened, in respect thereof), joint or several, arising out of or based upon any untrue or alleged untrue statement of material fact contained in any registration statement, reports required and other documents filed under the Exchange Act, prospectus or preliminary prospectus or any amendment thereof or supplement thereto, together with any documents incorporated therein by reference, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation or alleged violation by the Company or any of its Subsidiaries of any federal, state, foreign or common law rule or regulation and relating to action or inaction in connection with any such registration, disclosure document or other document and shall reimburse such holder, officer, director, member, employee, agent, stockholder, partner or controlling Person for any legal or other expenses, including any amounts paid in any settlement effected with the consent of the Company, which consent will not be unreasonably withheld or delayed, incurred by such holder, officer, director, member, employee, agent, stockholder, partner or controlling Person in connection with the investigation or defense of such loss, claim, damage, liability or expense, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such holder expressly for use therein. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers, directors, agents and employees and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) BY THE HOLDERS. In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder will furnish to the Company in writing such information and affidavits about such holder as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act) and the other holders of Registrable Securities against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such holder which authorizes its use in the applicable document; provided, that the obligation to indemnify

will be individual, not joint and several, for each holder and will be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) CLAIM PROCEDURES. Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice will not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit the indemnifying party to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent it may wish, with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld or delayed) and the indemnifying party shall not, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof, a release from all liability in respect of such claim or litigation provided by the claimant or plaintiff to such indemnified party. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay (i) the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim or (ii) any settlement made by any indemnified party without such indemnifying party's consent (but such consent will not be unreasonably withheld).

(d) SURVIVAL; CONTRIBUTION. The indemnification provided for under this Agreement will remain in full force and effect regardless of any

investigation made by or on behalf of the indemnified party or any officer, agent or employee and each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such indemnified party (within the meaning of the Securities Act), and will survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason.

8. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No Person may participate in any registration hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to the terms of any over-allotment or "green shoe" option requested by the managing underwriter(s), provided that no holder of Registrable Securities will be required to sell more than the number of Registrable Securities that such holder has requested the Company to include in any registration) and (b) completes and executes all customary questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided, that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties

regarding such holder and such holder's intended method of distribution) or to undertake any indemnification or contribution obligations to the Company or the underwriters with respect thereto, except as otherwise provided in Section 7.

9. RULE 144 REPORTING. With a view to making available to the holders of Registrable Securities the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees at its expense to use its best efforts to:

(a) make and keep current public information available, within the meaning of Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after it has become subject to the reporting requirements of the Exchange Act;

(b) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and Exchange Act (after it has become subject to such reporting requirements); and

(c) so long as any party hereto owns any Registrable Securities, furnish to such Person forthwith upon request, a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 (at any time commencing 90 days after the effective date of the first registration filed by the Company for an offering of its securities to the general public), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as such Person may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

10. NOTICES. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered if delivered personally, sent via a nationally recognized overnight courier, or sent via facsimile to the recipient, or if sent by certified or registered mail, return receipt requested, will be deemed to have been given two business days thereafter. Such notices, demands and other communications shall be sent to any holder of Registrable Securities at such holder's last address on the records of the Company, and to the Company at the address indicated below:

TO THE COMPANY:

H&E Holdings L.L.C.
1110 Mead Road, Second Floor
Baton Rouge, Louisiana 70816
Attention: Chief Executive Officer
Tel: (225) 298-5230
Fax: (225) 298-5382

WITH A COPY, WHICH SHALL NOT CONSTITUTE NOTICE, TO:

BRS Equipment Company, Inc.
c/o Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor

New York, NY 10022
Attention: Bruce Bruckmann and
Rice Edmonds
Tel: (212) 521-3700
Fax: (212) 521-3799

and

Kirkland & Ellis
153 East 53rd Street
New York, NY 10022
Attention: W. Brian Raftery, Esq.
Tel: (212) 446-4800
Fax: (212) 446-4900

and

Taylor, Porter, Brooks & Phillips, L.L.P.
Bank One Center
451 Florida Boulevard, 8th Floor
Baton Rouge, Louisiana 70821
Attention: J. Ashley Moore, Esq.
Tel: (225) 381-0218
Fax: (225) 346-8049

and

Kesler & Rust
2000 Beneficial Life Tower
36 South State Street
Salt Lake City, Utah 84111
Attention: Joseph C. Rust, Esq.
Tel: (801) 532-8000
Fax: (801) 531-7965

or such other address, telecopy number or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

11. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company represents and warrants to the holders of Registrable Securities that the registration rights granted to the holders of such securities hereby do not conflict with any other registration rights granted by the Company.

(b) REMEDIES. Any Person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(c) AMENDMENTS AND WAIVERS. The provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and holders of at least a majority of the number of BRS Registrable Securities; and any amendment to which such written consent is obtained will be binding upon the Company and all holders of Registrable Securities.

(d) SUCCESSORS AND ASSIGNS. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not, including any corporation which is a successor to the Company.

(e) SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

(f) COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(g) DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this

Agreement.

(H) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

(i) NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(j) TRANSFER. Prior to transferring any Registrable Securities (other than a transfer pursuant to which such Securities cease to be Registrable Securities) to any Person, the Person transferring such Registrable Securities will cause the prospective transferee to execute and deliver to the Company, a joinder to this Agreement substantially in the form of EXHIBIT A

hereto pursuant to which the prospective transferee agrees to be bound by this Agreement to the same extent as the Person transferring such Registrable Securities with respect to the Registrable Securities so transferred.

(k) ISSUANCE BY THE COMPANY OF ADDITIONAL COMMON UNITS. The parties hereto hereby acknowledge that, after the date hereof, the Company may issue additional Common Units to certain Persons (the "NEW MEMBERS"). In connection with any such issuance, the parties hereto agree that, with the prior written consent of BRSEC and BRSEC-II, the Company may grant (but shall be under no obligation to grant) such New Members rights substantially similar to the rights granted to the holders of Other Registrable Securities hereunder (provided that, if such grant is made, each such New Member is also subject to the obligations of holders of Other Registrable Securities hereunder) by causing each such New Member to execute a joinder to this Agreement substantially in the form of EXHIBIT A hereto.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first above written.

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

BRSEC CO-INVESTMENT, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

BRSEC CO-INVESTMENT II, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

/s/ John M. Engquist

JOHN M. ENGQUIST

/s/ John M. Engquist

KRISTAN ENGQUIST DUNNE, by John M. Engquist, through of Power of Attorney dated May 15, 1999

WHEELER INVESTMENTS, INC.

By: /s/ Don M. Wheeler

Name: Don M. Wheeler
Title: President

[Continuation of Signature Page to this Registration Rights Agreement]

/s/ Don Wheeler

DON WHEELER

SOUTHERN NEVADA CAPITAL CORPORATION

By: /s/ Dale Roesener

Name: Dale Roesener
Title: President

BAGLEY FAMILY INVESTMENTS, L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: Manager

/s/ Kenneth Sharp, Jr.

KENNETH SHARP, JR.

/s/ Siegfried Wallin

SIEGFRIED WALLIN

THE CONNER FAMILY TRUST

By: /s/ Ralph M. Conner

Name: Ralph M. Conner
Title: Trustee

THE MCCLAIN FAMILY REVOCABLE TRUST

By: /s/ Steven M. McClain

Name: Steven M. McClain
Title: Trustee

[Continuation of Signature Page to this Registration Rights Agreement]

C/J LAND & LIVESTOCK L.P.

By: Illegible

Name:
Title:

JOHN AND ELLEN WILLIAMS LIMITED PARTNERSHIP

By: /s/ John D. Williams

Name: John D. Williams
Title: Partner

ROBERT G. WILLIAMS LIMITED PARTNERSHIP

By: /s/ Robert G. Williams

Name: Robert G. Williams
Title: Member

EXHIBIT A

FORM OF JOINDER TO
REGISTRATION RIGHTS AGREEMENT

THIS JOINDER to the Registration Rights Agreement dated as of June 17, 2002, by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"), and certain securityholders of the Company (the "AGREEMENT"), is made and entered into as of _____ by and between the Company and _____ ("HOLDER"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement.

WHEREAS, Holder has acquired _____ [CLASS [A/B] COMMON UNITS] from _____.

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

1. AGREEMENT TO BE BOUND. Holder hereby (i) acknowledges that it has received and reviewed a complete copy of the Agreement and (ii) agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto. In addition, Holder hereby agrees that all Common Units held by Holder shall be deemed [BRS REGISTRABLE SECURITIES/OTHER REGISTRABLE SECURITIES] and Registrable Securities for all purposes of the Agreement.

2. SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors, heirs and assigns and Holder and any subsequent holders of Registrable Securities and the respective successors, heirs and assigns of each of them, so long as they hold any Registrable Securities.

3. NOTICES. For purposes of Section 10 of the Agreement, all notices, demands or other communications to the Holder shall be directed to:

[NAME]
[ADDRESS]

4. COUNTERPARTS. This Joinder may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

5. GOVERNING LAW. This Joinder shall be governed by and construed in accordance with the laws of the state of Delaware, without giving effect to any rules, principles or provisions of choice of law or conflict of laws.

6. DESCRIPTIVE HEADINGS. The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder to the Registration Rights Agreement as of the date set forth in the introductory paragraph hereof.

H&E HOLDINGS L.L.C.

By:

Name:
Title:

[HOLDER]

By:

Name:
Title:

EXHIBIT 10.5

[EXECUTION COPY]

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made as of May 26, 1999, by and between Bruckmann, Rosser, Sherrill & Co., Inc., a Delaware corporation (the "SERVICE PROVIDER") and ICM Equipment Company L.L.C., a Delaware limited liability company (the "COMPANY").

WITNESSETH:

WHEREAS, the Company desires to retain the Service Provider to provide business and organizational strategy, financial and investment management, and merchant and investment banking services to the Company and its subsidiaries, upon the terms and conditions hereinafter set forth, and the Service Provider is willing to undertake such obligations; and

WHEREAS, the Company is a borrower pursuant to the terms of the Credit Agreement dated as of February 4, 1998, as amended and restated as of July 31, 1998, and as further amended by Amendment No. 1 made as of February 5, 1999 and by Amendment No. 2 made as of May 7, 1999 (the "CREDIT AGREEMENT"), by and among the Company, Great Northern Equipment, Inc., GNE Investments, Inc. (formerly known as Williams Bros. Construction, Inc.), the Lenders signatory thereto, Bankers Trust Company, as Syndication Agent and Co-Agent, General Electric Capital Corporation, as Documentation Agent and Co-Agent, and The CIT Group/Equipment Financing, Inc., as Administrative Agent.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. APPOINTMENT. The Company hereby engages the Service Provider, and the Service Provider hereby agrees under the terms and conditions set forth herein, to provide certain services to the Company and its subsidiaries as described in Section 3 hereof.

2. TERM. The term of the Agreement (the "TERM") shall commence on the date hereof and shall continue until the tenth anniversary of this Agreement.

3. DUTIES OF THE SERVICE PROVIDERS. The Service Provider shall provide the Company and its subsidiaries with business and organizational strategy, financial and investment management, and merchant and investment banking services (collectively, the "SERVICES"). The Services will be provided at such times and places as may reasonably be determined by the Services Provider. Notwithstanding anything in the foregoing to the contrary, the following services are specifically excluded from the definition of "SERVICES":

(i) INDEPENDENT ACCOUNTING SERVICES. Accounting Services rendered to the Company, its subsidiaries or the Service Provider by an independent accounting firm or accountant (I.E., an accountant who is not an employee of the Service Provider); and

(ii) LEGAL SERVICES. Legal services rendered to the Company, its subsidiaries, or the Service Provider by an independent law firm or attorney (I.E., an attorney who is not an employee of the Service Provider).

4. POWER OF THE SERVICE PROVIDER. So that it may properly perform its duties hereunder, the Service Provider shall, subject to Section 7 hereof, have the authority and power to do all things necessary and proper to carry out the duties set forth in Section 3 hereof.

5. COMPENSATION. As consideration payable to the Service Provider or any of its affiliates for providing the Services to the Company, the Company shall make the following payments to the Service Provider.

(i) During the Term, the Company shall pay to the Service Provider an annual management fee equal to the greater of (x) $500,000 or (y) one percent (1%) of EBITDA (as herein defined) (the "MANAGEMENT FEE") plus the reasonable out-of-pocket fees and expenses of the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries); PROVIDED that, notwithstanding the foregoing, if the Company or any of its subsidiaries acquires (whether by merger, recapitalization, consolidation, reorganization, combination or otherwise) Head & Engquist Equipment, L.L.C., a Louisiana limited liability company, or any of its successors ("H&E"), Gulf Wide Industries, L.L.C., a Louisiana limited liability company, or any of its successors ("GWI") or substantially all of the assets or business of H&E or GWI (including pursuant to any joint venture arrangement) (any such transaction, a "HEAD & ENGQUIST ACQUISITION"), then the Management Fee shall be immediately increased to the greater of (x) $1,000,000 or (y) one percent (1%) of EBITDA (as herein defined). The Management Fee shall be payable quarterly in advance by the Company in immediately available funds on each June 1, September 1, December 1 and March 1,

such payments to commence on June 1, 1999 (such first payment to include a pro-rated portion of the Management Fee for the period beginning on the date hereof and ending on May 31, 1999) and shall be based on EBITDA for the immediately preceding twelve month period. For purposes of this Agreement, "EBITDA" means, for any period, (x) the net income of the Company and its subsidiaries, on a consolidated basis, for such period (before the payment of any dividends or other distributions and excluding the effect of any extraordinary gains or losses during such period), PLUS (y) the interest expense, federal, state, foreign and local income, franchise, capital gain, capital stock and other similar taxes, depreciation and amortization expense, and the Management Fee of the Company and its subsidiaries, on a consolidated basis, for such period, in each case, determined in accordance with United States generally accepted accounting principles.

(ii) During the Term, the Service Provider shall be entitled to receive from the Company a transaction fee in connection with the consummation by the Company or any of its subsidiaries of (i) each material acquisition of an additional business (other than any acquisition of Coastal or Pacific Utilities Equipment Company), (ii) each material divestiture and (iii) each material financing or refinancing (other than any financing which is consummated by the Company in order to replace the financing provided to the Company pursuant to the Credit Agreement), in each case, in an

amount equal to 1.25% of the aggregate value of such transaction (each such payment, a "TRANSACTION FEE") plus all reasonable out-of-pocket fees and expenses of the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries) in connection with any such transaction.

(iii) Upon the consummation of the recapitalization of the Company contemplated by the Purchase and Redemption Agreement dated as of May 7, 1999 (the "PURCHASE AND REDEMPTION AGREEMENT"), by and among the Company, Inter-Mountain Equipment L.L.C., BRS Equipment Company, Inc. and the other parties named therein, the Company shall be obligated to pay to the Service Provider a transaction fee of $4,000,000 (the "ICM TRANSACTION FEE") in immediately available funds, to an account designated by the Service Provider; it being understood that the ICM Transaction Fee shall be in lieu of the Transaction Fee with respect to such recapitalization; PROVIDED, that, notwithstanding the foregoing, the Company shall pay the ICM Transaction Fee to the Service Provider on the earlier of (x) May 31, 2006 or (y) the consummation of either (i) a public offering and sale of debt securities of the Company pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "SECURITIES ACT") the resulting in net proceeds to the Company of at least $100,000,000 or (ii) an offering and sale of debt securities of the Company to United States buyers who fit the requirements of Rule 144A of the Securities Act and/or overseas buyers under Regulation S of the Securities Act resulting in net proceeds to the Company of at least $100,000,000, but only if such offering and sale requires that the Company file and effect a registration statement under the Securities Act for such debt securities within one year after the consummation of such offering and sale. In addition, the Company shall either pay directly or reimburse the Service Provider for all of the reasonable out-of-pocket fees and expenses, including legal and accounting fees, incurred by the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries) in connection with the negotiation and execution of the Purchase and Redemption Agreement and the consummation of the transactions contemplated by the Purchase and Redemption Agreement.

(iv) Upon the consummation of a Head & Engquist Acquisition, the Company shall pay, or shall cause a subsidiary of the Company to pay, to the Service Provider a transaction fee of $3,218,750 (the "H&E TRANSACTION FEE") in immediately available funds, to an account designated by the Service Provider; it being understood that the Closing Fee shall be in lieu of the Transaction Fee with respect to such acquisition and with respect to any financing entered into in connection therewith. In addition, the Company shall either pay directly or reimburse the Service Provider for all of the reasonable out-of-pocket fees and expenses, including legal and accounting fees, incurred by the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries) in connection with any Head & Engquist Acquisition.

Notwithstanding anything to the contrary contained in this Agreement, all payments required to be made by the Company to the Service Provider pursuant to the terms of this Agreement (including the Management Fee, any Transaction Fee, the ICM Transaction Fee and any H&E Transaction Fee) will be subject to applicable restrictions contained in the Credit Agreement. If any such restrictions prohibit any payment which the Company is required to make to the Service Provider pursuant to the terms of this Agreement or if such payment would cause a default under the Credit Agreement, then

the Company shall make such payment as soon as it is permitted to do so under such restrictions and/or as soon as such payment would not cause such a default.

6. INDEMNIFICATION. In the event that the Service Provider or any of its

affiliates, principals, partners, directors, stockholders, employees, agents and representatives (collectively, the "INDEMNIFIED PARTIES") becomes involved in any capacity in any action, proceeding or investigation in connection with any matter referred to in or contemplated by this Agreement, or in connection with its Services, the Company will indemnify and hold harmless the Indemnified Parties from and against any actual or threatened claims, lawsuits, actions or liabilities (including out-of-pocket expenses and the fees and expenses of counsel and other litigation costs and the cost of any preparation or investigation) of any kind or nature, arising as a result of or in connection with this Agreement and its Services, activities and decisions hereunder, and will periodically reimburse the Service Provider for its expenses as described above, except that the Company will not be obligated to so indemnify any Indemnified Party if, and to the extent that, such claims, lawsuits, actions or liabilities against such Indemnified Party directly result from the gross negligence or willful misconduct of such Indemnified Party as admitted in any settlement by such Indemnified Party or held in any final, non-appealable judicial or administrative decision. In connection with such indemnification, the Company will promptly remit or pay to the Service Provider any amounts which the Service Provider certifies to the Company in writing are payable to the Service Provider or other Indemnified Parties hereunder. The reimbursement and indemnity obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any Indemnified Party, as the case may be, of the Service Provider and any such affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Service Provider, and any such Indemnified Party. The foregoing provisions shall survive the termination of this Agreement.

7. INDEPENDENT CONTRACTORS. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. The Service Provider shall be an independent contractor pursuant to this Agreement. Neither party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.

8. NOTICES. Any notice or other communications required or permitted to be given hereunder shall be in writing and delivered by hand or mailed by registered or certified mail, return receipt requested, or by telecopier to the party to whom it is to be given at its address set forth herein, or to such other address as the party shall have specified by notice similarly given.

(a) If to the Company:

ICM Equipment Company L.L.C.
4899 West 2100 South
Salt Lake City, Utah 84120
Attention: President
Tel: (801) 974-0388
Fax: (801) 956-0507

(b) If to the Service Provider:

Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor
New York, New York 10022
Attention: Bruce Bruckmann
Tel: (212) 521-3700
Fax: (212) 521-3799

9. LIABILITY. The Service Provider is not and never shall be liable to any creditor of the Company and the Company agrees to indemnify and hold each Indemnified Party harmless from and against any and all such claims of alleged creditors of the Company and against all costs, charges and expenses (including reasonable attorneys fees and expenses) incurred or sustained by any Indemnified Party in connection with any action, suit or proceeding to which it may be made a party by any alleged creditor of the Company. Notwithstanding anything contained in this Agreement to the contrary, the Company agrees and acknowledges that the Service Provider and its partners, principals, shareholders, directors, officers, employees and affiliates intend to engage and participate in acquisitions and business transactions outside of the scope of the relationship created by this Agreement (including the acquisition of GWI and/or H&E) and they shall not be under any obligation whatsoever to make such acquisitions, business transactions or other opportunities through the Company or offer such acquisitions, business transactions or other opportunities to the Company.

10. ASSIGNMENT. No party hereto may assign any obligations hereunder to any other party without the prior written consent of the other party hereto.

11. SUCCESSORS. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties hereto.

12. COUNTERPARTS. This Agreement may be executed and delivered by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and both of which taken together shall constitute but one and the same agreement.

13. ENTIRE AGREEMENT; MODIFICATION; GOVERNING LAW. The terms and conditions hereof constitute the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersede all previous communications, either oral or written, representations or

warranties of any kind whatsoever, except as expressly set forth herein. No modifications of this Agreement nor waiver of the terms or conditions hereof shall be binding upon any party hereto unless approved in writing by an authorized representative of such party. All issues concerning this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York.

14. NO THIRD PARTY BENEFICIARIES. Except as provided in Section 6 and Section 9 hereof, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

15. HEAD & ENGQUIST ACQUISITION. The parties hereto acknowledge and agree that nothing contained herein provides the Company with any right to a Head & Engquist Acquisition and any such Head & Engquist Acquisition shall be pursued (or not pursued) and/or consummated (or not consummated) at such time and on such terms as the Company's board of directors shall determine in their sole discretion.

* * * * *

IN WITNESS WHEREOF, the parties hereto have signed this Management Agreement as of the day and year first above written.

BRUCKMANN, ROSSER, SHERRILL & CO., INC.

By: /s/ Bruce Bruckman

Name: Bruce Bruckman
Title:

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name: Gary bagley
Title: President & CEO

EXHIBIT 10.6

EXECUTION COPY

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made as of August 10, 2001, by and among Bruckmann, Rosser, Sherrill & Co., L.L.C., a Delaware limited liability company (the "SERVICE PROVIDER"), Head & Engquist Equipment, L.L.C., a Louisiana limited liability company (the "COMPANY") and Gulf Wide Industries, L.L.C., a Louisiana limited liability company ("GULF WIDE").

WITNESSETH:

WHEREAS, the Company desires to retain the Service Provider to provide business and organizational strategy, financial and investment management, and merchant and investment banking services to the Company and its subsidiaries, upon the terms and conditions hereinafter set forth, and the Service Provider is willing to undertake such obligations;

WHEREAS, the Company is a wholly-owned subsidiary of Gulf Wide; and

WHEREAS, the Company is a borrower pursuant to the terms of that certain Loan Agreement dated as of August 1998, as amended from time to time (the "CIT LOAN AGREEMENT"), between the Company and The CIT Group/Equipment Financing, Inc. For purposes of this Agreement, as of any period, the Company's then senior debt facility shall be referred to herein as the "SENIOR DEBT FACILITY". As of the date hereof, the Senior Debt Facility is the CIT Loan Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. APPOINTMENT. The Company hereby engages the Service Provider, and the Service Provider hereby agrees under the terms and conditions set forth herein, to provide certain services to the Company and its subsidiaries as described in Section 3 hereof.

2. TERM. The term of this Agreement (the "TERM") shall commence on the date hereof and shall continue until December 31, 2006, and shall thereafter continue and remain in effect until the thirtieth day after either the Company gives the Service Provider or the Service Provider gives the Company written notice of its intent to terminate the Term. Notwithstanding the foregoing, if at any time prior to the expiration of the Term pursuant to the immediately preceding sentence, any person other than BRSEC Co-Investment II, LLC, John M. Engquist or any of their respective affiliates acquires a majority of the votes of Gulf Wide's common equity securities, then the Term shall terminate as of such time.

3. DUTIES OF THE SERVICE PROVIDERS. The Service Provider shall provide the Company and its subsidiaries with business and organizational strategy, financial and investment management, and merchant and investment banking services (collectively, the "SERVICES"). The Services will be provided at such times and places as may reasonably be determined by the Service Provider. Notwithstanding anything in the foregoing to the contrary, the following services are specifically excluded from the definition of "SERVICES":

(i) INDEPENDENT ACCOUNTING SERVICES. Accounting Services rendered to the Company, its subsidiaries or the Service Provider by an independent accounting firm or accountant (I.E., an accountant who is not an employee of the Service Provider); and

(ii) LEGAL SERVICES. Legal services rendered to the Company, its subsidiaries, or the Service Provider by an independent law firm or attorney (I.E., an attorney who is not an employee of the Service Provider).

4. POWER OF THE SERVICE PROVIDER. So that it may properly perform its duties hereunder, the Service Provider shall, subject to Section 7 hereof, have the authority and power to do all things necessary and proper to carry out the duties set forth in Section 3 hereof.

5. COMPENSATION. As consideration payable to the Service Provider or any of its affiliates for providing the Services to the Company, the Company shall make the following payments to the Service Provider.

(i) During the Term, the Service Provider shall be entitled to receive from the Company an annual management fee equal to the greater of (x) $500,000 or (y) one percent (1%) of EBITDA (as herein defined) (the "MANAGEMENT FEE") plus the reasonable out-of-pocket fees and expenses of the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries). The Management Fee shall be payable by the Company in immediately available funds as follows: (A) $250,000, in advance, on each January 3 and July

2 (such payments, the "SEMI-ANNUAL PAYMENTS"); PROVIDED that the Service Provider hereby acknowledges that the applicable portion of the Semi-Annual Payment for the period beginning on the date hereof and ending on December 31, 2001 has previously been paid by the Company to the Service Provider and (B) by each February 15 (including the first February 15th which occurs after the expiration of the Term), any additional Management Fee which is due to the Service Provider with respect to the immediately preceding calendar year based upon the EBITDA for such calendar year. For purposes of this Agreement, "EBITDA" means, for any period, (x) the net income of the Company and its subsidiaries, on a consolidated basis, for such period (before the payment of any dividends or other distributions and excluding the effect of any exceptional gains or losses during such period), plus (y) the interest expense, federal, state, foreign and local income, franchise, capital gain, capital stock and other similar taxes, depreciation and amortization expense, and the Management Fee of the Company and its subsidiaries, on a consolidated basis, for such period, in each case, determined in accordance with United States generally accepted accounting principles.

(ii) During the Term, the Service Provider shall be entitled to receive from the Company a transaction fee in connection with the consummation by the Company or any of its subsidiaries of (x) each material acquisition of an additional business, (y) each material divestiture and (z) each material financing or refinancing (other than any financing which is consummated by the Company in order to replace the financing provided to the Company pursuant to the CIT Loan Agreement (the "CIT FINANCING"), including any and all amount of such financing which is greater than the amount of the CIT Financing which is being replaced), in each case, in an amount equal to 1.25% of the aggregate value of such transaction (each such payment, a "TRANSACTION FEE") plus all reasonable out-of-pocket fees and expenses of the Service

Provider or any of its affiliates (other than the Company or any of its subsidiaries) in connection with any such transaction.

(iii) For the consummation of the transactions contemplated by the Recapitalization Agreement dated as of May 17, 1999 (the "RECAPITALIZATION AGREEMENT"), by and among the Company, Gulf Wide, BRS Equipment Company II, Inc. and the other parties named therein, the Company shall pay to the Service Provider a transaction fee of $3,218,750 (the "RECAPITALIZATION FEE") in immediately available funds, on the first to occur of (v) the last day of the Term, (w) the date of the refinancing of the debt outstanding under the Company's then Senior Debt Facility (but only if the lenders providing the new senior debt financing do not object to the payment by the Company of the Recapitalization Fee on such date), (x) the date the payment by the Company of the Recapitalization Fee would not cause a default under the then Senior Debt Facility and would not result in the Company ceasing to be able to pay its debts as they become due, (y) the date that BRSEC Co-Investment II, LLC and its affiliates collectively cease to own a majority of the votes of Gulf Wide's common equity securities, and (z) the date that (1) the Company makes an assignment for the benefit of creditors, or (2) an order, judgment or decree is entered by a court of competent jurisdiction adjudicating the Company bankrupt or insolvent, or (3) the Company petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Company, or (4) any such petition or application is filed against the Company and such petition or application is not dismissed within 90 days. In addition, the Company shall either pay directly or reimburse the Service Provider for all of the reasonable out-of-pocket fees and expenses, including legal and accounting fees, incurred by the Service Provider or any of its affiliates (other than the Company or any of its subsidiaries) in connection with the negotiation and execution of the Recapitalization Agreement and the consummation of the transactions contemplated by the Recapitalization Agreement.

(iv) Notwithstanding the foregoing, the payment of the Management Fee, any Transaction Fee and the Recapitalization Fee shall be subject to applicable restrictions contained in any of the Company's debt financing agreements. If any such restrictions prohibit the payment of any portion of the Management Fee, any Transaction Fee or the Recapitalization Fee which the Company would otherwise be required to make pursuant to this Section 5 or if such payment would cause a default under any of the Company's debt financing agreements, then the Company shall make such payment as soon as (x) it is permitted to do so under such restrictions and (y) such payment would not cause such a default.

6. INDEMNIFICATION. In the event that the Service Provider or any of its affiliates, principals, partners, directors, stockholders, employees, agents and representatives (collectively, the "INDEMNIFIED PARTIES") becomes involved in any capacity in any action, proceeding or investigation in connection with any matter referred to in or contemplated by this Agreement, or in connection with its Services, the Company will indemnify and hold harmless the Indemnified Parties from and against any actual or threatened claims, lawsuits, actions or liabilities (including out-of-pocket expenses and the fees and expenses of counsel and other litigation costs and the cost of any preparation or investigation) of any kind or nature, arising as a result of or in connection with this Agreement and its Services, activities and decisions hereunder, and

will periodically reimburse the Service Provider for its expenses as described above, except that the Company will not be obligated to so indemnify any Indemnified Party if, and to the extent that,

such claims, lawsuits, actions or liabilities against such Indemnified Party directly result from the gross negligence or willful misconduct of such Indemnified Party as admitted in any settlement by such Indemnified Party or held in any final, non-appealable judicial or administrative decision. In connection with such indemnification, the Company will promptly remit or pay to the Service Provider any amounts which the Service Provider certifies to the Company in writing are payable to the Service Provider or other Indemnified Parties hereunder. The reimbursement and indemnity obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any Indemnified Party, as the case may be, of the Service Provider and any such affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Service Provider, and any such Indemnified Party. The foregoing provisions shall survive the termination of this Agreement.

7. INDEPENDENT CONTRACTORS. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. The Service Provider shall be an independent contractor pursuant to this Agreement. Neither party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.

8. NOTICES. Any notice or other communications required or permitted to be given hereunder shall be in writing and delivered by hand or mailed by registered or certified mail, return receipt requested, or by telecopier to the party to whom it is to be given at its address set forth herein, or to such other address as the party shall have specified by notice similarly given.

(a) If to the Company:

Head & Engquist Equipment, L.L.C.
11100 Mead Road, 2nd Floor
Baton Rouge, LA 70816
Attention: President
Tel: (225) 298-5200
Fax: (225) 298-5383

(b) If to the Service Provider:

Bruckmann, Rosser, Sherrill & Co., L.L.C.
126 East 56th Street, 29th Floor
New York, New York 10022
Attention: Bruce Bruckmann
Tel: (212) 521-3700
Fax: (212) 521-3799

9. LIABILITY. The Service Provider is not and never shall be liable to any creditor of the Company and the Company agrees to indemnify and hold each Indemnified Party harmless from and against any and all such claims of alleged creditors of the Company and against all

costs, charges and expenses (including reasonable attorneys fees and expenses) incurred or sustained by any Indemnified Party in connection with any action, suit or proceeding to which it may be made a party by any alleged creditor of the Company. Notwithstanding anything contained in this Agreement to the contrary, the Company agrees and acknowledges that the Service Provider and its partners, principals, shareholders, directors, officers, employees and affiliates intend to engage and participate in acquisitions and business transactions outside of the scope of the relationship created by this Agreement and they shall not be under any obligation whatsoever to make such acquisitions, business transactions or other opportunities through the Company or offer such acquisitions, business transactions or other opportunities to the Company.

10. ASSIGNMENT. No party hereto may assign any obligations hereunder to any other party without the prior written consent of the other party hereto.

11. SUCCESSORS. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties hereto.

12. COUNTERPARTS. This Agreement may be executed and delivered by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and both of which taken together shall constitute but one and the same agreement.

13. ENTIRE AGREEMENT; MODIFICATION; GOVERNING LAW. The terms and conditions hereof constitute the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersede all previous communications, either oral or written, representations or warranties of any kind whatsoever, except as expressly set forth herein. No modifications of this Agreement nor waiver of the terms or conditions hereof shall be binding upon any party hereto unless approved in writing by an authorized representative of such party. All issues concerning this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York.

14. NO THIRD PARTY BENEFICIARIES. Except as provided in Section 6 and Section 9 hereof, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

15. OBLIGATIONS OF GULF WIDE AND THE COMPANY. The obligations of Gulf Wide and the Company are jointly and severally guaranteed by the other.

* * * * *

IN WITNESS WHEREOF, the parties hereto have signed this Management Agreement as of the day and year first above written.

BRUCKMANN, ROSSER, SHERRILL & CO., L.L.C.

By: /s/ J. Rice Edmonds

Name: J. Rice Edmonds
Title:

HEAD & ENGQUIST EQUIPMENT, L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer

GULF WIDE INDUSTRIES, L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer

EXHIBIT 10.7

EXECUTION COPY

FIRST AMENDED AND RESTATED MANAGEMENT AGREEMENT

THIS FIRST AMENDED AND RESTATED MANAGEMENT AGREEMENT is made as of June 17, 2002, by and among Bruckmann, Rosser, Sherrill & Co., Inc., a Delaware corporation ("BRS INC."), Bruckmann, Rosser, Sherrill & Co., L.L.C. ("BRS LLC"; and collectively with BRS Inc., the "SERVICE PROVIDERS"), H&E Holdings L.L.C., a Delaware limited liability company ("HOLDINGS") and H&E Equipment Services L.L.C. (f/k/a Gulf Wide Industries, L.L.C.), a Louisiana limited liability company (the "COMPANY").

WITNESSETH:

WHEREAS, the Company is the successor entity of the mergers (the "MERGERS") of (i) ICM Equipment Company L.L.C., a Delaware limited liability company ("ICM"), and (ii) Head & Engquist Equipment, L.L.C. ("OLD H&E"), in each case, with and into the Company;

WHEREAS, the Company is a wholly-owned subsidiary of Holdings;

WHEREAS, BRS Inc. and ICM entered into that certain Management Agreement, dated as of May 26, 1999 (the "ORIGINAL MANAGEMENT AGREEMENT"); and

WHEREAS, as of the date hereof, BRS Inc. and the Company desire to add BRS LLC and Holdings as a party hereto and to amend and restate the Original Management Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. APPOINTMENT. The Company hereby engages the Service Providers, and the Service Providers hereby agree under the terms and conditions set forth herein, to provide certain services to Holdings, the Company and their respective subsidiaries as described in Section 3 hereof.

2. TERM. The term of the Agreement (the "TERM") shall commence on the date hereof and shall continue until the tenth anniversary of this Agreement.

3. DUTIES OF THE SERVICE PROVIDERS. The Service Providers shall provide Holdings, the Company and their respective subsidiaries with business and organizational strategy, financial and investment management, and merchant and investment banking services (collectively, the "SERVICES"). The Services will be provided at such times and places as may reasonably be determined by the Services Providers. Notwithstanding anything in the foregoing to the contrary, the following services are specifically excluded from the definition of "SERVICES":

(i) INDEPENDENT ACCOUNTING SERVICES. Accounting Services rendered to Holdings, the Company, their respective subsidiaries or either Service Provider by an independent accounting firm or accountant (I.E., an accountant who is not an employee of either Service Provider); and

(ii) LEGAL SERVICES. Legal services rendered to Holdings, the Company, their respective subsidiaries, or either Service Provider by an independent law firm or attorney (I.E., an attorney who is not an employee of either Service Provider).

4. POWER OF THE SERVICE PROVIDERS. So that they may properly perform their duties hereunder, the Service Providers shall, subject to Section 7 hereof, have the authority and power to do all things necessary and proper to carry out the duties set forth in Section 3 hereof.

5. COMPENSATION. As consideration payable to the Service Providers or any of their respective affiliates for providing the Services to the Company, the Company shall make the following payments to the Service Providers.

(i) During the Term, the Company shall pay to the Service Providers an annual management fee equal to the lesser of (x) $2,000,000 or (y) one and three quarters percent (1.75%) of Adjusted EBITDA (as herein defined) (the "MANAGEMENT FEE"), plus the reasonable out-of-pocket fees and expenses of each Service Provider or any of their respective affiliates (other than Holdings, the Company or any of their respective subsidiaries). The Management Fee shall be payable semi-annually in advance by the Company in immediately available funds on each January 3rd and July 2nd and each such semi-annual payment shall be based on the lesser of (A) $1,000,000 (representing one-half of $2,000,000) and (B) the budgeted Adjusted EBITDA, as determined by Holdings' board of directors (the "BOARD"), for the six month period commencing on the immediately preceding January 1st if such Management Fee is to be paid on a January 3rd, or the

immediately preceding July 1st if such Management Fee is to be paid on a July 2nd; PROVIDED that the first payment of the Management Fee shall be payable on the date hereof (such first payment shall be a pro-rated portion of the Management Fee for the period beginning on the date hereof and ending on December 31, 2002 and shall be based on the budgeted Adjusted EBITDA for such period, as determined by the Board; accordingly no payment of the Management Fee shall occur on July 2, 2002); PROVIDED, FURTHER that such first payment of the Management Fee shall be (I) increased by any portion of the Management Fee (as such term is defined in the Original Management Agreement) that was accrued but unpaid as of immediately prior to the Mergers and (II) decreased by any portion of the Management Fee (as such term is defined in the Management Agreement, dated as of August 10, 2001, among BRS LLC, Old H&E and the Company) paid by Old H&E or the Company with respect to any period after the date hereof. For purposes of this Agreement, "ADJUSTED EBITDA" means, for any period, (a) the net income of the Company and its subsidiaries, on a consolidated basis, for such period (before the payment of any dividends or other distributions and excluding the effect of any extraordinary gains or losses during such period), plus (b) the interest expense, operating lease expense related to construction and/or industrial equipment, federal, state, foreign and local income, franchise, capital gain, capital stock and other similar taxes, depreciation and amortization expense, and the Management Fee of the Company and its subsidiaries, on a consolidated basis, for such period, in each case, determined in accordance with United States generally accepted accounting principles. In the event that it shall be determined following the end of a fiscal year of the Company, that the amount (such amount, the "ACTUAL ANNUAL MANAGEMENT FEE") equal to the lesser of (xx) $2,000,000 (which amount shall be appropriately pro rated for that portion of such fiscal year during the Term if less than the full fiscal year) and (yy) one and three quarters percent (1.75%) of Adjusted EBITDA for such fiscal year (but only for that portion of such fiscal year during the Term), as determined by the Board by reference to

the Company's audited financial statements for such fiscal year, exceeds the amount of cash actually paid to the Service Providers as Management Fees for such fiscal year, then the Company shall promptly pay an amount equal to such excess to the Service Providers; and in the event that it shall be determined following the end of a fiscal year of the Company that the applicable Actual Annual Management Fee for such fiscal year is less than the amount of cash actually paid to the Service Providers as Management Fees for such fiscal year, then an amount equal to such difference shall be offset against the next payment payable to the Service Providers hereunder. Notwithstanding the foregoing, with respect to any payment of a Management Fee to the Service Providers, 38.67% of such payment shall be made to BRS Inc. and 61.33% of such payment shall be made to BRS LLC.

(ii) During the Term, the Service Providers shall be entitled to receive from the Company a transaction fee in connection with the consummation by Holdings, the Company or any of their respective subsidiaries of (i) each material acquisition of an additional business, (ii) each material divestiture and (iii) each material financing or refinancing, in each case, in an amount equal to 1.25% of the aggregate value of such transaction (each such payment, a "TRANSACTION FEE") plus all reasonable out-of-pocket fees and expenses of each Service Provider or any of its affiliates (other than Holdings, the Company or any of their respective subsidiaries) in connection with any such transaction. Notwithstanding the foregoing, with respect to any payment of a Transaction Fee to the Service Providers, 38.67% of such payment shall be made to BRS Inc. and 61.33% of such payment shall be made to BRS LLC.

(iii) On the date hereof, in consideration for the Service Providers' efforts in obtaining and negotiating the Company's debt financing and related agreements, the Company (i) shall pay to BRS Inc. $4,000,000, which represents the ICM Transaction Fee (as such term is defined in the Original Management Agreement) and (ii) shall pay to BRS LLC $3,218,750, which represents the H&E Transaction Fee (as such term is defined in the Original Management Agreement). In addition, the Company shall either pay directly or reimburse each Service Provider for all of the reasonable out-of-pocket fees and expenses, including legal and accounting fees, incurred by such Service Provider or any of its affiliates (other than Holdings, the Company or any of their respective subsidiaries) in connection with the negotiation and execution of the debt and equity financing and related agreements entered into by Holdings and/or the Company on or about the date hereof.

6. INDEMNIFICATION. In the event that a Service Provider or any of its affiliates, principals, partners, directors, stockholders, employees, agents and representatives (collectively, the "INDEMNIFIED PARTIES") becomes involved in any capacity in any action, proceeding or investigation in connection with any matter referred to in or contemplated by this Agreement, or in connection with its Services, the Company will indemnify and hold harmless the Indemnified Parties from and against any actual or threatened claims, lawsuits, actions or liabilities (including out-of-pocket expenses and the fees and expenses of counsel and other litigation costs and the cost of any preparation or investigation) of any kind or nature, arising as a result of or in connection with this Agreement and its Services, activities and decisions hereunder, and will periodically reimburse such Service Provider for its expenses as described

above, except that the Company will not be obligated to so indemnify any Indemnified Party if, and to the extent that, such claims, lawsuits, actions or liabilities against such Indemnified Party directly result from the gross negligence or willful misconduct of such Indemnified Party as

admitted in any settlement by such Indemnified Party or held in any final, non-appealable judicial or administrative decision. In connection with such indemnification, the Company will promptly remit or pay to such Service Provider any amounts which such Service Provider certifies to the Company in writing are payable to such Service Provider or other Indemnified Parties hereunder. The reimbursement and indemnity obligations of the Company under this Section 6 shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any Indemnified Party, as the case may be, of each Service Provider and any such affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, each Service Provider, and any such Indemnified Party. The foregoing provisions shall survive the termination of this Agreement.

7. INDEPENDENT CONTRACTORS. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. Each Service Provider shall be an independent contractor pursuant to this Agreement. No party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other party hereto or to bind any other party hereto to any contract, agreement or undertaking with any third party.

8. LIABILITY. The Service Providers are not and never shall be liable to any creditor of Holdings or the Company, and Holdings and the Company agree to indemnify and hold each Indemnified Party harmless from and against any and all such claims of alleged creditors of the Company and against all costs, charges and expenses (including reasonable attorneys fees and expenses) incurred or sustained by any Indemnified Party in connection with any action, suit or proceeding to which it may be made a party by any alleged creditor of the Company. Notwithstanding anything contained in this Agreement to the contrary, Holdings and the Company agree and acknowledge that each Service Provider and its partners, principals, shareholders, directors, officers, employees and affiliates intend to engage and participate in acquisitions and business transactions outside of the scope of the relationship created by this Agreement and they shall not be under any obligation whatsoever to make such acquisitions, business transactions or other opportunities through Holdings, the Company or any of their respective subsidiaries or offer such acquisitions, business transactions or other opportunities to Holdings, the Company or any of their respective subsidiaries.

9. ASSIGNMENT. No party hereto may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto; PROVIDED, HOWEVER, that, notwithstanding the foregoing, each Service Provider may assign its rights and obligations under this Agreement to any of its affiliates without the consent of Holdings and the Company or the other Service Provider.

10. SUCCESSORS. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties hereto.

11. COUNTERPARTS. This Agreement may be executed and delivered by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and both of which taken together shall constitute but one and the same agreement.

12. ENTIRE AGREEMENT; MODIFICATION; GOVERNING LAW. The terms and conditions hereof constitute the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersede all previous communications, either oral or written, representations or warranties of any kind whatsoever, except as expressly set forth herein. This Agreement amends and restates the Original Management Agreement in its entirety. No modifications of this Agreement nor waiver of the terms or conditions hereof shall be binding upon any party hereto unless approved in writing by an authorized representative of such party. All issues concerning this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of New York.

13. NO THIRD PARTY BENEFICIARIES. Except as provided in Section 6 and Section 8 hereof, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

14. OBLIGATIONS OF HOLDINGS AND THE COMPANY. The obligations of Holdings and the Company are jointly and severally guaranteed by the other.

* * * * *

IN WITNESS WHEREOF, the parties hereto have signed this First Amended and Restated Management Agreement as of the day and year first above written.

BRUCKMANN, ROSSER, SHERRILL & CO., INC.

By: /s/ Paul Kaminski

Name:
Title:

BRUCKMANN, ROSSER, SHERRILL & CO., L.L.C.

By: /s/ Paul Kaminski

Name:
Title:

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

H&E EQUIPMENT SERVICES L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

EXHIBIT 10.8

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 29th day of June, 1999, by and between Gulf Wide Industries, L.L.C., a Louisiana limited liability company (the "COMPANY"), and John M. Engquist, an individual resident of the State of Louisiana (the "EMPLOYEE").

W I T N E S S E T H :

WHEREAS, the Company, Head & Engquist Equipment, L.L.C., a Louisiana limited liability company and wholly owned subsidiary of the Company ("HEAD & ENGQUIST"), and their respective subsidiaries (collectively, the "COMPANY GROUP") are engaged in the business of selling, renting and servicing industrial and construction equipment (the "BUSINESS"); and

WHEREAS, the Company wishes to employ Employee as its Chief Executive Officer, and Employee wishes to accept such employment, on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

EMPLOYMENT; TERM

SECTION 1.01 EMPLOYMENT. The Company hereby employs Employee and Employee accepts employment by the Company, on the terms and conditions contained in this Agreement.

SECTION 1.02 TERM. The employment of Employee pursuant hereto shall commence on the date of this Agreement (the "EFFECTIVE DATE"), and shall remain in effect for an initial term expiring on the fifth anniversary of the Effective Date (the "INITIAL TERM"), unless sooner terminated pursuant to the provisions of Article VI. After the Initial Term, the Agreement and the employment of Employee hereunder shall continue and remain in effect until the thirtieth day after either party has given the other party written notice of its intent to terminate this Agreement, unless sooner terminated pursuant to the provisions of Article VI. The period of time between the Effective Date and the termination of this Agreement pursuant to its terms is herein referred to as the "TERM."

ARTICLE II

DUTIES AND EXTENT OF SERVICE

Employee shall serve the Company as its Chief Executive Officer and shall perform such services and duties for the Company Group as the Board of Directors of the Company may assign or delegate to him from time to time commensurate with Employee's education and experience or as provided in the Operating Agreement of the Company dated as of June 29, 1999 (as it may be amended from time to time, the "OPERATING AGREEMENT"). So long as Employee shall serve the Company as its Chief Executive Officer, Employee shall also serve as a member of the Board of

Directors of the Company. Employee shall devote his full business time, attention, skill and effort exclusively to the performance of his duties for the Company Group and the promotion of its interests. During the Term it shall not be a violation of this Agreement for Employee to (i) serve on corporate, civil or charitable boards or committees, (ii) deliver lectures and fulfill speaking engagements, or (iii) manage personal investments for so long as such activities do not materially interfere with the performance of Employee's responsibilities in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Company. Employee's duties hereunder shall be performed at the Company's current location at 11100 Mead Road, Baton Rouge, East Baton Rouge Parish, Louisiana, or only at any other office or location of the Company Group within thirty (30) miles of said current location.

ARTICLE III

COMPENSATION

SECTION III.1 BASE SALARY. Employee shall be paid base salary (the "BASE SALARY") of $300,000 per annum, to be increased on January 1 of each year by an amount equal to 5% of the Base Salary for the prior year, less deductions and

withholdings required by applicable law. The Base Salary shall be paid to Employee bi-weekly.

SECTION III.2 BONUS. Employee shall receive a bonus ("BONUS") in such amount as may be proposed by the officers of the Company and approved annually by the Company's Board of Directors.

SECTION III.3 INCENTIVE, SAVINGS AND RETIREMENT PLANS. In addition to Base Salary, Employee shall be entitled to participate during the Term in all incentive, savings and retirement plans, practices, policies and programs, which, in the aggregate, shall provide the Employee with compensation, benefits and reward opportunities at least as favorable as those in effect as of the Effective Date.

SECTION III.4 WELFARE BENEFIT PLANS. During the Term, Employee and/or Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company to other key employees, including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs.

SECTION III.5 EXPENSES. During the Term, Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Employee in accordance with the policies, practices and procedures of the Company in effect, as of the Effective Date, for Employee.

SECTION III.6 FRINGE BENEFITS. During the Term, Employee shall be entitled to fringe benefits, including use of two (2) automobiles in furtherance of Employee's position and duties and payment of related expenses and payment of any professional dues and dues for memberships, in

accordance with the plans, practices, programs and policies of the Company in effect, as of the Effective Date, for Employee.

SECTION III.7 OFFICE AND SUPPORT STAFF. During the Term, Employee shall be entitled to an office or offices of a size and with furnishings and other appointments and to secretarial and other assistance, at least equal to that provided to the Employee by the Company as of the Effective Date.

SECTION III.8 VACATION. During the Term, Employee shall be entitled to paid vacation of three (3) weeks in accordance with the plans, policies, programs and practices of the Company in effect as of the Effective Date for Employee.

ARTICLE IV

NONDISCLOSURE

SECTION IV.1 DEFINITION. "CONFIDENTIAL INFORMATION" shall mean all business information (whether or not in written form) which relates to the Company Group, any of its affiliates or their respective businesses or products and which is not to the public generally, including but not limited to technical notebooks and technical records; technical reports; trade secrets; unwritten knowledge and "know-how"; formulas; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; territory listings; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation and other personnel-related information; contracts; and supplier lists.

SECTION IV.2 ACCESS. The parties hereto agree that during the course of his employment by the Company, Employee will have access to, and will gain knowledge with respect to, Confidential Information. The parties acknowledge that unauthorized disclosure or misuse of such Confidential Information would cause irreparable damage to the Company Group. Accordingly, Employee agrees to the nondisclosure covenants in this Article IV.

SECTION IV.3 NONDISCLOSURE. Employee agrees that he shall not (except as may be required by law), without the prior written consent of the Company during his employment with the Company under this Agreement, and any extension or renewal hereof, and thereafter for so long as it remains Confidential Information, use or disclose or knowingly permit any unauthorized person to use, disclose or gain access to, any Confidential Information; PROVIDED, that Employee may disclose Confidential Information to a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of his duties under this Agreement.

SECTION IV.4 RETURN OF DOCUMENTS. Upon termination of this Agreement for any reason, Employee shall return to the Company the original and all copies of all documents and correspondence in his possession relating to the business of the Company Group or any of its affiliates and shall not be entitled to any lien

or right of retention in respect thereof.

ARTICLE V

NONCOMPETITION

SECTION V.1 DEFINITIONS. (a) "NONCOMPETE PERIOD" or "NONSOLICITATION PERIOD" shall mean the period beginning on the Effective Date and ending on the third anniversary of the date of termination of Employee's employment with the Company; PROVIDED, that if Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event (as defined below), such period shall end on the later of (x) the second anniversary of the date of termination of Employee's employment with the Company and (y) the scheduled expiration cf the Term.

(b) "TERRITORY" shall mean (i) the States of Texas, Mississippi, Arkansas and Tennessee, and the parishes of East Baton Rouge, Ascension, Jefferson, Orleans, Rapides, Calcasieu, Caddo, Bossier and Ouachita of the State of Louisiana, and (ii) without limiting the foregoing, the areas within 200 miles of the area where the Company Group or its affiliates conducted its business within one year prior to termination of Employee's employment including any areas where customers or actively sought customers of the Company Group were present.

SECTION V.2 TRADE NAME. During the Noncompete Period, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of any business conducted under any corporate or trade name of the Company or any name similar thereto without the prior written consent of the Company.

SECTION V.3 NONCOMPETITION. During the Noncompete Period, and to the fullest extent permitted under applicable law, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of any business engaged in the activities of selling, renting, and servicing industrial and construction equipment (except with regard to B C Equipment Sales, Inc., the ownership of a less than 5% stock interest in a publicly traded corporation, or owning an equity interest in the Company).

SECTION V.4 NONSOLICITATION. During the Nonsolicitation Period, Employee agrees that he shall not, in any manner (other than as an employee of or a consultant to the Company or as a shareholder of B C Equipment Sales, Inc.), directly or indirectly:

(a) solicit or attempt to solicit any business from any of the Company Group's customers, including actively sought prospective customers, with whom Employee had material contact during Employee's employment hereunder for purposes of providing products or services that are competitive with the Company Group's products or services; or

(b) solicit or attempt to solicit for employment, on Employee's behalf or on behalf of any other person, firm or corporation, any other employee of the Company Group or its affiliates with whom Employee had material contact during his employment hereunder.

SECTION V.5 SEVERABILITY. If a judicial determination is made that any of the provisions of this Article V constitutes an unreasonable or otherwise unenforceable restriction against Employee, the provisions of this Article V shall be rendered void only to the extent that such judicial

determination finds such provisions to be unreasonable or otherwise unenforceable. In this regard, the parties hereby agree that any judicial authority construing this Agreement shall be empowered to sever any portion of this Territory, any prohibited business activity or any time period from the coverage of this Article V and to apply the provisions of this Article V to the remaining portion of the Territory, the remaining business activities and the remaining time period not so severed by such judicial authority. Moreover, notwithstanding the fact that any provision of this Article V is determined not to be specifically enforceable, the Company shall nevertheless be entitled to recover monetary damages as a result of Employee's breach of such provision. The time period during which the prohibitions set forth in this Article V shall apply shall be tolled and suspended for a period equal to the aggregate quantity of the time during which Employee violates such prohibitions in any respect.

SECTION V.6 COVERAGE. Employee agrees that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business and the goodwill of the Company Group.

ARTICLE VI

TERMINATION OF EMPLOYMENT

The employment of Employee hereunder shall terminate prior to the scheduled expiration of the Term upon the occurrence of any of the following events:

(a) the death or total disability of Employee (total disability meaning the failure of Employee to perform his normal required services hereunder for a period of three consecutive months during the term hereof by reason of Employee's mental or physical disability) (a "DISABILITY TERMINATION EVENT");

(b) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for "Good Cause", which shall exist upon the occurrence of any of the following: (i) Employee is convicted of, pleads guilty to, confesses to, or enters a plea of NOLO CONTENDERE to, any felony or any crime that involves moral turpitude or any act of fraud, misappropriation or embezzlement; (ii) Employee has engaged in a fraudulent act to the damage or prejudice of the Company or any affiliate of the Company; (iii) any act or omission by Employee involving malfeasance or gross negligence in the performance of Employee's duties to the Company and, within 10 days after written notice from the Company of any such act or omission, Employee has not corrected such act or omission; or (iv) Employee otherwise fails to comply with the terms of this Agreement or deviates from any written policies or directives of the Board of Directors and, within 10 days after written notice from the Company of such failure or deviation, Employee has not corrected such failure (in any such case, a "GOOD CAUSE TERMINATION EVENT");

(c) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for any reason other than as a result of a Good Cause Termination Event or Disability Termination Event (a "NO CAUSE TERMINATION EVENT"); or

(d) voluntary termination by Employee of Employee's employment hereunder (a "VOLUNTARY TERMINATION EVENT").

ARTICLE VII

RESULT OF TERMINATION

SECTION VII.1 DISABILITY TERMINATION EVENT. If Employee's employment hereunder is terminated as a result of the occurrence of a Disability Termination Event, as of the date of termination of Employee's employment hereunder, the Company shall have no further obligation to pay Employee any Base Salary or any other additional benefits pursuant to this Agreement (other than medical insurance). The Company shall provide medical insurance substantially similar to the medical insurance provided to Employee and to his covered dependents (or exclusively to his covered dependents in the case of his death) prior to the termination of his employment for the three consecutive months immediately following such termination. Employee shall be entitled to receive a portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date on which Employee's employment is terminated.

SECTION VII.2 TERMINATION UPON THE SCHEDULED EXPIRATION OF THE TERM OR AS RESULT OF VOLUNTARY OR GOOD CAUSE TERMINATION EVENTS. If Employee's employment hereunder is terminated upon the scheduled expiration of the Term or as a result of the occurrence of a Voluntary Termination Event or a Good Cause Termination Event, as of the date of the termination of Employee's employment, the Company shall have no further obligation to pay to Employee any Base Salary, Bonus or any other additional benefits pursuant to this Agreement. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date an which Employee's employment is terminated.

SECTION VII.3 TERMINATION AS RESULT OF NO CAUSE TERMINATION. If Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event, the Company shall pay to Employee as severance pay his Base Salary, at the annual base rate in effect immediately prior to the date on which Employee's employment is terminated for the period from such date of termination through the later of (x) the last day of the Noncompete Period (it being agreed that the Company may in its sole discretion on 30 days notice to Employee waive all Employee's obligations under Article V in which case the last day of the Noncompete Period shall be deemed to be the date such waiver becomes effective) and (y) the scheduled expiration of the Term, and a portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated; PROVIDED, that the Company may, at any time, pay to Employee in a single lump sum an amount equal to the net present value (as determined in good faith by the Board of Directors of the Company) of the aggregate Base Salary remaining to be paid to Employee, calculated using a discount rate equal to The Chase Manhattan Bank's prime

lending rate PER ANNUM in effect 30 days prior to such lump sum payment. In addition, the Company shall provide medical insurance substantially similar to the medical

insurance provided to Employee prior to the termination of his employment for the three consecutive months immediately following such termination.

ARTICLE VIII

INJUNCTIVE RELIEF WITH RESPECT TO COVENANTS

Employee acknowledges and agrees that the covenants and obligations of Employee with respect to noncompetition, non-disclosure, non-solicitation, confidentiality and the property of the Company Group and its affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company Group and its affiliates irreparable injury for which adequate remedies are not available at law. Therefore, Employee expressly agrees that the Company Group and its affiliates (which shall be express third-party beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations contained in Articles IV and V. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company Group or any such affiliate may have at law or in equity. Further, Employee represents that his experience and capabilities are such that the provisions of Articles IV and V will not prevent him from earning his livelihood.

ARTICLE IX

TERMINATION; SURVIVAL

This Agreement shall terminate upon the earlier of (x) the scheduled expiration of the Term and (y) the termination of Employee's employment hereunder pursuant to Article VI. Notwithstanding the foregoing Articles IV, V and VIII and, if Employee's employment terminates in a manner giving rise to a payment under Article VII, Article VII shall survive the termination of this Agreement.

ARTICLE X

MISCELLANEOUS

SECTION X.1 NOTICE. Any notice to be given hereunder shall be deemed given when personally delivered to the party to receive such notice, or three business days after being mailed, postage prepaid, by registered or certified mail, as follows:

If to the Company:

Gulf Wide Industries, L.L.C.
c/o Bruckmann, Rosser & Sherrill & Co., Inc.
126 East 56th Street
New York, NY 10022
Attention: Bruce C. Bruckmann

Rice Edmonds

If to Employee:

John M. Engquist
10241 Highway 10
Ethel, LA 70730

Such addresses may be changed by notice in writing to the other party as aforesaid.

SECTION X.2 BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon Employee and his executor, administrator, heirs, personal representative and assigns, and the Company Group and its successors and assigns; PROVIDED, that Employee shall not be entitled to assign or delegate any of his rights or obligations hereunder without the prior written consent of the Company.

SECTION X.3 INTERPRETATION. This Agreement shall be deemed to be made in, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of Louisiana, without regard to the

conflicts of law principles of such State. No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

SECTION X.4 AMENDMENTS. Except as provided in Section 7.03, no provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board of Directors and is agreed to in writing by Employee. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions.

SECTION X.5 HEADINGS. The Article and Section headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION X.6 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

SECTION X.7 GUARANTY. Head & Engquist hereby guarantees the performance and payment by the Company of all obligations of the Company to Employee under this Agreement.

SECTION X.8 ENTIRE AGREEMENT. This Agreement, together with the Operating Agreement, constitutes the entire agreement between the Company and Employee, and supersedes all prior

agreements, if any, whether written or oral, between them, relating to Employee's employment by the Company Group, unless expressly provided otherwise herein and except for (i) all rights of Employee under any other existing benefit plans established and adopted for employees of Company in general, (ii) all rights of Employee to indemnity under all indemnification provided by Company or any third parties, and (iii) other similar arrangements of Company and all agreements with respect to the foregoing.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

GULF WIDE INDUSTRIES, L.L.C.

By: /s/ Terence L. Eastman

Terence L. Eastman
Sectretary

HEAD & ENGQUIST EQUIPMENT, L.L.C.

By: /s/ Terence L. Eastman

Terence L. Eastman
Chief Financial Officer

EMPLOYEE

/s/ John M. Engquist

John M. Engquist

EXHIBIT 10.9

EXECUTION COPY

FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT

This First Amendment (this "FIRST AMENDMENT") to the Employment Agreement (the "EMPLOYMENT AGREEMENT"), dated as of June 29, 1999, by and between Gulf Wide Industries, L.L.C., a Louisiana limited liability company (the "COMPANY") and John M. Engquist (the "EMPLOYEE"), is dated as of August 10, 2001. As provided in Section 10.07 of the Employment Agreement, Head & Engquist Equipment, L.L.C., a Louisiana limited liability company and a wholly-owned subsidiary of the Company ("HEAD & ENGQUIST") has guaranteed the performance and payment by the Company of all obligations of the Company to Employee under the Employment Agreement. Each capitalized term which is used and not otherwise defined in this First Amendment has the meaning given to such term in the Employment Agreement.

1. AMENDMENTS TO THE EMPLOYMENT AGREEMENT.

(a) TERM. The phrase "expiring on the fifth anniversary of the Effective Date" where used in the first sentence of Section 1.02 of the Employment Agreement is hereby deleted and the following is substituted therefore: "expiring on December 31, 2006".

(b) BASE SALARY. The first sentence of Section 3.01 of the Employment Agreement is hereby amended to read as follows:

> "Employee shall be paid base salary (the "BASE SALARY") of $300,000 per annum, to be increased on January 1 of each year occurring on or prior to January 1, 2001 by an amount equal to 5% of the Base Salary for the prior year and to be increased on August 1, 2001 to $500,000 per annum, in each case, less deductions and withholdings required by applicable law."

(c) BONUS. Section 3.02 of the Employment Agreement is hereby amended to read as follows:

> "After each calendar year of the Company during the Term, Employee shall be eligible to receive a cash bonus ("BONUS") of up to $500,000, which cash bonus shall be determined by the Company's Board of Directors consistent with the terms of this Section 3.02, based upon the attainment by the Company of the Company's applicable performance targets for such calendar year; PROVIDED, that, notwithstanding the foregoing, Employee's Bonus for calendar year 2001 shall be based upon the Company's EBITDA for such calendar year 2001 in the following manner: (x) if the Company's EBITDA for calendar year 2001 is greater than or equal to $58,700,000, then the Bonus for calendar year 2001 shall be equal to $500,000, (y) if the Company's EBITDA for calendar year 2001 is less than $52,830,000, then the Bonus for calendar year 2001 shall be zero and (z) if the Company's EBITDA for calendar year 2001 is equal to or greater than $52,830,000 and less than $58,700,000, then the Bonus for calendar year 2001 shall be equal to (i) $250,000 PLUS (ii) $250,000 MULTIPLIED BY P%, where "P%" is
>
> equal to (A) the Company's EBITDA for calendar year 2001 MINUS $52,830,000 DIVIDED BY (B) $5,870,000; PROVIDED, FURTHER, that, notwithstanding the foregoing, with respect to any calendar year of the Company during the Term which occurs after calendar year 2001, (xx) if the Company achieves its applicable performance targets for such calendar year, then Employee's Bonus for such calendar year shall be equal to $500,000, (yy) if the Company achieves less than 90% of its applicable performance targets for such calendar year, then Employee's Bonus for such calendar year shall be zero and (zz) if the Company achieves 90% or more but less than 100% of its applicable performance targets for such calendar year, then Employee's Bonus for such calendar year shall be (I) $250,000 PLUS (II) $250,000 MULTIPLIED BY Q%, where "Q%" is equal to (AA) the percentage of the applicable performance targets for such calendar year achieved by the Company (expressed as a decimal) MINUS 0.90 DIVIDED BY (BB) 0.10. For purposes of this Section 3.02, the term "EBITDA" means, with respect to any calendar year under consideration, an amount equal to (a) consolidated gross profits from sales of the Company for such calendar year, minus selling, general and administrative expenses, plus (b) the sum of (1) any provision for interest expense, and (2) the amount of non-cash charges (including depreciation and amortization) for such calendar year as shown on the books and records of the Company. EBITDA shall in no event include any provision for income taxes, interest income, or any

gains or losses from extraordinary items of the Company for such calendar year."

(d) TERMINATION OF EMPLOYMENT. Clauses (c) and (d) of Article VI of the Employment Agreement are hereby amended to read as follows:

"(c) (i) voluntary termination by Employee of Employee's employment hereunder due to a Constructive Termination (as herein defined) or (ii) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for any reason other than as a result of a Good Cause Termination Event or Disability Termination Event (a "NO CAUSE TERMINATION EVENT"); or

(d) voluntary termination by Employee of Employee's employment hereunder other than due to a Constructive Termination (a "VOLUNTARY TERMINATION EVENT"). For purposes of this Agreement, a "CONSTRUCTIVE TERMINATION" shall mean, without Employee's consent (i) the material breach by the Company of any of its material obligations under this Agreement, provided that such breach is not cured within 30 days after written notice by Employee to the Company's Board of Directors that such breach has occurred and will serve as cause for constructive termination, (ii) the Company's requirement, as a condition to Employee's continued employment, that Employee permanently be assigned to perform duties at a place located more than 30 miles from Baton Rouge, Louisiana, or (iii) the material reduction or diminution by the Company's Board of Directors of the duties, responsibilities or authority of the Employee, provided that such action is not cured within 30 days after written notice by Employee to the Company's Board of Directors that such event has occurred and will serve as cause for constructive termination."

(e) TERMINATION AS RESULT OF NO CAUSE TERMINATION. Section 7.03 of the Employment Agreement is hereby amended to read as follows:

"If Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event, then Employee shall be entitled to receive (i) all Base Salary through the date of termination and any accrued and unpaid Bonus for any calendar year which ended prior to the date of termination, (ii) a portion of the Bonus that would accrue at the end of the calendar year in which such termination occurs, determined pro rata based upon the Company's actual performance and applicable performance targets during the period beginning on the first day of such calendar year and ending on the date of such termination, (iii) severance payments in an aggregate amount equal to one year of his Base Salary PLUS an amount equal to his most recent annual Bonus, without regard to any pro ration (which shall be paid in equal monthly installments over the one year period commencing on the date of such termination) subject, in each case, to withholding and other appropriate deductions. In addition, the Company shall provide medical insurance substantially similar to the medical insurance provided to Employee prior to the termination of his employment for the three consecutive months immediately following such termination."

2. THE EMPLOYMENT AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by this First Amendment, continue in full force and effect.

3. GUARANTEE. Head & Engquist hereby guarantees the performance and payment by the Company of all obligations of the Company to Employee under the Employment Agreement, as amended by this First Amendment.

4. COUNTERPARTS. This First Amendment may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

5. GOVERNING LAW. This First Amendment shall be governed and construed in accordance with the same laws as the Employment Agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Employment Agreement.

GULF WIDE INDUSTRIES, L.L.C.

By: /s/ Terence L. Eastman

    Name: Terence L. Eastman
    Title: Secretary

HEAD & ENGQUIST EQUIPMENT, L.L.C.

By: /s/ Terence L. Eastman

    Name: Terence L. Eastman
    Title: Chief Financial Officer

/s/ John M. Engquist

John M. Engquist

This EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 4th day of February, 1998, by and between ICM Equipment Company L.L.C., a Delaware limited liability company (the "Company"), and GARY BAGLEY, an individual resident of the State of Utah (the "Employee").

W I T N E S S E T H :

WHEREAS the Company is engaged in the business of selling, renting and servicing industrial, construction and mining equipment (the "Business"); and

WHEREAS the Company wishes to employ Employee as its President and Chief Operating Officer, and Employee wishes to accept such employment, on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

EMPLOYMENT; TERM

SECTION 1.01. EMPLOYMENT. The Company hereby employs Employee and Employee accepts employment by the Company, on the terms and conditions contained in this Agreement.

SECTION 1.02. TERM. The employment of Employee pursuant hereto shall commence on the date of this Agreement (the "Effective Date"), and shall remain in effect for an initial term expiring on the fifth anniversary of the Effective Date (the "Initial Term"), unless sooner terminated pursuant to the provisions of Article VII. After the Initial Term, the Agreement and the employment of Employee hereunder shall continue and remain in effect until the THIRTIETH DAY after either party has given the other party written notice of its intent to terminate this Agreement, unless sooner terminated pursuant to the provisions of Article VII. The period of time between the Effective Date and the termination of this Agreement pursuant to its terms is herein referred to as the "Term."

ARTICLE II

DUTIES AND EXTENT OF SERVICE

Employee shall serve the Company as its President and Chief Operating Officer and shall perform such services and duties for the Company as the Board of Directors of the Company may assign or delegate to him from time to time commensurate with Employee's education and experience or as provided in the Amended and Restated Operating Agreement of the Company dated as of February 4, 1998 (as it may be amended from time to time, the "Operating Agreement"). SO LONG AS EMPLOYEE SHALL SERVE THE COMPANY AS ITS PRESIDENT AND CHIEF OPERATING OFFICER, EMPLOYEE SHALL ALSO SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF THE COMPANY. Employee shall devote his full business time, attention, skill and effort exclusively to the performance of his duties for the Company and the promotion of its interests. Employee's duties hereunder shall be performed at such place or places as the interests, needs, businesses or opportunities of the Company shall require.

ARTICLE III

COMPENSATION

SECTION 3.01. BASE SALARY. Employee shall be paid base salary (the "Base Salary") of $275,000 per annum, to be increased on January 1 of each year by an amount equal to 5% of the Base Salary for the prior year, less deductions and withholdings required by applicable law. The Base Salary shall be paid to Employee bi-weekly.

SECTION 3.02. BONUS. Employee shall receive a bonus ("Bonus") in such amount as may be proposed by the officers of the Company and approved annually by the Company's Board of Directors.

SECTION 3.03. FRINGE BENEFITS. Employee shall be entitled to participate in such medical, dental, disability, life insurance, deferred compensation and other benefit plans (such as pension and profit sharing plans) as the Company shall maintain from time to time for the benefit of employees of the Company, on the terms and subject to the conditions set forth in such plans. In addition, Employee shall be entitled to participate in a long-term disability plan approved by the Board of Directors.

ARTICLE IV

DEFERRED COMPENSATION

SECTION 4.01. DEFERRED SIGNING BONUS. (a) In consideration for entering into this Agreement the sum of $3,500,000 (which is in addition to and not part of the sums identified in Article III) shall be credited as of the date hereof to a deferred compensation account (the "Account") established on the books and records of the Company on behalf of Employee. The Account shall also be credited at the end of each quarter with a sum equal to the product of (i) the amount credited to the Account as of the day before the end of the quarter and (ii) 2.5% (the "Interest Credit" for such quarter); PROVIDED THAT Employee may elect in accordance with Section 4.01(b) to have the Interest Credit for a quarter paid to him in cash on the last day of that quarter, in which case the Account shall not be credited with such Interest Credit. Subject to this Article IV, the amount credited to the Account shall be distributed in a cash lump sum to Employee on the eighth anniversary of the Effective Date. The payment of the Account is expressly not contingent on the Employee's continuing in employment with the Company for any period of time or, except for the provisions of this Article IV, his fulfillment of any provision of this Agreement. The amount credited to the Account and any Interest Credit for any quarter are collectively referred to herein as the "Deferred Compensation".

(b) An election to receive a cash payment of an Interest Credit shall be valid only if it is provided to the Company by the end of the calendar year preceding the year of distribution. Any such election shall remain in effect for the entire subsequent year and may not be modified during that year. Employee's election shall remain in effect until revoked. A revocation shall be subject to the same rules described above in this Section 4.01(b). Notwithstanding the foregoing, with respect to any Interest Credits to be credited in 1998, Employee shall provide an election, if any, to receive a cash payment of any such Interest Credits within 10 days of the date of this Agreement; PROVIDED that any such election shall remain in effect for the entire year and may not be modified during that year.

SECTION 4.02. DEFINITION.

"Senior Indebtedness" means all principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for

reorganization relating to the Company or any subsidiary thereof whether or not a claim for post-filing interest is allowed or allowable in any such proceedings), fees, charges, expenses (including but not limited to expenses in connection with claims and litigation), damages, reimbursement obligations, guarantees and all other amounts payable under or in respect of (x) the Credit Agreement dated as of the date hereof, as amended, waived or otherwise modified from time to time, among the Company, Bankers Trust Company, General Electric Capital Corporation, The CIT Group/Equipment Financing, Inc. and the lenders party thereto from time to time, or any refinancings or replacements thereof, including any indebtedness that refinances or replaces any such refinancing or replacement (whether or not in any such cases any such refinancings or replacements are greater than, equal to or less than the aggregate principal amount then outstanding of the indebtedness being refinanced or replaced) (collectively, the "Refinancing Indebtedness"), and (y) any other indebtedness if the Credit Agreement or the instrument creating or evidencing any Refinancing Indebtedness expressly permits such indebtedness to be superior in right of payment to this Note or if the lenders to the Credit Agreement or any Refinancing Indebtedness consent to permitting such indebtedness to be superior in right of payment to this Note (such consent to be obtained in accordance with the terms of the Credit Agreement or any such instrument).

SECTION 4.03. SUBORDINATION. (a) Employee hereby agrees that its rights to receive payment of the Deferred Compensation are expressly subordinate and junior, to the extent and in the manner provided in this Article IV, to the full and complete payment of the Senior Indebtedness.

(b) So long as no default exists under any Senior Indebtedness, and notwithstanding the immediate and complete subordination of the Deferred Compensation to the Senior Indebtedness, payment by the Company to Employee of the regularly scheduled payments of the Deferred Compensation pursuant to the terms of this Agreement shall be permitted. Notwithstanding the foregoing, in the event that Employee has elected to have the Interest Credit for a quarter paid to him in cash and the provisions of this Article IV prohibit the payment of such Interest Credit in cash such Interest Credit shall be credited to the Account (without further action by the Company or Employee).

(c) If any payment of the Deferred Compensation is prohibited at any given time by this Article IV, Employee shall not demand, collect, or receive any payments with

respect to the Deferred Compensation. Employee further agrees that if any payment of the Deferred Compensation not permitted by the terms of this Agreement is received by or on behalf of Employee, Employee shall forthwith pay the same to the holders of Senior Indebtedness as their interests may appear. The Company shall not make any payments of the Deferred Compensation so long as a default under any Senior Indebtedness exists. The Company shall deliver to Employee written notice of a payment default under any Senior Indebtedness promptly following such default. Holders of Senior Indebtedness may, but shall not be obligated to, send notice of any such default to Employee.

(d) Upon any distribution of the assets of the Company or upon any dissolution, winding up, liquidation or reorganization of the Company, whether in bankruptcy, insolvency, reorganization, arrangement or receivership proceedings or otherwise, or upon any assignment for the benefit of creditors or any other marshaling of the assets and liabilities of the Company, or otherwise:

(i) holders of Senior Indebtedness shall first be entitled to receive indefeasible payment in full in cash of such Senior Indebtedness (whenever arising) before Employee shall be entitled to receive any payment on account of the Deferred Compensation; and

(ii) any payment by, or on behalf of, or distribution of the assets of, the Company of any kind or character, whether in cash, property or securities, to which Employee would be entitled except for the provisions of this Article IV shall be paid or delivered by the person making such payment or distribution (whether a trustee in bankruptcy, a receiver, custodian or liquidating trustee or otherwise) directly to holders of Senior Indebtedness as their interests may appear, until the indefeasible payment in full of all Senior Indebtedness.

(e) Employee agrees that until the payment in full of the Senior Indebtedness, it will not attempt to sell, assign, or otherwise transfer or further encumber all or some of its right to receive the Deferred Compensation herein.

(f) The Company will not give, or permit to be given, and Employee will not receive, accept or demand, (i) any security of any nature whatsoever for the Deferred Compensation, on any property or assets, whether now existing or hereafter acquired, of the Company or any subsidiary thereof or (ii) any guarantee, of any nature

whatsoever, by the Company or any subsidiary thereof, of the Deferred Compensation.

(g) Employee agrees that it will not exercise any remedies or take any action or proceeding to enforce the payment of any Deferred Compensation if the payment of the Deferred Compensation is then prohibited by this Article IV, and Employee further agrees not to file, or to join with any other creditors of the Company in filing, any petition commencing any bankruptcy, dissolution, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshaling of the assets and liabilities of the Company. Employee further agrees, to the fullest extent permitted under applicable law, that it will not cause the Company to file any petition commencing any bankruptcy, dissolution, insolvency, reorganization, arrangement or receivership proceeding or make any assignment for the benefit of creditors until all Senior Indebtedness has been indefeasibly paid in full in cash.

SECTION 4.04. WAIVERS AND CONSENTS.

(a) Employee waives the right to compel that any collateral or any other property of the Company or the property of any guarantor of any Senior Indebtedness or any other person be applied in any particular order to discharge such Senior Indebtedness. Employee expressly waives the right to require holders of Senior Indebtedness to proceed against the Company, any collateral or any guarantor of any Senior Indebtedness or any other person, or to pursue any other remedy in any such holder's power which Employee cannot pursue and which would lighten Employee's burden, notwithstanding that the failure of any holder of Senior Indebtedness to do so may thereby prejudice Employee. Any holder's of Senior Indebtedness vote to accept or reject any plan of reorganization relating to the Company, any collateral, or any guarantor of such Senior Indebtedness or any other person, or any holder's of Senior Indebtedness receipt on account of all or part of any Senior Indebtedness of any cash, property or securities distributed in any bankruptcy, reorganization or insolvency case, shall not discharge, exonerate or reduce the obligations of Employee hereunder to any

holder of Senior Indebtedness.

(b) Employee waives all rights and defenses arising out of an election of remedies by any holder of Senior Indebtedness, even though that election of remedies, including without limitation any nonjudicial foreclosure with respect to security for such Senior Indebtedness, has impaired the value of Employee's rights of subrogation,

reimbursement or contribution against the Company or any guarantor of any Senior Indebtedness or any other person.

(c) Employee agrees that, without the necessity of any reservation of rights against it, and without notice to or further assent by it, any demand for payment of any Senior Indebtedness made by a holder thereof may be rescinded in whole or in part by such holder, and any Senior Indebtedness may be continued, and such Senior Indebtedness, or the liability of the Company or any of its subsidiaries or any other guarantor or any other party upon or for any part thereof, or any collateral or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the holders of such Senior Indebtedness, in each case without notice to or further assent by Employee and without impairing, abridging, releasing or affecting the subordination provided for herein.

(d) Employee waives any and all notice of the creation, renewal, extension or accrual of any Senior Indebtedness and notice of or proof of reliance by any holder of Senior Indebtedness upon the provisions of this Article IV. Any Senior Indebtedness shall be deemed conclusively to have been created, contracted or incurred and the consent given to create the obligations of the Company in respect of the Deferred Compensation in reliance upon the provisions of this Article IV, and all dealings between the Company and any holder of Senior Indebtedness shall be deemed to have been consummated in reliance upon the provisions of this Article. Employee waives notice of or proof of reliance on the provisions of this Article IV and protest, demand for payment and notice of default.

SECTION 4.05. WAIVER OF CLAIMS. (a) Employee, for itself and on behalf of its successors and assigns, hereby waives any and all now existing or hereafter arising rights it may have to require any holder of Senior Indebtedness to marshal assets for the benefit of Employee, or to otherwise direct the timing, order or manner of any sale, collection or other enforcement of any collateral. The holders of Senior Indebtedness are under no duty or obligation, and Employee hereby waives any right it may have to compel any holder of Senior Indebtedness, to pursue any guarantor or other person who may be liable for such Senior Indebtedness, or to enforce any lien or security interest in any collateral.

(b) Employee hereby waives and releases all rights which a guarantor or surety with respect to any Senior Indebtedness could exercise.

(c) Employee hereby waives any duty on the part of any holder of Senior Indebtedness to disclose to it any fact known or hereafter known by such holder relating to the operation or financial condition of the Company or any guarantor of such Senior Indebtedness or their respective businesses.

SECTION 4.06. EMPLOYEE'S CAPACITY. Notwithstanding the foregoing, employee agrees to the provisions of this Article IV in his capacity as the recipient of the payments of the Deferred Compensation but not in his capacity as an employee, officer, representative or member of the Company.

ARTICLE V

NONDISCLOSURE

SECTION 5.01. DEFINITION. "Confidential Information" shall mean all business information (whether or not in written form) which relates to the Company, any of its affiliates or their respective businesses or products and which is not known to the public generally, including but not limited to technical notebooks and technical records; technical reports; trade secrets; unwritten knowledge and "know-how"; formulas; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; territory listings; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation and other personnel-related information; contracts; and supplier lists.

SECTION 5.02. ACCESS. The parties hereto agree that during the course of his employment by the Company, Employee will have access to, and will gain knowledge with respect to, the Company's Confidential Information. The parties acknowledge that unauthorized disclosure or misuse of such Confidential Information would cause irreparable damage to the Company. Accordingly, Employee agrees to the nondisclosure covenants in this Article V.

SECTION 5.03. NONDISCLOSURE. Employee agrees that he shall not (except as may be required by law), without the prior written consent of the Company during his employment with the Company under this Agreement, and any extension or renewal hereof, and thereafter for so long as it remains Confidential Information, use or disclose or knowingly permit any unauthorized person to use, disclose or gain access to, any Confidential Information; PROVIDED that Employee may disclose Confidential Information to a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of his duties under this Agreement.

SECTION 5.04. RETURN OF DOCUMENTS. Upon termination of this Agreement for any reason, Employee shall return to the Company the original and all copies of all documents and correspondence in his possession relating to the business of the Company or any of its affiliates and shall not be entitled to any lien or right of retention in respect thereof.

ARTICLE VI

NONCOMPETITION

SECTION 6.01. DEFINITIONS. (a) "Noncompete Period" or "Nonsolicitation Period" shall mean the period beginning on the Effective Date and ending on the third anniversary of the date of termination of Employee's employment with the Company; PROVIDED that if Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event (as defined below), such period shall end on the later of (x) the second anniversary of the date of termination of Employee's employment with the Company and (y) the scheduled expiration of the Term.

(b) "Territory" shall mean (i) the Inter-Mountain Region which includes Utah, Colorado, Arizona, New Mexico, Nevada, Idaho, Montana, Wyoming and El Paso, Texas and (ii) without limiting the foregoing, the areas within 200 miles of the area where the Company or its affiliates conducted its business within one year prior to termination of Employee's employment including any areas where customers or actively sought customers of the Company were present.

SECTION 6.02. TRADE NAME. During the Noncompete Period, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or

control of any business conducted under any corporate or trade name of the Company or any name similar thereto without the prior written consent of the Company.

SECTION 6.03. NONCOMPETITION. During the Noncompete Period, and to the fullest extent permitted under applicable law, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of any business engaged in the activities of selling, renting or servicing industrial, construction or mining equipment (except for the ownership of a less than 5% stock interest in (x) a publicly traded corporation or (y) Eagle High Reach Equipment, Inc., a California corporation ("Eagle High Reach"), or owning an equity interest in the Company). In addition, so long as Employee's employment hereunder shall continue, to the extent Employee has knowledge of any potential conflict between the business interest or opportunities of the Company and Eagle High Reach, Employee shall notify the Company's Board of Directors of such potential conflict promptly after becoming aware of such potential conflict.

SECTION 6.04. NONSOLICITATION. During the Nonsolicitation Period, Employee agrees that he shall not, in any manner (other than as an employee of or a consultant to the Company), directly or indirectly:

(a) solicit or attempt to solicit any business from any of the Company's customers, including actively sought prospective customers, with whom Employee had material contact during Employee's employment hereunder for purposes of providing products or services that are competitive with the Company's products or services; or

(b) solicit or attempt to solicit for employment, on Employee's behalf or on behalf of any other person, firm or corporation, any other employee of the Company or its affiliates with whom Employee had material

contact during his employment hereunder.

SECTION 6.05. SEVERABILITY. If a judicial determination is made that any of the provisions of this Article VI constitutes an unreasonable or otherwise unenforceable restriction against Employee, the provisions of this Article VI shall be rendered void only to the extent that such judicial determination finds such provisions to be unreasonable or otherwise unenforceable. In this regard, the parties hereby agree that any judicial authority construing this Agreement shall be empowered to sever any portion of the Territory, any prohibited business activity

or any time period from the coverage of this Article VI and to apply the provisions of this Article VI to the remaining portion of the Territory, the remaining business activities and the remaining time period not so severed by such judicial authority. Moreover, notwithstanding the fact that any provision of this Article VI is determined not to be specifically enforceable, the Company shall nevertheless be entitled to recover monetary damages as a result of Employee's breach of such provision. The time period during which the prohibitions set forth in this Article VI shall apply shall be tolled and suspended for a period equal to the aggregate quantity of the time during which Employee violates such prohibitions in any respect.

SECTION 6.06. COVERAGE. Employee agrees that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business and the goodwill of the Company.

ARTICLE VII

TERMINATION OF EMPLOYMENT

The employment of Employee hereunder shall terminate prior to the scheduled expiration of the Term upon the occurrence of any of the following events:

(a) the death or total disability of Employee (total disability meaning the failure of Employee to perform his normal required services hereunder for a period of three consecutive months during the term hereof by reason of Employee's mental or physical disability) (a "Disability Termination Event");

(b) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for "Good Cause", which shall exist upon the occurrence of any of the following: (i) Employee is convicted of, pleads guilty to, confesses to, or enters a plea of nolo contendere to, any felony or any crime that involves moral turpitude or any act of fraud, misappropriation or embezzlement; (ii) Employee has engaged in a fraudulent act to the damage or prejudice of the Company or any affiliate of the Company; (iii) any act or omission by Employee involving malfeasance or gross negligence in the performance of Employee's duties to the Company and, within 10 days after written notice from the Company of any such act or omission, Employee has not corrected such act or omission; or (iv) Employee otherwise fails to comply

with the terms of this Agreement or deviates from any written policies or directives of the Board of Directors and, within 10 days after written notice from the Company of such failure or deviation, Employee has not corrected such failure (in any such case, a "Good Cause Termination Event");

(c) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for any reason other than as a result of a Good Cause Termination Event or Disability Termination Event (a "No Cause Termination Event"); or

(d) voluntary termination by Employee of Employee's employment hereunder (a "Voluntary Termination Event").

ARTICLE VIII

RESULT OF TERMINATION

SECTION 8.01. DISABILITY TERMINATION EVENT. If Employee's employment hereunder is terminated as a result of the occurrence of a Disability Termination Event, as of the date of termination of Employee's employment hereunder, the Company shall have no further obligation to pay Employee any Base Salary or any other additional benefits pursuant to this Agreement (other than medical insurance). The Company shall provide medical insurance substantially similar to the medical insurance provided to Employee and to his covered

dependents (or exclusively to his covered dependents in the case of his death) prior to the termination of his employment for the three consecutive months immediately following such termination. Employee shall be entitled to receive a portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date on which Employee's employment is terminated.

SECTION 8.02. TERMINATION UPON THE SCHEDULED EXPIRATION OF THE TERM OR AS RESULT OF VOLUNTARY OR GOOD CAUSE TERMINATION EVENTS. If Employee's employment hereunder is terminated upon the scheduled expiration of the Term or as a result of the occurrence of a Voluntary Termination Event or a Good Cause Termination Event, as of the date of the termination of Employee's employment, the Company shall have no further obligation to pay to Employee

any Base Salary, Bonus or any other additional benefits pursuant to this Agreement. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date on which Employee's employment is terminated.

SECTION 8.03 TERMINATION AS RESULT OF NO CAUSE TERMINATION. If Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event, the Company shall pay to Employee as severance pay his Base Salary, at the annual base rate in effect immediately prior to the date on which Employee's employment is terminated for the period from such date of termination through the later of (x) the last day of the Noncompete Period (it being agreed that the Company may in its sole discretion on 30 days notice to Employee waive all Employee's obligations under Article VI in which case the last day of the Noncompete Period shall be deemed to be the date such waiver becomes effective) and (y) the scheduled expiration of the Term, and a portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated; PROVIDED that the Company may, at any time, pay to Employee in a single lump sum an amount equal to the net present value (as determined in good faith by the Board of Directors of the Company) of the aggregate Base Salary remaining to be paid to Employee, calculated using a discount rate equal to The Chase Manhattan Bank's prime lending rate per annum in effect 30 days prior to such lump sum payment. In addition, the Company shall provide medical insurance substantially similar to the medical insurance provided to Employee prior to the termination of his employment for the three consecutive months immediately following such termination.

ARTICLE IX

INJUNCTIVE RELIEF WITH RESPECT TO COVENANTS

Employee acknowledges and agrees that the covenants and obligations of Employee with respect to non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company and its affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company and its affiliates irreparable injury for which adequate remedies are not available at law. Therefore,

Employee expressly agrees that the Company and its affiliates (which shall be express third-parry beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations contained in Articles V and VI. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company or any such affiliate may have at law or in equity. Further, Employee represents that his experience and capabilities are such that the provisions of Articles V and VI will not prevent him from earning his livelihood.

ARTICLE X

TERMINATION; SURVIVAL

This Agreement shall terminate upon the earlier of (x) the scheduled expiration of the Term and (y) the termination of Employee's employment hereunder pursuant to Article VII. Notwithstanding the foregoing Articles IV, V, VI and IX and, if Employee's employment terminates in a manner giving rise to a payment under Article VIII, Article VIII shall survive the termination of this Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 NOTICE. Any notice to be given hereunder shall be deemed given when personally delivered to the party to receive such notice, or three business days after being mailed, postage prepaid, by registered or certified mail, as follows:

If to the Company:

ICM Equipment Company L.L.C.
c/o Ripplewood Holdings L.L.C.
712 Fifth Avenue (49th Floor)
New York, NY 10019
Attention: John Duryea

If to Employee:

Gary Bagley
9 Altawood Drive
Sandy, UT 84092

Such addresses may be changed by notice in writing to the other party as aforesaid.

SECTION 11.02. BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon Employee and his executor, administrator, heirs, personal representative and assigns, and the Company and its successors and assigns; PROVIDED, HOWEVER, that Employee shall not be entitled to assign or delegate any of his rights or obligations hereunder without the prior written consent of the Company.

SECTION 11.03. INTERPRETATION. This Agreement shall be deemed to be made in, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of Utah, without regard to the conflicts of law principles of such State. No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

SECTION 11.04. AMENDMENTS. Except as provided in Section 8.03, no provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board of Directors

and is agreed to in writing by Employee. No waiver by any party hereto at any time of any breach by any other parry hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. Notwithstanding the foregoing, no modification or waiver may make any change that adversely affects the rights under Section 4.02, 4.03, 4.04 or 4.05 of any holder of Senior Indebtedness then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

SECTION 11.05. HEADINGS. The Article and Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 11.06. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

SECTION 11.07. ENTIRE AGREEMENT. This Agreement, together with the Operating Agreement, constitutes the entire agreement between the Company and Employee, and supersedes all prior agreements, if any, whether written or

oral, between them, relating to Employee's employment by the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

ICM EQUIPMENT COMPANY L.L.C.,

by /s/ John Duryea

Name: John Duryea
Title: Attorney-in-Fact

EMPLOYEE,
/s/ Gary Bagley

Name: Gary Bagley

EXHIBIT 10.11

EXECUTION COPY

FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT

This First Amendment (this "AMENDMENT"), dated as of May 26, 1999 to the certain Employment Agreement (the "EMPLOYMENT AGREEMENT") dated as of February 4, 1998 between ICM Equipment Company L.L.C. (the "COMPANY") and Gary Bagley (the "EMPLOYEE").

WHEREAS, the Company and the Employee (collectively, the "PARTIES") desire to amend the Employment Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Employment Agreement.

2. TITLE. All references in the Employment Agreement to "President and Chief Operating Officer" are hereby amended to read "Chief Executive Officer and President".

3. DEFINITIONS. For purposes of this Amendment, the following terms have the following meanings:

"CLASS A PREFERRED UNITS" means (i) the Class A Preferred Units (as such term is defined in the LLC Agreement) or (ii) any equity securities issued with respect to the Class A Preferred Units referred to in clause (i) above by way of any recapitalization, merger, consolidation or other reorganization of the Company, including pursuant to Section 12.17 of the LLC Agreement.

"HIGH YIELD DEBT OFFERING" means the consummation of either (i) a public offering and sale of debt securities of the Company pursuant to an effective registration statement under the Securities Act resulting in net proceeds to the Company of at least $100,000,000 or (ii) an offering and sale of debt securities of the Company to United States buyers who fit the requirements of Rule 144A of the Securities Act of 1933, as amended (the "SECURITIES ACT") and/or overseas buyers under Regulation S of the Securities Act resulting in net proceeds to the Company of at least $100,000,000, but only if such offering and sale requires that the Company file and effect a registration statement under the Securities Act for such debt securities within one year after the consummation of such offering and sale.

"LLC AGREEMENT" means the Amended and Restated Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

"TERM A PERCENTAGE" means, at any time, a percentage equal to (i) 2,405.992 (such number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, stock or unit dividend or other distribution or other subdivision or combination of Class A Preferred Units after the date hereof) DIVIDED BY (ii) the sum of (x) the total number of Class A Preferred Units outstanding as of such time PLUS (y) 2,405.992 (such number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, stock or unit dividend or other distribution or other subdivision or combination of Class A Preferred Units after the date hereof).

4. DEFERRED SIGNING BONUS. Section 4.01 of the Employment Agreement is hereby amended by deleting Section 4.01 thereof as in effect immediately prior to the date hereof in its entirety (the "DELETED SECTION 4.01") (and the Employee hereby releases the Company from all obligations arising under the Deleted Section 4.01) and replacing it with the following restated Section 4.01 (including the definitions contained in paragraph 3 hereof):

"SECTION 4.01. DEFERRED SIGNING BONUS.

(a) In consideration for entering into this Agreement, on May 26, 1999, (x) the sum of $2,405,992 (which is in addition to and not part of the sums identified in Article III) shall be credited to a deferred compensation account (the "TRANCHE A ACCOUNT"), (y) $1,094,008 (which is in addition to and not part of the sums identified in Article III) shall be credited to a deferred compensation account (the "TRANCHE B ACCOUNT"; and collectively with the Tranche A Account, the "ACCOUNTS"), in each case, on the books and records of the Company on behalf of the Employee and (z) the sum of $52,739.72, which represents accrued interest for the period beginning April 1, 1999 and ending on May 26, 1999, shall be paid to Employee on June 30, 1999.

(b) INTEREST ACCRUALS.

(i) So long as a balance remains in the Tranche A Account, the

Tranche A Account shall be credited on each March 31, June 30, September 30 and December 31 (each, a "TRANCHE A INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of ten percent (10%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year) on the balance in the Tranche A Account during the three month period ending on such Tranche A Interest Accumulation Date (a "TRANCHE A INTEREST CREDIT"); PROVIDED that upon and as of the occurrence of a High Yield Debt Offering, the interest rate on the Tranche A Account shall immediately and permanently be increased to the rate of thirteen percent (13%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year).

(ii) So long as a balance remains in the Tranche B Account, the Tranche B Account shall be credited on each March 31, June 30, September 30 and December 31 (each, a "TRANCHE B INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of ten percent (10%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year) on the balance in the Tranche B Account during the

three month period ending on such Tranche B Interest Accumulation Date (a "TRANCHE B INTEREST CREDIT").

(c) Subject to this Article IV, on February 4, 2006, the Company shall distribute to the Employee, from the Accounts, a cash payment in an amount equal to the then balance in the Accounts (plus any accrued but uncredited interest); PROVIDED, that, notwithstanding the foregoing:

(i) If at any time the Company makes a cash distribution to the holders of the Class A Preferred Units (other than distributions pursuant to Section 7.3 of the LLC Agreement), then immediately following such distribution, the Company shall distribute to the Employee, from the Tranche A Account, a cash payment in an amount equal to the lesser of (x) the then balance in the Tranche A Account (plus any accrued but uncredited interest) and (y) (i) the amount of such cash distribution to the holders of the Class A Preferred Units MULTIPLIED BY (ii) the Term A Percentage at such time. On June 1, 2000, if a High Yield Debt Offering has not previously occurred, then this Section 4.01(c)(i) shall terminate and be of no further force or effect.

(ii) Immediately following a High Yield Debt Offering, the Company shall distribute to the Employee, from the Tranche B Account, a cash payment in an amount equal to the then balance in the Tranche B Account (plus any accrued but uncredited interest).

(d) Payments from the Accounts by the Company to the Employee are expressly not contingent on the Employee's continuing employment with the Company for any period of time or, except for the provisions of this Article IV, his fulfillment of any provision of this Agreement. The amounts credited to the Accounts and any Tranche A Interest Credit or Tranche B Interest Credit are collectively referred to herein as the "DEFERRED COMPENSATION".

(e) CURRENT PAYMENT ELECTIONS.

(i) The Employee may elect in accordance with this Section 4.01(e)(i) (a "TRANCHE A PAYMENT ELECTION") to have the Tranche A Interest Credit for the four quarters of the following year paid to him in cash on the last day of each such quarter, in which case the Tranche A Account shall not be credited with such Tranche A Interest Credit. A Tranche A Payment Election shall be valid only if delivered to the Company by the end of the calendar year preceding the year which is the subject of the Tranche A Payment Election. Any Tranche A Payment Election shall remain in effect until revoked, provided that the Tranche A Payment Election cannot be revoked (x) for the year immediately following the year in which delivered and (y) during any subsequent year if notice of revocation is not delivered to the Company during the preceding year. Upon and as of the occurrence of a High Yield Debt Offering, this Section 4.01(e)(i) shall automatically terminate and be of no further force or effect, the Employee shall not be entitled to make any Tranche A Payment Election for any period beginning on or after the date of the occurrence of such High Yield Debt Offering and any Tranche A Payment Election made by the Employee with respect to any period beginning

on or after the date of the occurrence of such High Yield Debt Offering shall be deemed to be void.

(ii) The Employee may elect in accordance with this Section 4.01(e)(ii) (a "TRANCHE B PAYMENT ELECTION") to have the Tranche B Interest Credit for the four quarters of the following year paid to him in cash on the last day of each such quarter, in which case the Tranche B Account

shall not be credited with such Tranche B Interest Credit. A Tranche B Payment Election shall be valid only if delivered to the Company by the end of the calendar year preceding the year which is the subject of the Tranche B Payment Election. Any Tranche B Payment Election shall remain in effect until revoked, provided that the Tranche B Payment Election cannot be revoked (x) for the year immediately following the year in which delivered and (y) during any subsequent year if notice of revocation is not delivered to the Company during the preceding year."

(f) The parties hereto acknowledge and agree that amounts "credited" to any Account means only that the Company will reflect such amounts on its book and records and does not mean that the Company will transfer any cash to any account or otherwise set aside or transfer any cash.

5. PAYMENT ELECTION FOR 1999. The parties hereto acknowledge and agree that Employee validly elected prior to January 1, 1999 to receive interest payments on the Account (as such term was defined in the Employment Agreement prior to the effectiveness of this Amendment) for calendar year 1999 and will treat such election as a Tranche A Payment Election and a Tranche B Payment Election for calendar year 1999.

6. NOTICE. The phrase

"TO THE COMPANY:

ICM Equipment Company, Inc.
c/o Ripplewood Holdings L.L.C.
712 Fifth Avenue (49th Floor)
New York, NY 10019
Attention: John Duryea"

referred to in Section 11.01 is hereby amended to read as follows:

"TO THE COMPANY:

ICM Equipment Company L.L.C.
c/o Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor
New York, NY 10022
Attention: Bruce Bruckmann and
Rice Edmonds

Tel: (212) 521-3700
Fax: (212) 521-3799"

7. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of Utah (without reference to its rules as to conflicts of law).

8. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

9. AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by these amendments, continue in full force and effect.

10. NO STRICT CONSTRUCTION. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: President & CEO

/s/ Gary Bagley

GARY BAGLEY

EXHIBIT 10.12

EXECUTION COPY

SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT

This Second Amendment (this "AMENDMENT"), dated as of December 6, 1999, to the certain Employment Agreement dated as of February 4, 1998 between ICM Equipment Company L.L.C. (the "COMPANY") and Gary Bagley (the "EMPLOYEE"), as amended by the First Amendment to Employment Agreement, dated as of May 26, 1999, between the Company and the Employee (such Agreement, as amended by the First Amendment to the Employment Agreement, the "EMPLOYMENT AGREEMENT").

WHEREAS, the Company and the Employee (collectively, the "PARTIES") desire to amend the Employment Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Employment Agreement.

2. DEFERRED SIGNING BONUS. Section 4.01 of the Employment Agreement is hereby amended by deleting the last sentence of Section 4.01(c)(i).

3. ACKNOWLEDGMENT OF SUBORDINATION. Reference is hereby made to the Note and Common Unit Acquisition Agreement, dated as of December 6, 1999 (the "ACQUISITION AGREEMENT") among the Company, BRS Equipment Company, Inc., Don Wheeler and Southern Nevada Capital Corporation. The Employee hereby irrevocably acknowledges and agrees that all principal, interest and all other amounts payable under or in respect of the Notes (as such term is defined in the Acquisition Agreement) are "Senior Indebtedness" for purposes of the Employment Agreement.

4. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of Utah (without reference to its rules as to conflicts of law).

5. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

6. AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by these amendments, continue in full force and effect.

7. NO STRICT CONSTRUCTION. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no

presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name:
Title:

/s/ Gary Bagley

GARY BAGLEY

EXHIBIT 10.13

EXECUTION COPY

THIRD AMENDMENT TO THE EMPLOYMENT AGREEMENT

This Third Amendment (this "THIRD AMENDMENT") to the Employment Agreement, dated as of February 4, 1998 (as previously amended pursuant to that certain First Amendment to the Employment Agreement, dated as of May 26, 1999, and that certain Second Amendment to the Employment Agreement, dated as of December 6, 1999) (such Employment Agreement, as amended to date, the "EMPLOYMENT AGREEMENT"), by and between ICM Equipment Company L.L.C. (the "COMPANY"), and Gary Bagley (the "EMPLOYEE"), is dated as of June 14, 2002. Each capitalized term which is used and not otherwise defined in this Third Amendment has the meaning given to such term in the Employment Agreement.

WHEREAS, after the date hereof, the Company shall merge (the "MERGER") with and into H&E Equipment Services L.L.C., a Louisiana limited liability company (the "SUCCESSOR ENTITY"). Accordingly, upon the consummation of such Merger, the Successor Entity will be the successor of the Company.

WHEREAS, the Company and the Employee desire to amend the Employment Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Company and the Employee hereby agree as follows:

1. AMENDMENTS TO THE EMPLOYMENT AGREEMENT.

(a) PREAMBLE. Effective as of the consummation of the Merger, in the first paragraph of the Employment Agreement the phrase "ICM Equipment Company L.L.C., a Delaware limited liability company" is hereby amended and restated to read as follows: "H&E Equipment Services L.L.C., a Louisiana limited liability company."

(b) SECOND WHEREAS CLAUSE. Effective as of the consummation of the Merger, the second Whereas Clause of the Employment Agreement is hereby amended and restated to read as follows:

> "WHEREAS the Company wishes to employ Employee as its Chairman, and Employee wishes to accept such employment, on the following terms and conditions."

(c) ARTICLE II. Effective as of the consummation of the Merger, Article II of the Employment Agreement is hereby amended and restated to read as follows:

> "Employee shall serve the Company as its Chairman and shall perform such services and duties for the Company as the Board of Directors of the Company may assign or delegate to him from time to time commensurate with Employee's education and experience or as provided in the
>
> Amended and Restated Operating Agreement of the Company (as it may be amended from time to time, the "Operating Agreement"). Employee shall devote his full business time, attention, skill and effort exclusively to the performance of his duties for the Company and the promotion of its interest. Employee's duties hereunder shall be performed at such place or places as the interests, needs, businesses or opportunities of the Company shall require."

(d) ARTICLE IV, DEFERRED COMPENSATION. Article IV of the Employment Agreement, which is titled "Deferred Compensation," is hereby deleted and Employee hereby agrees that Employee shall have no further rights and that the Company shall have no further obligations, in each case, with respect to such Article IV of the Employment Agreement.

2. THE EMPLOYMENT AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by this Third Amendment, continue in full force and effect.

3. COUNTERPARTS. This Third Amendment may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

4. GOVERNING LAW. This Third Amendment shall be governed and construed in accordance with the same laws as the Employment Agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to the Employment Agreement.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: Chief Executive Officer

/s/ Gary Bagley

Gary Bagley

This EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 4th day of February, 1998, by and between ICM Equipment Company L.L.C., a Delaware limited liability company (the "Company"), and Kenneth R. Sharp, Jr., an individual resident of the State of Utah (the "Employee").

W I T N E S S E T H :

WHEREAS the Company is engaged in the business of selling, renting and servicing industrial, construction and mining equipment (the "Business"); and

WHEREAS the Company wishes to employ Employee as its Executive Vice President, and Employee wishes to accept such employment, on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

EMPLOYMENT; TERM

SECTION 1.01. EMPLOYMENT. The Company hereby employs Employee and Employee accepts employment by the Company, on the terms and conditions contained in this Agreement.

SECTION 1.02. TERM. The employment of Employee pursuant hereto shall commence on the date of this Agreement (the "Effective Date"), and shall remain in effect for an initial term expiring on the fifth anniversary of the Effective Date (the "Initial Term"), unless sooner terminated pursuant to the provisions of Article VII. After the Initial Term, the Agreement and the employment of Employee hereunder shall continue and remain in effect until the thirtieth day after either party has given the other party written notice of its intent to terminate this Agreement, unless sooner terminated pursuant to the provisions of Article VII. The period of time between the Effective Date and the termination of this Agreement pursuant to its terms is herein referred to as the "Term."

ARTICLE II

DUTIES AND EXTENT OF SERVICE

Employee shall serve the Company as its Executive Vice President and shall perform such services and duties for the Company as the Board of Directors of the Company may assign or delegate to him from time to time commensurate with Employee's education and experience or as provided in the Amended and Restated Operating Agreement of the Company dated as of February 4, 1998 (as it may be amended from time to time, the "Operating Agreement"). Employee shall devote his full business time, attention, skill and effort exclusively to the performance of his duties for the Company and the promotion of its interests. Employee's duties hereunder shall be performed at such place or places as the interests, needs, businesses or opportunities of the Company shall require.

ARTICLE III

COMPENSATION

SECTION 3.01. BASE SALARY. Employee shall be paid base salary (the "Base Salary") of $240,000 per annum, to be increased on January 1 of each year by an amount equal to 5% of the Base Salary for the prior year, less deductions and withholdings required by applicable law. The Base Salary shall be paid to Employee bi-weekly.

SECTION 3.02. BONUS. Employee shall receive a bonus ("Bonus") in such amount as may be proposed by the officers of the Company and approved annually by the Company's Board of Directors.

SECTION 3.03. FRINGE BENEFITS. Employee shall be entitled to participate in such medical, dental, disability, life insurance, deferred compensation and other benefit plans (such as pension and profit sharing plans) as the Company shall maintain from time to time for the benefit of employees of the Company, on the terms and subject to the conditions set forth in such plans. In addition, Employee shall be entitled to participate in a long-term disability plan approved by the Board of Directors.

ARTICLE IV

DEFERRED COMPENSATION

SECTION 4.01. DEFERRED SIGNING BONUS. (a) In consideration for entering into this Agreement the sum of $1,500,000 (which is in addition to and not part of the sums identified in Article III) shall be credited as of the date hereof to a deferred compensation account (the "Account") established on the books and records of the Company on behalf of Employee. The Account shall also be credited at the end of each quarter with a sum equal to the product of (i) the amount credited to the Account as of the day before the end of the quarter and (ii) 2.5% (the "Interest Credit" for such quarter); PROVIDED that Employee may elect in accordance with Section 4.01(b) to have the Interest Credit for a quarter paid to him in cash on the last day of that quarter, in which case the Account shall not be credited with such Interest Credit. Subject to this Article IV, the amount credited to the Account shall be distributed in a cash lump sum to Employee on the eighth anniversary of the Effective Date. The payment of the Account is expressly not contingent on the Employee's continuing in employment with the Company for any period of time or, except for the provisions of this Article IV, his fulfillment of any provision of this Agreement. The amount credited to the Account and any Interest Credit for any quarter are collectively referred to herein as the "Deferred Compensation".

(b) An election to receive a cash payment of an Interest Credit shall be valid only if it is provided to the Company by the end of the calendar year preceding the year of distribution. Any such election shall remain in effect for the entire subsequent year and may not be modified during that year. Employee's election shall remain in effect until revoked. A revocation shall be subject to the same rules described above in this Section 4.01(b). Notwithstanding the foregoing, with respect to any Interest Credits to be credited in 1998, Employee shall provide an election, if any, to receive a cash payment of any such Interest Credits within 10 days of the date of this Agreement; PROVIDED that any such election shall remain in effect for the entire year and may not be modified during that year.

SECTION 4.02. DEFINITION.

"Senior Indebtedness" means all principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for

reorganization relating to the Company or any subsidiary thereof whether or not a claim for post-filing interest is allowed or allowable in any such proceedings), fees, charges, expenses (including but not limited to expenses in connection with claims and litigation), damages, reimbursement obligations, guarantees and all other amounts payable under or in respect of (x) the Credit Agreement dated as of the date hereof, as amended, waived or otherwise modified from time to time, among the Company, Bankers Trust Company, General Electric Capital Corporation, The CIT Group/Equipment Financing, Inc. and the lenders party thereto from time to time, or any refinancings or replacements thereof, including any indebtedness that refinances or replaces any such refinancing or replacement (whether or not in any such cases any such refinancings or replacements are greater than, equal to or less than the aggregate principal amount then outstanding of the indebtedness being refinanced or replaced) (collectively, the "Refinancing Indebtedness"), and (y) any other indebtedness if the Credit Agreement or the instrument creating or evidencing any Refinancing Indebtedness expressly permits such indebtedness to be superior in right of payment to this Note or if the lenders to the Credit Agreement or any Refinancing Indebtedness consent to permitting such indebtedness to be superior in right of payment to this Note (such consent to be obtained in accordance with the terms of the Credit Agreement or any such instrument).

SECTION 4.03. SUBORDINATION. (a) Employee hereby agrees that its rights to receive payment of the Deferred Compensation are expressly subordinate and junior, to the extent and in the manner provided in this Article IV, to the full and complete payment of the Senior Indebtedness.

(b) So long as no default exists under any Senior Indebtedness, and notwithstanding the immediate and complete subordination of the Deferred Compensation to the Senior Indebtedness, payment by the Company to Employee of the regularly scheduled payments of the Deferred Compensation pursuant to the terms of this Agreement shall be permitted. Notwithstanding the foregoing, in the event that Employee has elected to have the Interest Credit for a quarter paid to him in cash and the provisions of this Article IV prohibit the payment of such Interest Credit in cash such Interest Credit shall be credited to the Account (without further action by the Company or Employee).

(c) If any payment of the Deferred Compensation is prohibited at any given time by this Article IV, Employee shall not demand, collect, or receive any payments with

respect to the Deferred Compensation. Employee further agrees that if any payment of the Deferred Compensation not permitted by the terms of this Agreement is received by or on behalf of Employee, Employee shall forthwith pay the same to the holders of Senior Indebtedness as their interests may appear. The Company shall not make any payments of the Deferred Compensation so long as a default under any Senior Indebtedness exists. The Company shall deliver to Employee written notice of a payment default under any Senior Indebtedness promptly following such default. Holders of Senior Indebtedness may, but shall not be obligated to, send notice of any such default to Employee.

(d) Upon any distribution of the assets of the Company or upon any dissolution, winding up, liquidation or reorganization of the Company, whether in bankruptcy, insolvency, reorganization, arrangement or receivership proceedings or otherwise, or upon any assignment for the benefit of creditors or any other marshaling of the assets and liabilities of the Company, or otherwise:

(i) holders of Senior Indebtedness shall first be entitled to receive indefeasible payment in full in cash of such Senior Indebtedness (whenever arising) before Employee shall be entitled to receive any payment on account of the Deferred Compensation; and

(ii) any payment by, or on behalf of, or distribution of the assets of, the Company of any kind or character, whether in cash, property or securities, to which Employee would be entitled except for the provisions of this Article IV shall be paid or delivered by the person making such payment or distribution (whether a trustee in bankruptcy, a receiver, custodian or liquidating trustee or otherwise) directly to holders of Senior Indebtedness as their interests may appear, until the indefeasible payment in full of all Senior Indebtedness.

(e) Employee agrees that until the payment in full of the Senior Indebtedness, it will not attempt to sell, assign, or otherwise transfer or further encumber all or some of its right to receive the Deferred Compensation herein.

(f) The Company will not give, or permit to be given, and Employee will not receive, accept or demand, (i) any security of any nature whatsoever for the Deferred Compensation, on any property or assets, whether now existing or hereafter acquired, of the Company or any subsidiary thereof or (ii) any guarantee, of any nature

whatsoever, by the Company or any subsidiary thereof, of the Deferred Compensation.

(g) Employee agrees that it will not exercise any remedies or take any action or proceeding to enforce the payment of any Deferred Compensation if the payment of the Deferred Compensation is then prohibited by this Article IV, and Employee further agrees not to file, or to join with any other creditors of the Company in filing, any petition commencing any bankruptcy, dissolution, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshaling of the assets and liabilities of the Company. Employee further agrees, to the fullest extent permitted under applicable law, that it will not cause the Company to file any petition commencing any bankruptcy, dissolution, insolvency, reorganization, arrangement or receivership proceeding or make any assignment for the benefit of creditors until all Senior Indebtedness has been indefeasibly paid in full in cash.

SECTION 4.04. WAIVERS AND CONSENTS.

(a) Employee waives the right to compel that any collateral or any other property of the Company or the property of any guarantor of any Senior Indebtedness or any other person be applied in any particular order to discharge such Senior Indebtedness. Employee expressly waives the right to require holders of Senior Indebtedness to proceed against the Company, any collateral or any guarantor of any Senior Indebtedness or any other person, or to pursue any other remedy in any such holder's power which Employee cannot pursue and which would lighten Employee's burden, notwithstanding that the failure of any holder of Senior Indebtedness to do so may thereby prejudice Employee. Any holder's of Senior Indebtedness vote to accept or reject any plan of reorganization relating to the Company, any collateral, or any guarantor of such Senior Indebtedness or any other person, or any holder's of Senior Indebtedness receipt on account of all or part of any Senior Indebtedness of any cash, property or securities distributed in any bankruptcy, reorganization or insolvency case, shall not discharge, exonerate or reduce the obligations of Employee hereunder to any holder of Senior Indebtedness.

(b) Employee waives all rights and defenses arising out of an

election of remedies by any holder of Senior Indebtedness, even though that election of remedies, including without limitation any nonjudicial foreclosure with respect to security for such Senior Indebtedness, has impaired the value of Employee's rights of subrogation,

reimbursement or contribution against the Company or any guarantor of any Senior Indebtedness or any other person.

(c) Employee agrees that, without the necessity of any reservation of rights against it, and without notice to or further assent by it, any demand for payment of any Senior Indebtedness made by a holder thereof may be rescinded in whole or in part by such holder, and any Senior Indebtedness may be continued, and such Senior Indebtedness, or the liability of the Company or any of its subsidiaries or any other guarantor or any other party upon or for any part thereof, or any collateral or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, waived, surrendered or released by the holders of such Senior Indebtedness, in each case without notice to or further assent by Employee and without impairing, abridging, releasing or affecting the subordination provided for herein.

(d) Employee waives any and all notice of the creation, renewal, extension or accrual of any Senior Indebtedness and notice of or proof of reliance by any holder of Senior Indebtedness upon the provisions of this Article IV. Any Senior Indebtedness shall be deemed conclusively to have been created, contracted or incurred and the consent given to create the obligations of the Company in respect of the Deferred Compensation in reliance upon the provisions of this Article IV, and all dealings between the Company and any holder of Senior Indebtedness shall be deemed to have been consummated in reliance upon the provisions of this Article IV. Employee waives notice of or proof of reliance on the provisions of this Article IV and protest, demand for payment and notice of default.

SECTION 4.05. WAIVER OF CLAIMS. (a) Employee, for itself and on behalf of its successors and assigns, hereby waives any and all now existing or hereafter arising rights it may have to require any holder of Senior Indebtedness to marshal assets for the benefit of Employee, or to otherwise direct the timing, order or manner of any sale, collection or other enforcement of any collateral. The holders of Senior Indebtedness are under no duty or obligation, and Employee hereby waives any right it may have to compel any holder of Senior Indebtedness, to pursue any guarantor or other person who may be liable for such Senior Indebtedness, or to enforce any lien or security interest in any collateral.

(b) Employee hereby waives and releases all rights which a guarantor or surety with respect to any Senior Indebtedness could exercise.

(c) Employee hereby waives any duty on the part of any holder of Senior Indebtedness to disclose to it any fact known or hereafter known by such holder relating to the operation or financial condition of the Company or any guarantor of such Senior Indebtedness or their respective businesses.

SECTION 4.06. EMPLOYEE'S CAPACITY. Notwithstanding the foregoing, employee agrees to the provisions of this Article IV in his capacity as the recipient of the payments of the Deferred Compensation but not in his capacity as an employee, officer, representative or member of the Company.

ARTICLE V

NONDISCLOSURE

SECTION 5.01. DEFINITION. "Confidential Information" shall mean all business information (whether or not in written form) which relates to the Company, any of its affiliates or their respective businesses or products and which is not known to the public generally, including but not limited to technical notebooks and technical records; technical reports; trade secrets; unwritten knowledge and "know-how"; formulas; operating instructions; training manuals; customer lists; customer buying records and habits; product sales records and documents, and product development, marketing and sales strategies; territory listings; market surveys; marketing plans; profitability analyses; product cost; long-range plans; information relating to pricing, competitive strategies and new product development; information relating to any forms of compensation and other personnel-related information; contracts; and supplier lists.

SECTION 5.02. ACCESS. The parties hereto agree that during the course of his employment by the Company, Employee will have access to, and will gain knowledge with respect to, the Company's Confidential Information. The

parties acknowledge that unauthorized disclosure or misuse of such Confidential Information would cause irreparable damage to the Company. Accordingly, Employee agrees to the nondisclosure covenants in this Article V.

SECTION 5.03. NONDISCLOSURE. Employee agrees that he shall not (except as may be required by law), without the prior written consent of the Company during his employment with the Company under this Agreement, and any extension or renewal hereof, and thereafter for so long as it remains Confidential Information, use or disclose or knowingly permit any unauthorized person to use, disclose or gain access to, any Confidential Information; PROVIDED that Employee may disclose Confidential Information to a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of his duties under this Agreement.

SECTION 5.04. RETURN OF DOCUMENTS. Upon termination of this Agreement for any reason, Employee shall return to the Company the original and all copies of all documents and correspondence in his possession relating to the business of the Company or any of its affiliates and shall not be entitled to any lien or right of retention in respect thereof.

ARTICLE VI

NONCOMPETITION

SECTION 6.01. DEFINITIONS.

(a) "Noncompete Period" or "Nonsolicitation Period" shall mean the period beginning on the Effective Date and ending on the second anniversary of the date of termination of Employee's employment with the Company; PROVIDED that if Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event (as defined below), such period shall end on the later of (x) the second anniversary of the date of termination of Employee's employment with the Company and (y) the scheduled expiration of the Term.

(b) "Territory" shall mean (i) the Inter-Mountain Region which includes Utah, Colorado, Arizona, New Mexico, Nevada, Idaho, Montana, Wyoming and El Paso, Texas and (ii) without, limiting the foregoing, the areas within 200 miles of the area where the Company or its affiliates conducted its business within one year prior to termination of Employee's employment including any areas where customers or actively sought customers of the Company were present.

SECTION 6.02. TRADE NAME. During the Noncompete Period, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or

participate in the ownership, management, operation or control of any business conducted under any corporate or trade name of the Company or any name similar thereto without the prior written consent of the Company.

SECTION 6.03. NONCOMPETITION. During the Noncompete Period, and to the fullest extent permitted under applicable law, Employee agrees that he shall not, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of any business engaged in the activities of selling, renting or servicing industrial, construction or mining equipment (except for the ownership of a less than 5% stock interest in (x) a publicly traded corporation or (y) Eagle High Reach Equipment, Inc., a California corporation ("Eagle High Reach"), or owning an equity interest in the Company). In addition, so long as Employee's employment hereunder shall continue, to the extent Employee has knowledge of any potential conflict between the business interest or opportunities of the Company and Eagle High Reach, Employee shall notify the Company's Board of Directors of such potential conflict promptly after becoming aware of such potential conflict.

SECTION 6.04. NONSOLICITATION. During the Nonsolicitation Period, Employee agrees that he shall not, in any manner (other than as an employee of or a consultant to the Company), directly or indirectly:

(a) solicit or attempt to solicit any business from any of the Company's customers, including actively sought prospective customers, with whom Employee had material contact during Employee's employment hereunder for purposes of providing products or services that are competitive with the Company's products or services; or

(b) solicit or attempt to solicit for employment, on Employee's behalf or on behalf of any other person, firm or corporation, any other employee of the Company or its affiliates with whom Employee had material contact during his employment hereunder.

SECTION 6.05. SEVERABILITY. If a judicial determination is made that any of the provisions of this Article VI constitutes an unreasonable or otherwise unenforceable restriction against Employee, the provisions of this Article VI shall be rendered void only to the extent that such judicial determination finds such provisions to be unreasonable or otherwise unenforceable. In this regard, the parties hereby agree that any judicial authority construing this Agreement shall be empowered to sever any

portion of the Territory, any prohibited business activity or any time period from the coverage of this Article VI and to apply the provisions of this Article VI to the remaining portion of the Territory, the remaining business activities and the remaining time period not so severed by such judicial authority. Moreover, notwithstanding the fact that any provision of this Article VI is determined not to be specifically enforceable, the Company shall nevertheless be entitled to recover monetary damages as a result of Employee's breach of such provision. The time period during which the prohibitions set forth in this Article VI shall apply shall be tolled and suspended for a period equal to the aggregate quantity of the time during which Employee violates such prohibitions in any respect.

SECTION 6.06. COVERAGE. Employee agrees that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business and the goodwill of the Company.

ARTICLE VII

TERMINATION OF EMPLOYMENT

The employment of Employee hereunder shall terminate prior to the scheduled expiration of the Term upon the occurrence of any of the following events:

(a) the death or total disability of Employee (total disability meaning the failure of Employee to perform his normal required services hereunder for a period of three consecutive months during the term hereof by reason of Employee's mental or physical disability) (a "Disability Termination Event");

(b) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for "Good Cause", which shall exist upon the occurrence of any of the following: (i) Employee is convicted of, pleads guilty to, confesses to, or enters a plea of nolo contendere to, any felony or any crime that involves moral turpitude or any act of fraud, misappropriation or embezzlement; (ii) Employee has engaged in a fraudulent act to the damage or prejudice of the Company or any affiliate of the Company; (iii) any act or omission by Employee involving malfeasance or gross negligence in the performance of Employee's duties to the Company and, within 10 days after written notice from the Company of any such act or omission, Employee has not corrected such act or

omission; or (iv) Employee otherwise fails to comply with the terms of this Agreement or deviates from any written policies or directives of the Board of Directors and, within 10 days after written notice from the Company of such failure or deviation, Employee has not corrected such failure (in any such case, a "Good Cause Termination Event");

(c) termination by the Company of Employee's employment hereunder, upon 10 days prior written notice to Employee, for any reason other than as a result of a Good Cause Termination Event or Disability Termination Event (a "No Cause Termination Event"); or

(d) voluntary termination by Employee of Employee's employment hereunder (a "Voluntary Termination Event").

ARTICLE VIII

RESULT OF TERMINATION

SECTION 8.01. DISABILITY TERMINATION EVENT. If Employee's employment hereunder is terminated as a result of the occurrence of a Disability Termination Event, as of the date of termination of Employee's employment hereunder, the Company shall have no further obligation to pay Employee any Base Salary or any other additional benefits pursuant to this Agreement (other than medical insurance). The Company shall provide medical insurance substantially similar to the medical insurance provided to Employee and to his covered dependents (or exclusively to his covered dependents in the case of his death) prior to the termination of his employment for the three consecutive months immediately following such termination. Employee shall be entitled to receive a

portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date on which Employee's employment is terminated.

SECTION 8.02. TERMINATION UPON THE SCHEDULED EXPIRATION OF THE TERM OR AS RESULT OF VOLUNTARY OR GOOD CAUSE TERMINATION EVENTS. If Employee's employment hereunder is terminated upon the scheduled expiration of the Term or as a result of the occurrence of a Voluntary Termination Event or a Good Cause Termination Event, as of the date of the termination of Employee's employment, the

Company shall have no further obligation to pay to Employee any Base Salary, Bonus or any other additional benefits pursuant to this Agreement. If such termination occurs prior to the end of any pay period, Employee shall be entitled to receive a portion of the Base Salary for such pay period prorated to the date on which Employee's employment is terminated.

SECTION 8.03 TERMINATION AS RESULT OF NO CAUSE TERMINATION. If Employee's employment hereunder is terminated as a result of the occurrence of a No Cause Termination Event, the Company shall pay to Employee as severance pay his Base Salary, at the annual base rate in effect immediately prior to the date on which Employee's employment is terminated for the period from such date of termination through the later of (x) the last day of the Noncompete Period (it being agreed that the Company may in its sole discretion on 30 days notice to Employee waive all Employee's obligations under Article VI in which case the last day of the Noncompete Period shall be deemed to be the date such waiver becomes effective) and (y) the scheduled expiration of the Term, and a portion of the Bonus, if any, for the year in which Employee's termination of employment occurs prorated to the date on which Employee's employment is terminated; PROVIDED that the Company may, at any time, pay to Employee in a single lump sum an amount equal to the net present value (as determined in good faith by the Board of Directors of the Company) of the aggregate Base Salary remaining to be paid to Employee, calculated using a discount rate equal to The Chase Manhattan Bank's prime lending rate per annum in effect 30 days prior to such lump sum payment. In addition, the Company shall provide medical insurance substantially similar to the medical insurance provided to Employee prior to the termination of his employment for the three consecutive months immediately following such termination.

ARTICLE IX

INJUNCTIVE RELIEF WITH RESPECT TO COVENANTS

Employee acknowledges and agrees that the covenants and obligations of Employee with respect to non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company and its affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company and its affiliates irreparable injury for which

adequate remedies are not available at law. Therefore, Employee expressly agrees that the Company and its affiliates (which shall be express third-parry beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations contained in Articles V and VI. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company or any such affiliate may have at law or in equity. Further, Employee represents that his experience and capabilities are such that the provisions of Articles V and VI will not prevent him from earning his livelihood.

ARTICLE X

TERMINATION; SURVIVAL

This Agreement shall terminate upon the earlier of (x) the scheduled expiration of the Term and (y) the termination of Employee's employment hereunder pursuant to Article VII. Notwithstanding the foregoing, Articles IV, V, VI and IX and, if Employee's employment terminates in a manner giving rise to a payment under Article VIII, Article VIII shall survive the termination of this Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 NOTICE. Any notice to be given hereunder shall be deemed given when personally delivered to the party to receive such notice, or three business days after being mailed, postage prepaid, by registered or certified mail, as follows:

If to the Company:

ICM Equipment Company L.L.C.
c/o Ripplewood Holdings L.L.C.
712 Fifth Avenue (49th Floor)
New York, NY 10019
Attention: John Duryea

If to Employee:

Kenneth R. Sharp Jr.
4796 Fortuna Way
Salt Lake City, UT 84124

Such addresses may be changed by notice in writing to the other party as aforesaid.

SECTION 11.02. BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon Employee and his executor, administrator, heirs, personal representative and assigns, and the Company and its successors and assigns; PROVIDED, HOWEVER, that Employee shall not be entitled to assign or delegate any of his rights or obligations hereunder without the prior written consent of the Company.

SECTION 11.03. INTERPRETATION. This Agreement shall be deemed to be made in, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of Utah, without regard to the conflicts of law principles of such State. No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

SECTION 11.04. AMENDMENTS. Except as provided in Section 8.03, no provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board of Directors

and is agreed to in writing by Employee. No waiver by any party hereto at any time of any breach by any other parry hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. Notwithstanding the foregoing, no modification or waiver may make any change that adversely affects the rights under Sections 4.02, 4.03, 4.04 or 4.05 of any holder of Senior Indebtedness then outstanding unless the holders of such Senior Indebtedness (or any group or representative thereof authorized to give a consent) consent to such change.

SECTION 11.05. HEADINGS. The Article and Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 11.06. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

SECTION 11.07. ENTIRE AGREEMENT. This Agreement, together with the Operating Agreement, constitutes the entire agreement between the Company and Employee, and supersedes all prior agreements, if any, whether written or

oral, between them, relating to Employee's employment by the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

ICM EQUIPMENT COMPANY L.L.C.,

by /s/ John Duryea

Name: John Duryea
Title: Attorney-in-Fact

EMPLOYEE,
/s/ Kenneth R. Sharp

Name: Kenneth R. Sharp, Jr.

EXHIBIT 10.15

EXECUTION COPY

FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT

This First Amendment (this "AMENDMENT"), dated as of May 26, 1999 to the certain Employment Agreement (the "EMPLOYMENT AGREEMENT") dated as of February 4, 1998 between ICM Equipment Company L.L.C. (the "COMPANY") and Kenneth Sharp, Jr. (the "EMPLOYEE").

WHEREAS, the Company and the Employee (collectively, the "PARTIES") desire to amend the Employment Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Employment Agreement.

2. DUTIES AND EXTENT OF SERVICE. The following sentence is added to the end of Article II of the Employment Agreement:

"So long as Employee shall serve the Company as its Executive Vice President, Employee shall also serve as a member of the Board of Directors of the Company."

3. DEFINITIONS. For purposes of this Amendment, the following terms have the following meanings:

"CLASS A PREFERRED UNITS" means (i) the Class A Preferred Units (as such term is defined in the LLC Agreement) or (ii) any equity securities issued with respect to the Class A Preferred Units referred to in clause (i) above by way of any recapitalization, merger, consolidation or other reorganization of the Company, including pursuant to Section 12.17 of the LLC Agreement.

"HIGH YIELD DEBT OFFERING" means the consummation of either (i) a public offering and sale of debt securities of the Company pursuant to an effective registration statement under the Securities Act resulting in net proceeds to the Company of at least $100,000,000 or (ii) an offering and sale of debt securities of the Company to United States buyers who fit the requirements of Rule 144A of the Securities Act of 1933, as amended (the "SECURITIES ACT") and/or overseas buyers under Regulation S of the Securities Act resulting in net proceeds to the Company of at least $100,000,000, but only if such offering and sale requires that the Company file and effect a registration statement under the Securities Act for such debt securities within one year after the consummation of such offering and sale.

"LLC AGREEMENT" means the Amended and Restated Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

"TERM A PERCENTAGE" means, at any time, a percentage equal to (i) 1,256.863 (such number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, stock or unit dividend or other distribution or other subdivision or combination of Class A Preferred Units after the date hereof) DIVIDED BY (ii) the sum of (x) the total number of Class A Preferred Units outstanding as of such time PLUS (y) 1,256.863 (such number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, stock or unit dividend or other distribution or other subdivision or combination of Class A Preferred Units after the date hereof).

4. DEFERRED SIGNING BONUS. Section 4.01 of the Employment Agreement is hereby amended by deleting Section 4.01 thereof as in effect immediately prior to the date hereof in its entirety (the "DELETED SECTION 4.01") (and the Employee hereby releases the Company from all obligations arising under the Deleted Section 4.01) and replacing it with the following restated Section 4.01 (including the definitions contained in paragraph 3 hereof):

"SECTION 4.01. DEFERRED SIGNING BONUS.

(a) In consideration for entering into this Agreement, on May 26, 1999, (x) the sum of $1,256,863 (which is in addition to and not part of the sums identified in Article III) shall be credited to a deferred compensation account (the "TRANCHE A ACCOUNT") and (y) $243,137 PLUS $206,404.34, which represents accrued interest as of May 26, 1999, (which is in addition to and not part of the sums identified in Article III) shall be credited to a deferred compensation account (the "TRANCHE B ACCOUNT"; and collectively with the Tranche A Account, the "ACCOUNTS"), in each case, on the books and records of the Company on behalf of the Employee.

(b) INTEREST ACCRUALS.

(i) So long as a balance remains in the Tranche A Account, the Tranche A Account shall be credited on each March 1, June 30, September 30 and December 31 (each, a "TRANCHE A INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of ten percent (10%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year) on the balance in the Tranche A Account during the three-month period ending on such Tranche A Interest Accumulation Date (a "TRANCHE A INTEREST CREDIT"); PROVIDED that upon and as of the occurrence of a High Yield Debt Offering, the interest rate on the Tranche A Account shall immediately and permanently be increased to the rate of thirteen percent (13%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year).

(ii) So long as a balance remains in the Tranche B Account, the Tranche B Account shall be credited on each March 31, June 30, September 30 and December 31 (each, a "TRANCHE B INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of ten percent (10%) per annum (computed on the basis of a 360-day year and the actual

number of days elapsed in any year) on the balance in the Tranche B Account during the three month period ending on such Tranche B Interest Accumulation Date (a "TRANCHE B INTEREST CREDIT").

(c) Subject to this Article IV, on February 4, 2006, the Company shall distribute to the Employee, from the Accounts, a cash payment in an amount equal to the then balance in the Accounts (plus any accrued but uncredited interest); PROVIDED, that, notwithstanding the foregoing:

(i) If at any time the Company makes a cash distribution to the holders of the Class A Preferred Units (other than distributions pursuant to Section 7.3 of the LLC Agreement), then immediately following such distribution, the Company shall distribute to the Employee, from the Tranche A Account, a cash payment in an amount equal to the lesser of (x) the then balance in the Tranche A Account (plus any accrued but uncredited interest) and (y) (i) the amount of such cash distribution to the holders of the Class A Preferred Units MULTIPLIED BY (ii) the Term A Percentage at such time. On June 1, 2000, if a High Yield Debt Offering has not previously occurred, then this Section 4.01(c)(i) shall terminate and be of no further force or effect.

(ii) Immediately following a High Yield Debt Offering, the Company shall distribute to the Employee, from the Tranche B Account, a cash payment in an amount equal to the then balance in the Tranche B Account (plus any accrued but uncredited interest).

(d) Payments from the Accounts by the Company to the Employee are expressly not contingent on the Employee's continuing employment with the Company for any period of time or, except for the provisions of this Article IV, his fulfillment of any provision of this Agreement. The amounts credited to the Accounts and any Tranche A Interest Credit or Tranche B Interest Credit are collectively referred to herein as the "DEFERRED COMPENSATION".

(e) CURRENT PAYMENT ELECTIONS.

(i) The Employee may elect in accordance with this Section 4.01(e)(i) (a "TRANCHE A PAYMENT ELECTION") to have the Tranche A Interest Credit for the four quarters of the following year paid to him in cash on the last day of each such quarter, in which case the Tranche A Account shall not be credited with such Tranche A Interest Credit. A Tranche A Payment Election shall be valid only if delivered to the Company by the end of the calendar year preceding the year which is the subject of the Tranche A Payment Election. Any Tranche A Payment Election shall remain in effect until revoked, provided that the Tranche A Payment Election cannot be revoked (x) for the year immediately following the year in which delivered and (y) during any subsequent year if notice of revocation is not delivered to the Company during the preceding year. Upon and as of the occurrence of a High Yield Debt Offering, this Section 4.01(e)(i) shall automatically terminate and be of no further force or effect, the Employee shall not be entitled to make any Tranche A Payment Election for any period beginning on or after the date of the occurrence of such High Yield Debt Offering and any Tranche A Payment Election made by the Employee with respect to any period beginning

on or after the date of the occurrence of such High Yield Debt Offering shall be deemed to be void.

(ii) The Employee may elect in accordance with this Section 4.01(e)(ii) (a "TRANCHE B PAYMENT ELECTION") to have the Tranche B Interest Credit for the four quarters of the following year paid to him in cash on

the last day of each such quarter, in which case the Tranche B Account shall not be credited with such Tranche B Interest Credit. A Tranche B Payment Election shall be valid only if delivered to the Company by the end of the calendar year preceding the year which is the subject of the Tranche B Payment Election. Any Tranche B Payment Election shall remain in effect until revoked, provided that the Tranche B Payment Election cannot be revoked (x) for the year immediately following the year in which delivered and (y) during any subsequent year if notice of revocation is not delivered to the Company during the preceding year."

(f) The parties hereto acknowledge and agree that amounts "credited" to any Account means only that the Company will reflect such amounts on its book and records and does not mean that the Company will transfer any cash to any account or otherwise set aside or transfer any cash.

5. NOTICE. The phrase

"TO THE COMPANY:

ICM Equipment Company, Inc.
c/o Ripplewood Holdings L.L.C.
712 Fifth Avenue (49th Floor)
New York, NY 10019
Attention: John Duryea"

referred to in Section 11.01 is hereby amended to read as follows:

"TO THE COMPANY:

ICM Equipment Company L.L.C.
c/o Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor
New York, NY 10022
Attention: Bruce Bruckmann and
Rice Edmonds
Tel: (212) 521-3700
Fax: (212) 521-3799"

6. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of Utah (without reference to its rules as to conflicts of law).

7. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

8. AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by these amendments, continue in full force and effect.

9. NO STRICT CONSTRUCTION. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: President & CEO

/s/ Kenneth Sharp, Jr.

KENNETH SHARP, JR.

EXHIBIT 10.16

EXECUTION COPY

SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT

This Second Amendment (this "AMENDMENT"), dated as of December 6, 1999, to the certain Employment Agreement dated as of February 4, 1998 between ICM Equipment Company L.L.C. (the "COMPANY") and Kenneth Sharp, Jr. (the "EMPLOYEE"), as amended by the First Amendment to Employment Agreement, dated as of May 26, 1999, between the Company and the Employee (such Agreement, as amended by the First Amendment to the Employment Agreement, the "EMPLOYMENT AGREEMENT").

WHEREAS, the Company and the Employee (collectively, the "PARTIES") desire to amend the Employment Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Parties agree as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Employment Agreement.

2. DEFERRED SIGNING BONUS. Section 4.01 of the Employment Agreement is hereby amended by deleting the last sentence of Section 4.01(c)(i).

3. ACKNOWLEDGMENT OF SUBORDINATION. Reference is hereby made to the Note and Common Unit Acquisition Agreement, dated as of December 6, 1999 (the "ACQUISITION AGREEMENT") among the Company, BRS Equipment Company, Inc., Don Wheeler and Southern Nevada Capital Corporation. The Employee hereby irrevocably acknowledges and agrees that all principal, interest and all other amounts payable under or in respect of the Notes (as such term is defined in the Acquisition Agreement) are "Senior Indebtedness" for purposes of the Employment Agreement.

4. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of Utah (without reference to its rules as to conflicts of law).

5. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

6. AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by these amendments, continue in full force and effect.

7. NO STRICT CONSTRUCTION. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no

presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary W. Bagley

Name:
Title:

/s/ Kenneth Sharp, Jr.

KENNETH SHARP, JR.

EXHIBIT 10.17

EXECUTION COPY

THIRD AMENDMENT TO THE EMPLOYMENT AGREEMENT

This Third Amendment (this "THIRD AMENDMENT") to the Employment Agreement, dated as of February 4, 1998 (as previously amended pursuant to that certain First Amendment to the Employment Agreement, dated as of May 26, 1999, and that certain Second Amendment to the Employment Agreement, dated as of December 6, 1999) (such Employment Agreement, as amended to date, the "EMPLOYMENT AGREEMENT"), by and between ICM Equipment Company L.L.C. (the "COMPANY"), and Kenneth Sharp, Jr. (the "EMPLOYEE"), is dated as of June 14, 2002. Each capitalized term which is used and not otherwise defined in this Third Amendment has the meaning given to such term in the Employment Agreement.

WHEREAS, after the date hereof, the Company shall merge (the "MERGER") with and into H&E Equipment Services L.L.C., a Louisiana limited liability company (the "SUCCESSOR ENTITY"). Accordingly, upon the consummation of such Merger, the Successor Entity will be the successor of the Company.

WHEREAS, the Company and the Employee desire to amend the Employment Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Company and the Employee hereby agree as follows:

1. AMENDMENTS TO THE EMPLOYMENT AGREEMENT.

(a) PREAMBLE. Effective as of the consummation of the Merger, in the first paragraph of the Employment Agreement the phrase "ICM Equipment Company L.L.C., a Delaware limited liability company" is hereby amended and restated to read as follows: "H&E Equipment Services L.L.C., a Louisiana limited liability company."

(b) SECOND WHEREAS CLAUSE. Effective as of the consummation of the Merger, the second Whereas Clause of the Employment Agreement is hereby amended and restated to read as follows:

> "WHEREAS the Company wishes to employ Employee as its Vice President, Lift Trucks, and Employee wishes to accept such employment, on the following terms and conditions."

(c) ARTICLE II. Effective as of the consummation of the Merger, Article II of the Employment Agreement is hereby amended and restated to read as follows:

> "Employee shall serve the Company as its Vice President, Lift Trucks, and shall perform such services and duties for the Company as the Board of Directors of the Company may assign or delegate to him from time to time
>
> commensurate with Employee's education and experience or as provided in the Amended and Restated Operating Agreement of the Company (as it may be amended from time to time, the "Operating Agreement"). Employee shall devote his full business time, attention, skill and effort exclusively to the performance of his duties for the Company and the promotion of its interest. Employee's duties hereunder shall be performed at such place or places as the interests, needs, businesses or opportunities of the Company shall require."

(d) ARTICLE IV, DEFERRED COMPENSATION. Article IV of the Employment Agreement, which is titled "Deferred Compensation," is hereby deleted and Employee hereby agrees that Employee shall have no further rights and that the Company shall have no further obligations, in each case, with respect to such Article IV of the Employment Agreement.

2. THE EMPLOYMENT AGREEMENT. In all other respects the Employment Agreement is ratified and shall, as so changed by this Third Amendment, continue in full force and effect.

3. COUNTERPARTS. This Third Amendment may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

4. GOVERNING LAW. This Third Amendment shall be governed and construed in accordance with the same laws as the Employment Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to the Employment Agreement.

ICM EQUIPMENT COMPANY L.L.C.

By: /s/ Gary Bagley

Name: Gary Bagley
Title: Chief Executive Officer

/s/ Kenneth Sharp, Jr.

Kenneth Sharp, Jr.

EXHIBIT 10.18

EXECUTION COPY

H&E HOLDINGS L.L.C.

DEFERRED COMPENSATION AGREEMENT

THIS DEFERRED COMPENSATION AGREEMENT (this "AGREEMENT") is made and entered into as of June 17, 2002 by and between Gary Bagley (the "EMPLOYEE") and H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"). This Agreement is intended to provide deferred compensation to the Employee. Capitalized terms used herein and not otherwise defined are defined in paragraph 8 hereof. In consideration for the employment of the Employee by the Company or one of its subsidiaries on and after the date hereof, the Company and the Employee hereto agree as follows:

1. DEFERRED COMPENSATION. The sum of $3,637,764 shall be credited to a deferred compensation account (the "ACCOUNT") on the books and records of the Company on behalf of the Employee. So long as a balance remains in the Account, the Account shall be credited on each June 17 and December 17 (each, an "INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of fourteen and one-half percent (14.5%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year) on the balance in the Account during the six-month period ending on such Interest Accumulation Date (an "INTEREST CREDIT"). The Account is subject to reduction from time to time as provided herein. At such time as the balance in the Account is reduced to zero, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

2. PAYMENT DATE. Subject to the provisions in paragraphs 3, 4 and 5 hereof, as of the date eleven and one-half (11.5) years after the date hereof (the "PAYMENT DATE"), the Company will pay the Employee (or his beneficiary in the event of his death) a cash payment in an amount equal to the then balance in the Account (plus any accrued but uncredited interest) (such amount, as in effect from time to time, the "BENEFIT AMOUNT"), regardless of whether the Employee is employed by the Company as of such date; and upon such payment, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

3. REDUCTION IN THE ACCOUNT UPON CERTAIN EVENTS.

(a) APPROVED COMPANY SALE. If at any time the Company consummates an Approved Company Sale, and (x) (i) the aggregate amount of consideration that the holders of Series D Preferred Units receive pursuant to such Approved Company Sale (as determined by the Board) MULTIPLIED BY (ii) the Equity Percentage as of such time is less than (y) the then balance in the Account (plus any accrued but uncredited interest), then, effective as of immediately prior to such Approved Company Sale, and without any further action by the Company or the Employee, the amount of such difference shall automatically be forfeited from the Account (without any payment to the Employee) and the Account shall be reduced by such amount.

(b) SERIES D PREFERRED UNITS DETERMINED TO BE WORTHLESS. If at any time the Series D Preferred Units are determined to be permanently worthless by a court of competent jurisdiction (including any bankruptcy court), then, effective as of the date of such determination and, without any further action by the Company or the Employee, all amounts in the Account shall be automatically forfeited and reduced to zero (without any payment to the Employee) and, upon such forfeiture, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

4. CASH DISTRIBUTIONS ON THE SERIES D PREFERRED UNITS. If at any time the Company makes a cash distribution to the holders of the Series D Preferred Units, then immediately following such distribution, the Company shall distribute to the Employee, from the Account, a cash payment in an amount equal to the lesser of (x) the then balance in the Account (plus any accrued but uncredited interest) and (y) (i) the amount of such cash distribution to the holders of the Series D Preferred Units MULTIPLIED BY (ii) the Equity Percentage as of such time. Any amount distributed to the Employee pursuant to this paragraph 4 shall reduce the amount then in the Account.

5. APPROVED COMPANY SALE. If an Approved Company Sale is consummated prior to the Payment Date, then, subject to any reduction in the Account pursuant to paragraph 3 hereof, a cash payment in an amount equal to the then balance in the Account (plus any accrued but uncredited interest) shall become immediately payable as of the date of the consummation of an Approved Company Sale and, upon such payment, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

6. DEATH OF THE EMPLOYEE. The death of the Employee shall not affect the timing of the payment of the Benefit Amount under this Agreement.

7. DESIGNATION OF BENEFICIARIES. The Employee may name any Person (who may be named concurrently, contingently or successively) to whom the Benefit Amount under this Agreement is to be paid if the Employee dies before the Benefit Amount is fully distributed. Each such beneficiary designation will revoke all prior designations by the Employee, shall not require the consent of any previously named beneficiary, shall be in a form prescribed by the Company and will be effective only when filed with the Company during the Employee's lifetime. If the Employee fails to designate a beneficiary before his death, as provided in this paragraph, or if the beneficiary designated by the Employee dies before the date of the Employee's death or before complete payment of the Benefit Amount, the Company, in its discretion, may pay the Benefit Amount to either (i) one or more of the Employee's relatives by blood, adoption or marriage and in such proportions as the Company determines, or (ii) the legal representative or representatives of the estate of the last to die of the Employee and his designated beneficiary. Notwithstanding the foregoing, if the Employee is married, the Employee's spouse must consent in writing to the designation of any Person as beneficiary other than the spouse.

8. DEFINITIONS.

(a) "APPLICABLE PERCENTAGE" means, at any time, a percentage equal to (i) the Number of Series D Preferred Unit Equivalents as of such time DIVIDED BY (ii) the sum of (x) the total number of Series D Preferred Units outstanding as of such time PLUS (y) the Number of Series D Preferred Unit Equivalents as of such time.

(b) "APPROVED COMPANY SALE" has the meaning given to such term in the Securityholders Agreement.

(c) "BOARD" means the Company's Board of Directors.

(d) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

(e) "EQUITY PERCENTAGE" means, at any time, that number (expressed as a decimal) equal to (i) the Applicable Percentage as of such time (expressed as a decimal) DIVIDED BY (ii) (x) 1.00 MINUS (y) the Applicable Percentage as of such time (expressed as a decimal).

(f) "LLC AGREEMENT" means the Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

(g) "NUMBER OF SERIES D PREFERRED UNIT EQUIVALENTS" means, at any time, (I) (x) the Benefit Amount as of such time MINUS (y) all amounts included in the Benefit Amount as of such time that is attributable to interest on the Benefit Amount as of the date hereof DIVIDED BY (II) $1,000 (such $1,000 number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, unit or stock dividend or distribution or other combination of Series D Preferred Units after the date hereof).

(h) "PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

(i) "SECURITYHOLDERS AGREEMENT" means the Securityholders Agreement, dated as of the date hereof, among the Company; BRSEC Co-Investment, LLC; BRSEC Co-Investment II, LLC and the other parties named therein.

(j) "SERIES D PREFERRED UNITS" means the Company's Series D Preferred Units (as such term is defined in the LLC Agreement).

9. ADMINISTRATION OF THIS DEFERRED COMPENSATION ARRANGEMENT. The deferred compensation arrangement set forth under this Agreement shall be administered by the Company. The Company's duties and authority under this arrangement shall include (i) the interpretation of the provisions of this Agreement, (ii) the adoption of any rules and regulations which may become necessary or advisable in the operation of this arrangement, (iii) the making of such determinations as may be permitted or required pursuant to this arrangement, and (iv) the

taking of such other actions as may be required for the proper administration of this arrangement in accordance with its terms. Any decision of the Company with respect to any matter within the authority of the Company shall be final, binding and conclusive upon the Employee, beneficiary, and each Person claiming

under or through the Employee, and no additional authorization or ratification by the Employee shall be required. Any action by the Company with respect to any one or more other employees under similar agreements shall not be binding on the Company as to any action to be taken with respect to the Employee. Each determination required or permitted under this Agreement shall be made by the Company in the sole and absolute discretion of the Company.

10. ACTION BY COMPANY. Any action required or permitted by the Company under this Agreement shall be by resolution of the Board or by a duly authorized committee of the Board, or by a person or persons authorized by resolution of the Board or such committee.

11. AMENDMENT. This Agreement may not be canceled, changed, modified, or amended orally, and no cancellation, change, modification or amendment hereof shall be effective or binding unless in a written instrument signed by the Company (with the approval of the Board) and the Employee. A provision of this Agreement may be waived only by a written instrument signed by the party against whom or which enforcement of such waiver is sought.

12. NO WAIVER. The failure at any time either of the Company or the Employee to require the performance by the other of any provision of this Agreement shall in no way affect the full right of such party to require such performance at any time thereafter, nor shall the waiver by either the Company or the Employee of any breach of any provision of this Agreement be taken or held to constitute a waiver of any succeeding breach of such or any other provision of this Agreement.

13. WITHHOLDING FOR TAXES. Notwithstanding anything contained in this Agreement to the contrary, the Company shall withhold from any distribution made pursuant to this Agreement such amount or amounts as may be required for purposes of the Company complying with the tax withholding provisions of the Internal Revenue Code of 1986, as amended, any state tax act, or other applicable law for purposes of paying any income, estate, inheritance or other tax attributable to any amounts distributable under this Agreement.

14. ASSIGNMENT. This Agreement is binding on and for the benefit of the Company and the Employee and their respective successors, heirs, executors, administrators, and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be sold, transferred, assigned, or pledged by the Employee (and any such sale, transfer, assignment or pledge shall be null and void).

15. INTERPRETATION AND SEVERABILITY. In the event any provision of this Agreement, or any portion thereof, is determined by any or court of competent jurisdiction to be unenforceable or void, the remaining provisions of this Agreement shall nevertheless be binding upon the Company and the Employee with the same effect as though the void provision or portion thereof had never been set forth therein.

16. NO CONFLICT. The Employee represents and warrants that the Employee is not subject to any agreement, order, judgment or decree of any kind which would prevent the Employee from entering into this Agreement.

17. EMPLOYMENT RELATIONSHIP. This Agreement shall not in any way affect the right and power of the Company to dismiss or otherwise terminate the employment or change the terms of the employment or amount of compensation of the Employee at any time for any reason with or without cause or in accordance with any applicable employment contract.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without application of its conflict or choice of law provisions. The Company and the Employee agree that this is not an ERISA plan or part of an ERISA plan.

19. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. UNFUNDED. Employee recognizes that the obligations of the Company under this Agreement are an unfunded liability of the Company and that the Company has no obligation, and the Employee has no right to cause the Company, to pre-fund in any way amounts payable pursuant to this Agreement.

21. GENDER AND NUMBER. Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

22. HEADINGS. The headings contained in this Agreement are for reference purposes only, and shall not affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the Company and the Employee have executed this Deferred Compensation Agreement as of the date first written above.

H&E HOLDINGS L.L.C.

By: /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer

/s/ Gary Bagley

Gary Bagley

EXHIBIT 10.19

EXECUTION COPY

H&E HOLDINGS L.L.C.

DEFERRED COMPENSATION AGREEMENT

THIS DEFERRED COMPENSATION AGREEMENT (this "AGREEMENT") is made and entered into as of June 17, 2002 by and between Kenneth Sharp, Jr. (the "EMPLOYEE") and H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"). This Agreement is intended to provide deferred compensation to the Employee. Capitalized terms used herein and not otherwise defined are defined in paragraph 8 hereof. In consideration for the employment of the Employee by the Company or one of its subsidiaries on and after the date hereof, the Company and the Employee hereto agree as follows:

1. DEFERRED COMPENSATION. The sum of $1,882,272 shall be credited to a deferred compensation account (the "ACCOUNT") on the books and records of the Company on behalf of the Employee. So long as a balance remains in the Account, the Account shall be credited on each June 17 and December 17 (each, an "INTEREST ACCUMULATION DATE") with an amount of interest to be calculated at the rate of fourteen and one-half percent (14.5%) per annum (computed on the basis of a 360-day year and the actual number of days elapsed in any year) on the balance in the Account during the six-month period ending on such Interest Accumulation Date (an "INTEREST CREDIT"). The Account is subject to reduction from time to time as provided herein. At such time as the balance in the Account is reduced to zero, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

2. PAYMENT DATE. Subject to the provisions in paragraphs 3, 4 and 5 hereof, as of the date eleven and one-half (11.5) years after the date hereof (the "PAYMENT DATE"), the Company will pay the Employee (or his beneficiary in the event of his death) a cash payment in an amount equal to the then balance in the Account (plus any accrued but uncredited interest) (such amount, as in effect from time to time, the "BENEFIT AMOUNT"), regardless of whether the Employee is employed by the Company as of such date; and upon such payment, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

3. REDUCTION IN THE ACCOUNT UPON CERTAIN EVENTS.

(a) APPROVED COMPANY SALE. If at any time the Company consummates an Approved Company Sale, and (x) (i) the aggregate amount of consideration that the holders of Series D Preferred Units receive pursuant to such Approved Company Sale (as determined by the Board) MULTIPLIED BY (ii) the Equity Percentage as of such time is less than (y) the then balance in the Account (plus any accrued but uncredited interest), then, effective as of immediately prior to such Approved Company Sale, and without any further action by the Company or the Employee, the amount of such difference shall automatically be forfeited from the Account (without any payment to the Employee) and the Account shall be reduced by such amount.

(b) SERIES D PREFERRED UNITS DETERMINED TO BE WORTHLESS. If at any time the Series D Preferred Units are determined to be permanently worthless by a court of competent jurisdiction (including any bankruptcy court), then, effective as of the date of such determination and, without any further action by the Company or the Employee, all amounts in the Account shall be automatically forfeited and reduced to zero (without any payment to the Employee) and, upon such forfeiture, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

4. CASH DISTRIBUTIONS ON THE SERIES D PREFERRED UNITS. If at any time the Company makes a cash distribution to the holders of the Series D Preferred Units, then immediately following such distribution, the Company shall distribute to the Employee, from the Account, a cash payment in an amount equal to the lesser of (x) the then balance in the Account (plus any accrued but uncredited interest) and (y) (i) the amount of such cash distribution to the holders of the Series D Preferred Units MULTIPLIED BY (ii) the Equity Percentage as of such time. Any amount distributed to the Employee pursuant to this paragraph 4 shall reduce the amount then in the Account.

5. APPROVED COMPANY SALE. If an Approved Company Sale is consummated prior to the Payment Date, then, subject to any reduction in the Account pursuant to paragraph 3 hereof, a cash payment in an amount equal to the then balance in the Account (plus any accrued but uncredited interest) shall become immediately payable as of the date of the consummation of an Approved Company Sale and, upon such payment, the Employee will have no further rights and the Company will have no further obligations or liabilities, in each case, pursuant to this Agreement.

6. DEATH OF THE EMPLOYEE. The death of the Employee shall not affect the timing of the payment of the Benefit Amount under this Agreement.

7. DESIGNATION OF BENEFICIARIES. The Employee may name any Person (who may be named concurrently, contingently or successively) to whom the Benefit Amount under this Agreement is to be paid if the Employee dies before the Benefit Amount is fully distributed. Each such beneficiary designation will revoke all prior designations by the Employee, shall not require the consent of any previously named beneficiary, shall be in a form prescribed by the Company and will be effective only when filed with the Company during the Employee's lifetime. If the Employee fails to designate a beneficiary before his death, as provided in this paragraph, or if the beneficiary designated by the Employee dies before the date of the Employee's death or before complete payment of the Benefit Amount, the Company, in its discretion, may pay the Benefit Amount to either (i) one or more of the Employee's relatives by blood, adoption or marriage and in such proportions as the Company determines, or (ii) the legal representative or representatives of the estate of the last to die of the Employee and his designated beneficiary. Notwithstanding the foregoing, if the Employee is married, the Employee's spouse must consent in writing to the designation of any Person as beneficiary other than the spouse.

8. DEFINITIONS.

(a) "APPLICABLE PERCENTAGE" means, at any time, a percentage equal to (i) the Number of Series D Preferred Unit Equivalents as of such time DIVIDED BY (ii) the sum of (x) the total number of Series D Preferred Units outstanding as of such time PLUS (y) the Number of Series D Preferred Unit Equivalents as of such time.

(b) "APPROVED COMPANY SALE" has the meaning given to such term in the Securityholders Agreement.

(c) "BOARD" means the Company's Board of Directors.

(d) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

(e) "EQUITY PERCENTAGE" means, at any time, that number (expressed as a decimal) equal to (i) the Applicable Percentage as of such time (expressed as a decimal) DIVIDED BY (ii) (x) 1.00 MINUS (y) the Applicable Percentage as of such time (expressed as a decimal).

(f) "LLC AGREEMENT" means the Limited Liability Company Agreement of the Company, dated as of the date hereof, as amended from time to time.

(g) "NUMBER OF SERIES D PREFERRED UNIT EQUIVALENTS" means, at any time, (I) (x) the Benefit Amount as of such time MINUS (y) all amounts included in the Benefit Amount as of such time that is attributable to interest on the Benefit Amount as of the date hereof DIVIDED BY (II) $1,000 (such $1,000 number to be appropriately adjusted for any unit or stock split, reverse unit or stock split, unit or stock dividend or distribution or other combination of Series D Preferred Units after the date hereof).

(h) "PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

(i) "SECURITYHOLDERS AGREEMENT" means the Securityholders Agreement, dated as of the date hereof, among the Company; BRSEC Co-Investment, LLC; BRSEC Co-Investment II, LLC and the other parties named therein.

(j) "SERIES D PREFERRED UNITS" means the Company's Series D Preferred Units (as such term is defined in the LLC Agreement).

9. ADMINISTRATION OF THIS DEFERRED COMPENSATION ARRANGEMENT. The deferred compensation arrangement set forth under this Agreement shall be administered by the Company. The Company's duties and authority under this arrangement shall include (i) the interpretation of the provisions of this Agreement, (ii) the adoption of any rules and regulations which may become necessary or advisable in the operation of this arrangement, (iii) the making of such determinations as may be permitted or required pursuant to this arrangement, and (iv) the

taking of such other actions as may be required for the proper administration of this arrangement in accordance with its terms. Any decision of the Company with respect to any matter within the authority of the Company shall be final, binding and conclusive upon the Employee, beneficiary, and each Person claiming

under or through the Employee, and no additional authorization or ratification by the Employee shall be required. Any action by the Company with respect to any one or more other employees under similar agreements shall not be binding on the Company as to any action to be taken with respect to the Employee. Each determination required or permitted under this Agreement shall be made by the Company in the sole and absolute discretion of the Company.

10. ACTION BY COMPANY. Any action required or permitted by the Company under this Agreement shall be by resolution of the Board or by a duly authorized committee of the Board, or by a person or persons authorized by resolution of the Board or such committee.

11. AMENDMENT. This Agreement may not be canceled, changed, modified, or amended orally, and no cancellation, change, modification or amendment hereof shall be effective or binding unless in a written instrument signed by the Company (with the approval of the Board) and the Employee. A provision of this Agreement may be waived only by a written instrument signed by the party against whom or which enforcement of such waiver is sought.

12. NO WAIVER. The failure at any time either of the Company or the Employee to require the performance by the other of any provision of this Agreement shall in no way affect the full right of such party to require such performance at any time thereafter, nor shall the waiver by either the Company or the Employee of any breach of any provision of this Agreement be taken or held to constitute a waiver of any succeeding breach of such or any other provision of this Agreement.

13. WITHHOLDING FOR TAXES. Notwithstanding anything contained in this Agreement to the contrary, the Company shall withhold from any distribution made pursuant to this Agreement such amount or amounts as may be required for purposes of the Company complying with the tax withholding provisions of the Internal Revenue Code of 1986, as amended, any state tax act, or other applicable law for purposes of paying any income, estate, inheritance or other tax attributable to any amounts distributable under this Agreement.

14. ASSIGNMENT. This Agreement is binding on and for the benefit of the Company and the Employee and their respective successors, heirs, executors, administrators, and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be sold, transferred, assigned, or pledged by the Employee (and any such sale, transfer, assignment or pledge shall be null and void).

15. INTERPRETATION AND SEVERABILITY. In the event any provision of this Agreement, or any portion thereof, is determined by any or court of competent jurisdiction to be unenforceable or void, the remaining provisions of this Agreement shall nevertheless be binding upon the Company and the Employee with the same effect as though the void provision or portion thereof had never been set forth therein.

16. NO CONFLICT. The Employee represents and warrants that the Employee is not subject to any agreement, order, judgment or decree of any kind which would prevent the Employee from entering into this Agreement.

17. EMPLOYMENT RELATIONSHIP. This Agreement shall not in any way affect the right and power of the Company to dismiss or otherwise terminate the employment or change the terms of the employment or amount of compensation of the Employee at any time for any reason with or without cause or in accordance with any applicable employment contract.

18. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without application of its conflict or choice of law provisions. The Company and the Employee agree that this is not an ERISA plan or part of an ERISA plan.

19. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. UNFUNDED. Employee recognizes that the obligations of the Company under this Agreement are an unfunded liability of the Company and that the Company has no obligation, and the Employee has no right to cause the Company, to pre-fund in any way amounts payable pursuant to this Agreement.

21. GENDER AND NUMBER. Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

22. HEADINGS. The headings contained in this Agreement are for reference purposes only, and shall not affect the meaning or interpretation of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Company and the Employee have executed this Deferred Compensation Agreement as of the date first written above.

H&E HOLDINGS L.L.C.

By: /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer

/s/ Kenneth Sharp, Jr.

Kenneth Sharp, Jr.

Exhibit 10.20

CONSULTING AND NONCOMPETITION AGREEMENT

The following represents the Consulting and Noncompetition Agreement made and effective as of the 29th day of June, 1999, between Head & Engquist Equipment, L.L.C. ("Head & Engquist"), a Louisiana limited liability company whose permanent mailing address is 11100 Mead, 2nd Floor, Baton Rouge, Louisiana 70816, and Thomas R. Engquist (the "Consultant"), whose permanent mailing address is 6218 Highway 963, Ethel, Louisiana 70730, and that also is being entered into for the purposes set forth in Section K hereof by Gulf Wide Industries, L.L.C., a Louisiana limited liability company whose permanent address is 11100 Mead, 2nd Floor, Baton Rouge, Louisiana 70816 ("Gulf Wide").

In consideration of the premises and of the mutual agreements hereinafter set forth, the parties hereto agree as follows:

A. TERM AND DUTIES. Head & Engquist hereby engages the Consultant for a period of ten years (the "Consulting Period") commencing on the date hereof as a consultant to Head & Engquist, and its affiliates and subsidiaries, on all matters directly or indirectly related to Head & Engquist's business. The Consultant shall be available to furnish at the reasonable request of Head & Engquist such consulting services hereunder as may reasonably be requested by Head & Engquist, provided however, that Consultant shall not be obligated to furnish more than 8 hours of consulting services hereunder during any calendar month in the Consulting Period.

B. COMPENSATION, ETC. (1) As full and complete compensation for any and all services which the Consultant may render hereunder, Head & Engquist shall pay Consultant the sum of Three Million and No/100 ($3,000,000.00) Dollars, to be paid in $25,000.00 increments on a monthly basis, with the first $25,000.00 payment being made on or before July 1, 1999, and each payment thereafter due and payable on or before the first day of the month, until paid. Head & Engquist will reimburse the Consultant for all reasonable and actual out-of-pocket expenses incurred by him in the performance of his duties hereunder upon presentation of appropriate documentation therefor in accordance with Head & Engquist's policies then in effect with respect to such matters.

(2) Subject only to the approval of the applicable insurer, which approval Head & Engquist represents, warrants and covenants it has sought and will seek to maintain with all commercially reasonable efforts, during the Consulting Period, to the extent so approved by the applicable insurer, Head & Engquist will continue to provide the Consultant and his eligible covered dependents with the hospitalization and medical and disability insurance group plan coverages that it made available to him immediately prior to the effectiveness of this Consulting Agreement or group plan coverages that are substantially similar thereto in all material respects.

C. NONCOMPETITION. In connection with and as further consideration for the compensation payable to him hereunder, Consultant acknowledges and agrees to comply with the noncompetition provision set forth in the Recapitalization Agreement among Head & Engquist, Gulf Wide, and others.

D. STATUS. Notwithstanding anything herein to the contrary, the Consultant shall be an independent contractor and shall not be considered an employee of Head & Engquist.

E. CONFIDENTIAL INFORMATION. Consultant agrees that any confidential information, knowledge or data of or pertaining to Head & Engquist which he obtained as a result or consequence of his business relationship with Head & Engquist or hereunder shall be secret and confidential and shall not be used or divulged by Consultant to any competitor of Head & Engquist, or anyone.

F. SUCCESSORS AND BINDING EFFECT. This Consulting and Noncompetition Agreement shall be binding upon and shall inure to the benefit of Head & Engquist, and any respective successor to Head & Engquist, and Consultant, and his heirs, successors, and assigns. In connection therewith, the parties specifically acknowledge and agree that in the event of the death of the Consultant during the Consulting Period, the payments that otherwise would have been payable to Consultant hereunder shall be payable and paid to his heirs.

G. GOVERNING. This Consulting and Noncompetition Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Louisiana applicable to agreements made and to be performed wholly in the State of Louisiana, without regard to conflicts of law principles of any jurisdiction.

H. NOTICES. All notices, requests or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed first class certified mail, postage prepaid, addressed as set forth above, or to

such other address as may have been furnished in writing to the party giving the notice by the party to whom notice is to be given.

I. ENTIRE AGREEMENT. This Consulting and Noncompetition Agreement embodies the entire agreement of the parties, respecting the matters within its scope and may be modified only in a writing executed by all of the parties hereto.

J. COUNTERPARTS. This Consulting and Noncompetition Agreement may be executed in any number of counterparts, each of which shall be an original, but which together constitute one and the same instrument.

K. GUARANTY. Gulf Wide hereby guarantees the performance and payment by Head & Engquist of all obligations of Head & Engquist to the Consultant under this Consulting and Noncompetition Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Consulting and Noncompetition Agreement as of the date first above written.

HEAD & ENGQUIST EQUIPMENT, L.L.C.

By: /s/ Terence L. Eastman

Terence L. Eastman
Chief Financial Officer

GULF WIDE INDUSTRIES, L.L.C.

By: /s/ Terence L. Eastman

Terence L. Eastman
Secretary

CONSULTANT:

/s/ Thomas R. Engquist

Thomas R. Engquist

EXHIBIT 10.21

$53,000,000

12 1/2% SENIOR SUBORDINATED NOTES DUE 2013 OF
H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

AND

219,406.620 LIMITED LIABILITY COMPANY INTERESTS OF
H&E HOLDINGS L.L.C.

PURCHASE AGREEMENT

June 17, 2002

CREDIT SUISSE FIRST BOSTON CORPORATION
Eleven Madison Avenue,
New York, New York 10010-3629

Ladies and Gentlemen:

1. INTRODUCTORY. H&E Equipment Services L.L.C., a Louisiana limited liability company, ("H&E"), H&E Finance Corp., a Delaware corporation ("H&E FINANCE" and together with H&E, the "NOTE ISSUERS") and H&E Holdings L.L.C., a Delaware L.L.C. ("HOLDINGS" and together with the Note Issuers, the "COMPANY"), propose, subject to the terms and conditions stated herein, to co-issue and sell to Credit Suisse First Boston Corporation ("CSFBC" or the initial "PURCHASER") $53,000,000 principal amount of H&E and H&E Finance's 12 1/2% Senior Subordinated Notes due 2013 (the "SENIOR SUBORDINATED NOTES") and 219,406.620 Limited Liability Company Interests (the "LLC INTERESTS") in Holdings. The Senior Subordinated Notes are to be issued under an indenture, dated as of June 17, 2002 (the "INDENTURE"), between the Note Issuers, the Guarantors (as defined below), and The Bank of New York, as Trustee. The Note Issuers' obligations under the Senior Subordinated Notes, including the due and punctual payment of interest on the Senior Subordinated Notes, will be unconditionally guaranteed (the "GUARANTEE") by GNE Investments, Inc. a Washington corporation, Great Northern Equipment, Inc., a Montana corporation, and each of the Note Issuers' future domestic subsidiaries (each, a "GUARANTOR" and together, the "GUARANTORS"). As used herein, the term "NOTES" shall include the Guarantees of the Senior Subordinated Notes by the Guarantors, unless the context otherwise requires. The LLC Interests are comprised of 552.632 Series A Preferred Units, 1,475.708 Series B Preferred Units, 4,239.002 Series C Preferred Units, 2,612.962 Series D Preferred Units, 106,842.105 Class A Common Units and 103,684.211 Class B Common Units of Holdings. Prior to the Closing Date (as defined below) ICM Equipment Company L.L.C. ("ICM") and Head & Engquist Equipment, L.L.C., ("HEAD & ENGQUIST") will be combined and merged with and into H&E. The Senior Subordinated Notes and the LLC Interests are to be issued on a private placement basis pursuant to an exemption under Section 4(2) of the United States Securities Act of 1933 (the "SECURITIES ACT").

As used herein, the term "LLC AGREEMENT" refers to that agreement between Holdings and each Holder of LLC Interests, to be dated June 17, 2002, and the term "INVESTOR RIGHTS AGREEMENT" refers to that agreement among Holdings, BRSEC Co-Investment, LLC, BRSEC Co-Investment II, LLC and CSFBC, to be dated the Closing Date.

Holders (including subsequent transferees) of the Notes will have the registration rights relating to the Notes set forth in the registration rights agreement (the "REGISTRATION RIGHTS AGREEMENT"), to be dated June 17, 2002 (the "CLOSING DATE") for so long as such Notes constitute "TRANSFER RESTRICTED SECURITIES" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Note Issuers and the Guarantors will agree to file with the Securities and Exchange Commission (the "COMMISSION") under the circumstances set forth therein, (i) a registration statement under the Securities Act (the "EXCHANGE OFFER REGISTRATION STATEMENT") relating to the Note Issuers' 12 1/2% Senior Subordinated Notes in the same aggregate principal amount as the Senior Subordinated Notes, identical in all material respects to the Senior Subordinated Notes and Guarantees and registered under the Securities Act (the "EXCHANGE NOTES" and the "EXCHANGE GUARANTEES," together the "EXCHANGE SECURITIES"), to be offered in exchange for the Senior Subordinated Notes (such offer to exchange being referred to as the "EXCHANGE OFFER") and the Guarantees thereof and (ii) a shelf registration statement pursuant to Rule 415 under the Securities Act (the "SHELF REGISTRATION STATEMENT" and, together with the Exchange Offer Registration Statement, the "REGISTRATION STATEMENTS") relating to the resale by certain holders of the Notes and to use its commercially reasonable efforts to cause such Registration Statements to be declared and remain effective and usable for the periods specified in the Registration Rights Agreement and to consummate the Exchange Offer. The Notes and the Exchange

Securities are referred to collectively as the "SECURITIES."

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE GUARANTORS. The Company and each of the Guarantors, jointly and severally, represents and warrants to, and agrees with, the Purchaser that:

(a) A preliminary offering circular and an offering circular relating to the Notes and the LLC Interests to be offered by the Company and the Guarantors have been prepared by the Company and the Guarantors. Such preliminary offering circular (the "PRELIMINARY OFFERING CIRCULAR") and offering circular (the "OFFERING CIRCULAR"), as supplemented as of the date of this Agreement, are hereinafter collectively referred to as the "OFFERING DOCUMENT." On the date of this Agreement and as of the Closing Date, the Offering Document does not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Offering Document based upon written information furnished to the Company by or through CSFBC specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof.

(b) No order or decree preventing the use of the Offering Document, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued and no proceeding for that

purpose has commenced or is pending or, to the knowledge of the Company or any of the Guarantors, is contemplated.

(c) The market-related and customer-related data and estimates included under the captions "Summary" and "Business" in the Offering Document are based on or derived from sources which the Company believes to be reliable.

(d) The Senior Subordinated Notes have been duly and validly authorized by the Note Issuers and when duly executed by the Note Issuers in accordance with the terms of the Indenture and, assuming due authentication of the Senior Subordinated Notes by the Trustee, upon delivery of the Notes to the Purchaser against payment therefor in accordance with the terms hereof, the Senior Subordinated Notes will have been validly issued and delivered, and will constitute valid and binding obligations of the Note Issuers entitled to the benefits of the Indenture, enforceable against the Note Issuers in accordance with their terms, subject to the qualification that the enforceability of the Note Issuers' obligations thereunder may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles. The Senior Subordinated Notes will conform in all material respects to the description thereof in the Offering Document.

(f) The Exchange Notes have been duly and validly authorized by the Note Issuers and if and when duly issued and authenticated in accordance with the terms of the Indenture and delivered in accordance with the Registration Rights Agreement, will constitute valid and binding obligations of the Note Issuers entitled to the benefits of the Indenture, enforceable against the Note Issuers in accordance with their terms, subject to the qualification that the enforceability of the Note Issuers' obligations thereunder may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles.

(g) The Guarantees have been duly and validly authorized by the Guarantors and when duly executed and delivered by the Guarantors in accordance with the terms of the Indenture and upon the due execution, authentication and delivery of the Senior Subordinated Notes in accordance with the Indenture and the issuance of the Senior Subordinated Notes in the sale to the Purchaser contemplated by this Agreement, will constitute valid and binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, subject to the qualification that the enforceability of the Guarantors' obligations thereunder may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles. The Guarantees will conform to the description thereof in the Offering Document.

(h) The Exchange Guarantees have been duly and validly authorized by the Guarantors and if and when duly executed and

delivered by the Guarantors in accordance with the terms of the Indenture and upon the due execution and authentication of the Exchange Notes in accordance with the Indenture and the issuance and delivery of the Exchange Notes contemplated by the Registration Rights Agreement, will constitute

valid and binding obligations of the Guarantors, entitled to the benefits of the Indenture, enforceable against the Guarantors in accordance with their terms, subject to the qualification that the enforceability of the Guarantors' obligations thereunder may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles.

(i) The Company and each of the Guarantors has been duly incorporated or formed and is an existing corporation or limited liability company in good standing under the laws of its jurisdiction of organization, with power and authority to own its properties and conduct its business as described in the Offering Document; and the Company and each of the Guarantors is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify would not have a Material Adverse Effect (as such term is defined herein).

(j) Each subsidiary of the Company and the Guarantors has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority to own its properties and conduct its business as described in the Offering Document; and each subsidiary of the Company and the Guarantors is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify would not have a Material Adverse Effect; all of the issued and outstanding capital stock of each subsidiary of the Company and the Guarantors has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each subsidiary owned by the Company and the Guarantors, directly or through subsidiaries, is owned free from material liens, encumbrances and defects.

(k) The entities listed on Schedule I hereto are the only subsidiaries, direct or indirect, of the Company.

(l) The Indenture has been duly and validly authorized by the Note Issuers and the Guarantors, and upon its execution and delivery and, assuming due authorization, execution and delivery by the Trustee, will constitute the valid and binding agreement of the Note Issuers and the Guarantors, enforceable against the Note Issuers and the Guarantors in accordance with its terms, subject to the qualification that the enforceability of the Note Issuers' and the Guarantors' obligations thereunder may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles; no qualification of the Indenture under the Trust Indenture Act of 1939 (the "1939 ACT") is required in connection with the offer and sale of the Notes contemplated hereby. The Indenture will conform in all material respects to the description thereof in the Offering Document.

(m) On the Closing Date, the Indenture will conform in all material respects to the requirements of the 1939 Act, and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(n) The LLC Interests have been duly authorized and, when the LLC Interests have been delivered and paid for in accordance with this Agreement, such LLC Interests will have been validly issued, fully paid and non-assessable and will conform to the description thereof contained in the Offering Document and there will be no pre-emptive rights attached thereto except those preemptive rights set forth in the Stockholders Agreement and the Investor Rights Agreement.

(o) The LLC Interests are free and clear of any and all any and all claims, liens, pledges, options, charges, encumbrances or other rights or interests of third parties of any and every kind, other than pledges to the lenders under the Credit Agreement (as defined in the Offering Document) and to The Bank of New York, as collateral agent, for the holders of the Note Issuers' 11 1/8% Senior Secured Notes due

2012.

(p) Except as disclosed in the Offering Document, there are no contracts, agreements or understandings between the Company or any of the Guarantors and any person that would give rise to a valid claim against the Company, any Guarantor or any Purchaser for a brokerage commission, finder's fee or other like payment.

(q) The Note Issuers, Holdings and the Guarantors each have all requisite corporate power and authority to enter into the Registration Rights Agreement, the LLC Agreement and the Investor Rights Agreement, as the case may be. The Registration Rights Agreement, the LLC Agreement and the Investor Rights Agreement have each been duly authorized by the Note Issuers and Holdings and the Guarantors, as the case may be, and, when executed by the Note Issuers, Holdings and the Guarantors, as the case may be, in accordance with the terms hereof and thereof, will each be validly executed and delivered and (assuming the due execution and delivery thereof by you), will each be a legally valid and binding obligation of the Note Issuers, Holdings and the Guarantors, as the case may be, in accordance with the terms hereof and thereof, enforceable against the Note Issuers, Holdings and the Guarantors, as the case may, be in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law), and, as to rights of indemnification and contribution, by principles of public policy.

(r) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement, the Indenture, the Registration Rights Agreement, the LLC Agreement or the Investor Rights Agreement in connection with the issuance and sale of the Notes and the LLC Interests by the Note Issuers and Holdings, respectively or the Guarantors except, in connection with the Senior Subordinated Notes, for the order of the Commission declaring the Exchange Offer Registration Statement or the Shelf Registration Statement (each as defined in the Registration Rights Agreement)

effective and such consents, approvals, authorizations, orders or filings under state securities or Blue Sky laws.

(s) The execution, delivery and performance of the Indenture, this Agreement, the LLC Agreement, the Investor Rights Agreement and the Registration Rights Agreement, and the issuance and sale of the Notes and the LLC Interests and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any applicable rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company, the Guarantors, or any of their respective subsidiaries or any of their properties, or any agreement or instrument to which the Company, the Guarantors, or any of their respective subsidiaries is a party or by which the Company, the Guarantors, or any of their respective subsidiaries is bound or to which any of the properties of the Company, the Guarantors, or any of their respective subsidiaries is subject, or the charter or by-laws of the Company, the Guarantors, or any of their respective subsidiaries, and the Company and each of the Guarantors has full power and authority to authorize, issue and sell the Notes and the LLC Interests as contemplated by this Agreement.

(t) This Agreement has been duly authorized, executed and delivered by the Company and the Guarantors.

(u) Except as disclosed in the Offering Document, the Company, the Guarantors, or any of their respective subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Offering Document, the Company, the Guarantors, or any of their respective subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(v) The Company, the Guarantors, and their respective subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any

notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company, the Guarantors, or any of their respective subsidiaries, would individually or in the aggregate have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company, the Guarantors, or any of their respective subsidiaries taken as a whole ("MATERIAL ADVERSE EFFECT").

(w) No labor dispute with the employees of the Company, the Guarantors, or any of their respective subsidiaries, to the knowledge of the Company or any of the Guarantors, is imminent that might have a Material Adverse Effect.

(x) The Company, the Guarantors, or any of their respective subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "INTELLECTUAL PROPERTY RIGHTS") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company, the Guarantors, or any of their respective subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(y) Except as disclosed in the Offering Document, neither the Company, the Guarantors, nor any of their respective subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign having jurisdiction over the Company, the Guarantors or any of their respective subsidiaries or any of their respective properties, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "ENVIRONMENTAL LAWS"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and neither the Company nor any Guarantor is aware of any pending investigation which might lead to such a claim.

(z) Except as disclosed in the Offering Document, there are no pending actions, suits or proceedings against or affecting the Company, the Guarantors, any of their respective subsidiaries, or any of their respective properties that, if determined adversely to the Company, the Guarantors, or any of their respective subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of Note Issuers, Holdings or the Guarantors to perform their respective obligations under the Indenture, this Agreement, the LLC Agreement, the Investor Rights Agreement or the Registration Rights Agreement, or which are otherwise material in the context of the sale of the Notes and the LLC Interests; and no such actions, suits or proceedings are threatened or, to the Company's or any Guarantor's knowledge, contemplated.

(aa) The financial statements included in the Offering Document present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in all material respects in conformity with the generally accepted accounting principles in the United States applied on a consistent basis; and the assumptions used in preparing the pro forma financial statements included in the Offering Document provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns

therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(bb) Except as disclosed in the Offering Document, since the date of the latest audited financial statements included in the Offering Document, neither the Company, any Guarantor nor any of their respective subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree and there has been no material

adverse change, nor to the knowledge of the Company any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company, the Guarantors and their respective subsidiaries, and, except as disclosed in or contemplated by the Offering Document, there has been no dividend or distribution of any kind declared, paid or made by the Company or each of the Guarantors on any class of its capital stock.

(cc) The Company is not an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940, as amended and the rules and regulations of the Commission thereunder (the "INVESTMENT COMPANY ACT"); and the Company is not and, after giving effect to the offering and sale of the Notes and the LLC Interests and the application of the proceeds thereof as described in the Offering Document, will not be an "investment company" as defined in the Investment Company Act.

(dd) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Notes or the LLC Interests are listed on any national securities exchange registered under Section 6 of the United States Securities Exchange Act of 1934 ("EXCHANGE ACT") or quoted in a U.S. automated inter-dealer quotation system.

(ee) The offer and sale and resale of the Notes and the LLC Interests to the Purchaser in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof, Regulation D thereunder and Regulation S thereunder.

(ff) Neither the Company, the Guarantors nor any of their respective affiliates, nor any person acting on its or their behalf (i) has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act), the Notes, the LLC Interests or any security of the same class or series as the Notes or the LLC Interests or (ii) has offered or will offer or sell the Notes or the LLC Interests (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or (B) with respect to any such securities sold in reliance on Rule 903 of Regulation S ("REGULATION S") under the Securities Act, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Company, the Guarantors, its affiliates and any person acting on its or their behalf have complied and

will comply with the offering restrictions requirement of Regulation S and the sale of Notes and the LLC Interests pursuant to Regulation S is not part of a plan or scheme to evade the registration provisions of the Securities Act. The Company and each of the Guarantors has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes and the LLC Interests except for this Agreement.

(gg) The Offering Document contains all the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

(hh) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to Registration Rights Agreement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(ii) The Company, the Guarantors and each of their respective subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries.

(jj) No relationship, direct or indirect, required to be described under Item 404 of Regulation S-K, exists between or among the Company on the one hand, and the directors, officers or stockholders of the Company on the other hand, which is not described in the Offering Document.

(kk) The Company is in compliance in all material respects

with all presently applicable provisions of ERISA; no "reportable event" (as defined in ERISA), has occurred with respect to any "pension plan" (as defined in ERISA), for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "CODE"); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(ll) The Company and the Guarantors have filed all material federal, state and local income and franchise tax returns required to be filed through the date hereof and have paid all taxes due thereon, and no tax deficiency has been determined adversely to the Company, the Guarantors or any of their respective subsidiaries which has had (nor does the Company or the Guarantors have any knowledge of any tax deficiency which, if determined adversely to the Company, the Guarantors or any of their respective subsidiaries, might have) a Material Adverse Effect on the Company, the Guarantors and their respective subsidiaries.

(mm) Since the date as of which information is given in the Preliminary Offering Memorandum through the date hereof, and except as may otherwise be disclosed or contemplated in the Offering Document, neither the Company nor the Guarantors have (i) issued or granted any securities, (ii) incurred any liability or obligation, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any transaction not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock, other than in connection with the issuance by the Note Issuers and the Guarantors of the 11 1/8% Senior Secured Notes due 2012 (the "SECURED NOTES").

(nn) The Company and the Guarantors (i) make and keep accurate books and records and (ii) maintain internal accounting controls which provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements and to maintain accountability for its assets, (C) access to their respective assets is permitted only in accordance with management's authorization and (D) the reported accountability for their respective assets is compared with existing assets at reasonable intervals.

(oo) Neither the Company, the Guarantors nor any of their respective subsidiaries (i) is in violation of its charter or by-laws, (ii) is in default in any respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any respect of any applicable law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except, with regard to (ii) and (iii) of this paragraph, for such defaults, violations or failures that would not reasonably be expected to have a Material Adverse Effect on the Company, the Guarantors or any of their respective subsidiaries.

(pp) Neither the Company, the Guarantors nor any of their respective subsidiaries, nor to the knowledge of the Company, the Guarantors or any of their respective subsidiaries, any director, officer, agent, employee or other person associated with or acting on behalf of the Company, the Guarantors or any of their respective subsidiaries, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(qq) None of the transactions contemplated by this Agreement (including, without limitation, the use of the proceeds from the sale of the Notes), will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated

thereunder, including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System.

(rr) No "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act (i) has imposed (or has informed the Company or any Guarantor that it is considering imposing) any condition (financial or otherwise) on the Company's or any Guarantor's retaining any rating assigned to the Company or any Guarantor, any securities of the Company or any Guarantor or (ii) has indicated to the Company or any Guarantor that it is considering (a) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (b) any change in the outlook for any rating of the Company, any Guarantor or any securities of the Company or any Guarantor.

(ss) The LLC Interests being sold to the Purchasers represent 5% of each outstanding series of limited liability company interests in H&E Holdings as of the date hereof (calculated on a fully-diluted basis).

3. PURCHASE, SALE AND DELIVERY OF NOTES AND LLC INTERESTS. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Company, (i) the $7,650,546 principal amount of Notes to be sold to Bruckmann, Rosser, Sherrill & Co., Inc. ("BRS") and Bruckmann, Rosser, Sherrill & Co., L.L.C. ("BRS LLC") at a purchase price of 94.356%, (ii) the remaining $45,349,454 principal amount of Notes at a purchase price of 91.9976% (iii) all of LLC Interests to be sold with the Notes on a pro rata basis based on the principal amount of the Notes sold.

The Purchaser has advised the Company that it will make offers (the "EXEMPT RESALES") of the Notes and the LLC Interests purchased hereunder on the terms set forth in the Offering Document, as amended or supplemented, solely to (i) persons whom the Purchaser reasonably believe to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), (ii) BRS and BRS LLC, who have represented to the Company and the Purchaser that each of them is an institutional "Accredited Investor" referred to in Rule 501(a)(1), (2), (3) or (7) under the Act (together the "ACCREDITED INVESTORS"), that each has represented to the Purchasers that it is purchasing the Notes and the LLC Interests for investment purposes only and with no present intention to resell the Notes and the LLC Interests and executed and returned to CSFBC a certificate in the form of Annex A hereto and (iii) persons permitted to purchase the Notes and the LLC Interests in offshore transactions in reliance upon Regulation S under the Securities Act (each, a "REGULATION S PURCHASER") (such persons specified in clauses (i), (ii) and (iii) being referred to herein as the "ELIGIBLE PURCHASERS").

Delivery to the Purchaser of and payment for Notes and the LLC Interests shall be made at the office of Latham & Watkins, 53rd at Third, 885 Third Avenue, New York, New York (the "CLOSING LOCATION") at 9:00 A.M., New York City time, on the Closing Date. The Closing Location and the Closing Date may be varied by agreement between CSFBC and the Company. A meeting will be held at the Closing Location on the New York Business Day next preceding the Closing Date, at which meeting the final drafts of the documents to be delivered will be

available for review by the parties hereto. For the purposes of this Section 3, "NEW YORK BUSINESS DAY" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

The Notes to be purchased by the Purchaser hereunder will be represented by one or more definitive global notes in book-entry form, which will be deposited by or on behalf of the Note Issuers with The Depository Trust Company ("DTC") or its designated custodian. The Note Issuers and the Guarantors will deliver the Notes to the Purchaser, for the account of the Purchaser, against payment by or on behalf of the Purchaser of the purchase price therefor by wire transfer in immediately available funds, by causing DTC to credit the Notes to the account of the Purchaser at DTC. The Company will cause the certificates representing the Notes to be made available to the Purchaser for checking at least 24 hours prior to the Closing Date at the office of DTC or its designated custodian.

The LLC Interests to be purchased by the Purchaser hereunder will be represented by definitive certificates which will be delivered to the Purchasers on the Closing Date. Holdings will deliver the LLC Interests to the Purchaser against payment by or on behalf of the Purchaser of the purchase price therefore by wire transfer in immediately available funds. Holdings will cause the certificates representing the LLC Interests to be made available to the

Purchaser for checking at least 24 hours prior to the Closing Date.

4. REPRESENTATIONS BY PURCHASER; RESALE BY PURCHASER

(a) The Purchaser represents and warrants to the Company and the Guarantors that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(b) The Purchaser acknowledges that the Notes and the LLC Interests have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. The Purchaser represents and agrees that it has offered and sold the Notes and the LLC Interests, and will offer and sell the Notes and the LLC Interests (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903, Rule 144A under the Securities Act ("RULE 144A") or to Accredited Investors who make the representations contained in, and execute and return to the Initial Purchaser, a certificate in the form of Annex A attached hereto. Accordingly, neither such Purchaser nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes and the LLC Interests, and such Purchaser, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. The Purchaser agrees that, at or prior to confirmation of sale of the Notes and the LLC Interests, other than a sale pursuant to Rule 144A or to the Accredited Investors, such Purchaser will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes and the LLC Interests

from it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this subsection (b) have the meanings given to them by Regulation S.

(c) The Purchaser agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes and the LLC Interests except with the prior written consent of the Company.

(d) The Purchase agrees that it and each of its affiliates will not offer or sell the Notes and the LLC Interests in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. The Purchaser agrees, with respect to resales made in reliance on Rule 144A of any of the Notes and the LLC Interests, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Notes and LLC Interests has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) The Purchaser represents and agrees that (i) it has not authorized the notes to be offered to the public in the United Kingdom, within the meaning of the Public Offers of Securities Regulations 1995, as amended, and no Offering Document may be passed on to any person in the United Kingdom unless that person is of a kind described in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 or is a person to whom the document may otherwise lawfully be issued or passed on. The Offering Document is only directed at persons having professional experience in matters relating to investments and the offering described in the Offering Document is only

available to such persons and only such persons will be permitted to participate in the offering. Persons who do not have professional experience in matters relating to investments should not rely on the Offering Document. All applicable provisions of the Financial Services and Markets Act 2000, as amended, must be complied with in respect of anything done in relation to the notes in, from or otherwise involving the United Kingdom.

5. CERTAIN AGREEMENTS OF THE COMPANY, THE GUARANTORS, ICM AND HEAD & ENGQUIST. The Company and each of the Guarantors, jointly and severally, agrees with the Purchaser that:

(a) The Company will advise CSFBC promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without CSFBC's consent. If, at any time prior to the completion of the resale of the Notes and the LLC Interests by the Purchaser, any event occurs as a result of which the Offering Document as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any such time to amend or supplement the Offering Document to comply with any applicable law, the Company promptly will notify CSFBC of such event and promptly will prepare, at its own expense, an amendment or supplement which will correct such statement or omission or effect such compliance. Neither CSFBC's consent to, nor the Purchaser's delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Company will furnish to CSFBC copies of any preliminary offering circular, the Offering Document and all amendments and supplements to such documents, in each case as soon as available and in such quantities as CSFBC reasonably requests. At any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company will promptly furnish or cause to be furnished to CSFBC and, upon request of holders and prospective purchasers of the Notes and the LLC Interests, to such holders and purchasers, copies of the information required to be delivered to holders and prospective purchasers of the Notes and the LLC Interests pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Notes and the LLC Interests. The Company will pay the expenses of printing and distributing to the Purchaser all such documents.

(c) The Company and the Guarantors will arrange for the qualification of the Notes and the LLC Interests for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States and Canada as CSFBC designates and will continue such qualifications in effect so long as required for the resale of the Notes and the LLC Interests by the Purchaser, PROVIDED that neither the Company nor any Guarantor will be required to qualify as a foreign corporation or to file a general consent to service of process in any such state.

(d) During the period of five years hereafter, the Company and the Guarantors will furnish to CSFBC, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company and the Guarantors will furnish to CSFBC (i) as soon as available, a copy of each report and any definitive proxy statement of the Company and the Guarantors mailed to stockholders, and (ii) the information required to be provided to the trustee for the Notes pursuant to the Indenture.

(e) During the period of two years after the Closing Date, the Company will, upon reasonable request, furnish to CSFBC and any holder of Notes or LLC Interests a copy of the restrictions on transfer applicable to the Notes or LLC Interests.

(f) During the period of two years after the Closing Date, the Company will not resell any of the Notes or LLC Interests that are restricted securities (as defined in Rule 144 under the Securities Act) that have been reacquired by it.

(g) During the period of two years after the Closing Date, the Company will not be or become, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(h) To furnish the Purchaser and those persons identified by the Purchaser to the Company as many copies of the Offering Document, and any amendments or supplements thereto, as the Purchaser may reasonably request for the time period specified in Section 5(i). Subject to the Purchaser's compliance with its representations and warranties and agreements set forth in Section 4 hereof, the Company and the Guarantors consent to the use of the Offering Document, and any amendments and supplements thereto required pursuant hereto, by the Purchaser in connection with Exempt Resales.

(i) During such period as, in the reasonable opinion of Latham & Watkins, an Offering Document is required by law to be delivered in connection with Exempt Resales by the Purchaser and in connection with market-making activities of the Purchaser for so long as any Notes or LLC Interests are outstanding, (i) not to make any amendment or supplement to the Offering Document of which the Purchaser shall not previously have been advised or to which the Purchaser shall reasonably object after being so advised unless such amendment or supplement is, in the opinion of the Company or its advisors, necessary of advisable and (ii) to prepare promptly, upon the Purchaser's reasonable request, any amendment or supplement to the Offering Document which may be necessary or advisable in connection with such Exempt Resales or such market-making activities.

(j) If, during the period referred to in Section 5(i) above, any event shall occur or condition shall exist as a result of which, in the opinion of Latham & Watkins, it becomes necessary to amend or supplement the Offering Document in order to make the statements therein, in the light of the circumstances when such Offering Document is delivered to an Eligible Purchaser, not misleading, or if, in the opinion of Latham & Watkins, it is necessary to amend or supplement the Offering Document to comply with any applicable law, forthwith to prepare an appropriate amendment or supplement to such Offering Document so that the statements therein, as so amended or supplemented, will not, in the light of the circumstances when it is so delivered, be misleading, or so that such Offering Document will comply with applicable law, and to furnish to the Purchaser and such other persons as the Purchaser may designate such number of copies thereof as the Purchaser may reasonably request

(k) Each of the Company and the Guarantors jointly and severally agree to pay all expenses incidental to the performance of its obligations under this Agreement, the Indenture, the Registration Rights Agreement, the LLC Agreement and the Investor

Rights Agreement, including: (i) the fees and expenses of the Trustee and its professional advisers; (ii) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Notes and the LLC Interests and, as applicable, the Exchange Securities (as defined in the Registration Rights Agreement), the preparation and printing of this Agreement, the Registration Rights Agreement the Notes, the LLC Interests, the Indenture, the Offering Document, the LLC Agreement and the Investor Rights Agreement and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Notes and the LLC Interests and as applicable, the Exchange Securities; (iii) the cost of qualifying the Notes for trading in The Private Offering, Resales and Trading Automatic Linkages (PORTAL) Market(SM) ("PORTAL") and any expenses incidental thereto; (iv) the cost of any advertising approved by the Company in connection with the issue of the Notes and the LLC Interests; (v) for any expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Notes, the LLC Interests or the Exchange Securities for sale under the laws of such jurisdictions in the United States and Canada as CSFBC designates and the printing of memoranda relating thereto; (vi) for any fees charged by investment rating agencies for the rating of the Securities or the Exchange Securities; and (vii) for expenses incurred in distributing preliminary offering circulars and the Offering Document (including any amendments and supplements thereto) to the Purchaser; PROVIDED, HOWEVER, that other than as set forth in clause (v), the Company shall not be required to pay any fees or disbursals of the Purchaser's professional advisors. The Company and the Guarantors will also pay or reimburse the Purchaser (to the extent incurred by them) for all reasonable travel expenses of the Purchaser and the Company's officers and employees and any other expenses of the Purchaser and the Company in connection with attending or hosting meetings with prospective purchasers of the Notes and the LLC Interests from the Purchaser.

(l) In connection with the offering, until CSFBC shall have notified the Company of the completion of the resale of the Notes and the LLC Interests, neither the Company nor any of its affiliates has or

will, either alone or with one or more other persons, bid for or purchased for any account in which it or any of its affiliates has a beneficial interest any Notes or LLC Interests or attempt to induce any person to purchase any Notes or LLC Interests; and neither it nor any of its affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Notes or LLC Interests.

(m) For a period of 180 days after the date of the initial offering of the Notes and the LLC Interests by the Purchaser, the Company and each of the Guarantors will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any United States dollar-denominated debt securities issued or guaranteed by the Company or any Guarantor and having a maturity of more than one year from the date of issue except issuances of (i) the Secured Notes, (ii) Notes or LLC Interests pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options, in each case outstanding on the date hereof, grants of employee stock options pursuant to the terms of a plan in effect on the date hereof or (iii) Notes or LLC Interests pursuant to the exercise of such options or the exercise of any other employee stock options outstanding on the date hereof. Neither the Company nor any Guarantor will at

any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Regulation S thereunder to cease to be applicable to the offer and sale of the Notes and the LLC Interests.

(n) The Company will apply the net proceeds from the sale of the Notes and the LLC Interests to be sold by it hereunder substantially in accordance with the description set forth in the Offering Document under the caption "Use of Proceeds."

(o) Except as stated in this Agreement and in the Offering Document, neither the Company, the Guarantors nor any of their respective affiliates have taken, nor will any of them take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company or any of the Guarantors to facilitate the sale or resale of the Notes or the LLC Interests. Except as permitted by the Securities Act, the Company and the Guarantors will not distribute any offering material in connection with resales of the Notes and the LLC Interests.

(p) The Company and the Guarantors will use their commercially reasonable efforts to permit the Notes to be designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. relating to trading in PORTAL and to permit the Notes to be eligible for clearance and settlement through DTC.

(q) The Company and the Guarantors have complied and will comply with all provisions of Florida Statutes Section 517.075 relating to issuers doing business with Cuba.

(r) The Company and the Guarantors agree not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act), that would be integrated with the sale of the Notes and the LLC Interests in a manner that would require the registration under the Securities Act of the sale to the Purchaser or the resale of the Notes and the LLC Interests.

(s) The Company and the Guarantors agree to comply with all the terms and conditions of the Registration Rights Agreement, LLC Agreement, the Investor Rights Agreement and all agreements set forth in the representation letters of the Company and the Guarantors to DTC relating to the approval of Notes by DTC for "book entry" transfer; PROVIDED, that this agreement to so comply shall remain in effect only until the Registration Rights Agreement, the LLC Agreement, the Investor Rights Agreement and the representation letters have been executed by all parties thereto and have each become a binding agreement enforceable against each party thereto.

(t) The Company and the Guarantors agree that prior to any registration of the Notes pursuant to the Registration Rights Agreement, or at such earlier time as may be required, the Indenture shall be qualified under the 1939 Act and any necessary

supplemental indentures will be entered into in connection therewith, PROVIDED that the agreement set forth in this paragraph shall remain in effect until the Registration Rights Agreement has been executed by all parties thereto and has become a binding agreement enforceable against each party thereto.

(u) The Company and the Guarantors will do and perform all things required or necessary to be done and performed under this Agreement by them prior to the Closing Date, and to satisfy all conditions precedent to the Purchaser's obligations hereunder to purchase the Notes and the LLC Interests.

(v) The Company shall have furnished or caused to be furnished to you on the Closing Date a certificate of an officer of the Company satisfactory to you as to the authorization, execution and delivery of each of the agreements listed in the Offering Document in the section entitled "Certain Relationships and Related Transactions." Such certificate shall also have execution copies of all such agreements attached to it.

6. CONDITIONS OF THE OBLIGATIONS OF THE PURCHASER. The obligations of the Purchaser to purchase and pay for the Notes and the LLC Interests will be subject to the accuracy of the representations and warranties on the part of the Company and the Guarantors herein, to the accuracy of the statements of officers of the Company and the Guarantors made pursuant to the provisions hereof, to the performance by the Company and the Guarantors of their respective obligations hereunder and to the following additional conditions precedent:

(a) The Purchaser shall have received a letter, dated the date of this Agreement, of each of KPMG LLP ("KPMG") and Hawthorn, Waymouth & Carroll L.L.P. ("HAWTHORN") in form and substance reasonably satisfactory to the Purchaser concerning the financial information set forth in the Offering Document.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company, the Guarantors and their respective subsidiaries which, in the reasonable judgment of CSFBC, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Notes and the LLC Interests; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Company has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of CSFBC, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Notes and the LLC Interests, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices

for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of securities or (vii) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the reasonable judgment of CSFBC, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Notes and the LLC Interests.

(c) The Purchaser shall have received an opinion, dated the Closing Date, of Kirkland & Ellis, counsel for the Company and the Guarantors, addressed to the Purchaser and dated the Closing Date, in a form reasonably acceptable to Latham & Watkins and the Purchaser.

(d) The Purchaser shall have received opinions, dated the Closing Date, of local counsel for the Company in the states of Louisiana, Washington and Montana, each in a form reasonably acceptable to Latham & Watkins and the Purchaser.

(e) The Purchaser shall have received from Latham & Watkins, counsel for the Purchaser, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Notes and the LLC Interests, the Offering Document, the exemption from registration for the offer and sale of the Notes and the LLC Interests by the Company to the Purchaser and the resales by the Purchaser as contemplated hereby and other related matters as CSFBC may require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters, with reference to same in the Offering Circular.

(f) The Purchaser shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company and each Guarantor in which such officers, to the best of their knowledge after reasonable investigation, shall state that as of the Closing Date: (i) the representations and warranties of the Company and each Guarantor in this Agreement are true and correct in all material respects; (ii) the Company and each Guarantor has complied with all agreements in all material respects and satisfied all conditions on its part to be performed or satisfied hereunder in all material respects at or prior to the Closing Date; (iii) subsequent to the respective dates of the most recent financial statements in the Offering Document there has been no material adverse change, nor any development or event that would constitute a Material Adverse Effect except as set forth in or contemplated by the Offering Document or as described in such certificate; and (iv) such other matters as CSFBC may reasonably require.

(g) The Purchaser shall have received letters, dated the Closing Date, of each of KPMG and Hawthorn which meet the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

(h) All transactions listed in the section entitled "The Transactions" shall be consummated prior to the Closing Date in a manner reasonably satisfactory to the Purchaser.

(i) The Purchaser shall have received an executed certificate in the form attached hereto as Annex A from BRS.

The Company and each Guarantor will furnish the Purchaser with such conformed copies of such opinions, certificates, letters and documents as the Purchaser reasonably request. CSFBC may in its sole discretion waive on behalf of the Purchaser compliance with any conditions to the obligations of the Purchaser hereunder.

7. INDEMNIFICATION AND CONTRIBUTION. (a) The Company and each Guarantor, jointly and severally, shall indemnify and hold harmless the Purchaser, its partners, directors and officers and each person, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Purchaser may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach of any of the representations and warranties of the Company or any Guarantor contained herein or any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Company's or any Guarantor's failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse the Purchaser for legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; PROVIDED, HOWEVER, that neither the Company nor any Guarantor will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by CSFBC, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below.

(b) The Purchaser will indemnify and hold harmless the Company, each Guarantor and their respective directors and officers and each person, if any, who controls the Company and each Guarantor within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Company or any Guarantor may become subject, under the Securities Act or the

Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company

by CSFBC, and will reimburse legal or other expenses reasonably incurred by the Company and any Guarantor in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Purchaser consists of the following information in the Offering Document furnished on behalf of the Purchaser: the third, fourth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth paragraphs in the Offering Document under the section entitled "Plan of Distribution" (the "PURCHASER INFORMATION"); PROVIDED, HOWEVER, if the Purchaser delivered to the Company or any Guarantor corrected Purchaser Information, the Purchaser shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's or any Guarantor's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Purchaser on the other from the offering of the Notes and the LLC Interests or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and the Purchaser on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Purchaser on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Guarantors bear to the

total discounts and commissions received by the Purchaser from the Company and the Guarantors under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, any Guarantor or the Purchaser and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be

deemed to include legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), the Purchaser shall not be required to contribute any amount in excess of the amount by which the total discounts, fees and commissions received by the Purchaser exceeds the amount of any damages which the Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(e) The obligations of the Company and each Guarantor under this Section shall be in addition to any liability which the Company and each Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of the Purchaser under this Section shall be in addition to any liability which the Purchaser may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. SURVIVAL OF CERTAIN REPRESENTATIONS AND OBLIGATIONS. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Guarantors or their respective officers and of the Purchaser set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Purchaser, the Company, the Guarantors or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Notes and the LLC Interests. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Notes and the LLC Interests by the Purchaser is not consummated, the Company and the Guarantors shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5(k) and the respective obligations of the Company, the Guarantors and the Purchaser pursuant to Section 7 shall remain in effect. If the purchase of the Notes and the LLC Interests by the Purchaser is not consummated for any reason other than because of the occurrence of any event specified in Section 6(b)(iv), (v), (vi) or (vii), the Company and the Guarantors will reimburse the Purchaser for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Notes and the LLC Interests.

9. NOTICES. All communications hereunder will be in writing and, if sent to the Purchaser will be mailed, delivered or telegraphed and confirmed to Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Investment Banking Department - Transactions Advisory Group, or, if sent to the Company or any Guarantor, will be mailed, delivered or telegraphed and confirmed to it at H&E Equipment Services L.L.C. 11100 Mead Road, Suite 200, Baton Rouge, Louisiana 70816, Attention: Chief Financial Officer;

PROVIDED, HOWEVER, that any notice to a Purchaser pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Purchaser.

10. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of the Notes and the LLC Interests shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Company and the Guarantors as if such holders were parties thereto.

11. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

12. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

The Company and each Guarantor hereby submits to the non-exclusive jurisdiction of the Federal and State courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Purchaser's understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company, the Guarantors and the Purchaser in accordance with its terms.

Very truly yours,

H&E EQUIPMENT SERVICES L.L.C.

By /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer and President

H&E FINANCE CORP.

By /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer and President

H&E HOLDINGS L.L.C.

By /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer and President

HEAD & ENGQUIST EQUIPMENT, L.L.C.

By /s/ John Engquist

Name: John Engquist
Title: Chief Executive Officer and President

ICM EQUIPMENT COMPANY L.L.C.

By /s/ Lindsay C. Jones

Name: Lindsay C. Jones
Title: Chief Financial Officer

GNE INVESTMENTS, INC.

By /s/ Lindsay C. Jones

Name: Lindsay C. Jones
Title: Secretary

GREAT NORTHERN EQUIPMENT, INC.

By /s/ Lindsay C. Jones

Name: Lindsay C. Jones
Title: Secretary

The foregoing Purchase Agreement
is hereby confirmed and accepted
as of the date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Edward Yorke

Name: Edward Yorke
Title: Managing Director

SCHEDULE I

LIST OF SUBSIDIARIES

H&E HOLDINGS L.L.C.:

H&E Equipment Services L.L.C.
H&E Finance Corp.
GNE Investments, Inc.
Great Northern Equipment, Inc.

H&E EQUIPMENT SERVICES L.L.C.:

H&E Finance Corp.
GNE Investments, Inc.
Great Northern Equipment, Inc.

H&E FINANCE CORP.:

None

ANNEX A

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Credit Suisse First Boston Corporation
11 Madison Avenue
New York, New York 10010-3629
Attention: Investment Banking Department - Transactions Advisory Group

Re: H&E EQUIPMENT SERVICES L.L.C., H&E FINANCE CORP.
AND H&E HOLDINGS L.L.C.

Reference is hereby made to (i) the Purchase Agreement, dated June 14, 2002 (the "PURCHASE AGREEMENT") among H&E Equipment Services L.L.C., H&E Finance Corp., H&E Holdings L.L.C. together as issuer (the "COMPANY"), the Guarantors named on the signature pages thereto and you and (ii) the Indenture to be dated as of June 17, 2002 (the "INDENTURE") relating to the __% Senior Subordinated Notes due 2013, among H&E Equipment Services L.L.C., H&E Finance Corp., the Guarantors named on the signature pages thereto and The Bank of New York, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture or the Purchase Agreement.

In connection with our proposed purchase of $_____ aggregate principal amount of a beneficial interest in a Global Notes and $_____ of limited liability company interests, we confirm that:

1. We understand that any subsequent transfer of the Notes, the LLC Interests or any interest therein is subject to certain restrictions and conditions set forth in the Indenture, the LLC Agreement and the Investor Rights Agreement and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes, LLC Interests or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "SECURITIES ACT").

2. We understand that the offer and sale of the Notes and the LLC Interests has not been registered under the Securities Act, and that the Notes and the LLC Interests and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes, LLC Interests or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes or LLC Interests, as the case may be, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any Person purchasing the beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or LLC Interests or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that

the proposed sale complies with the foregoing restrictions. We further understand that the Notes and LLC Interests purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes and the LLC Interests, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes and the LLC Interests or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

6. We are acquiring the Notes and the LLC Interests for investment purposes only with no present intention to resell the Notes and the LLC Interests.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Accredited Investor]

By:

Name:
Title:

Dated:

EXHIBIT 99.12

EXECUTION COPY

==========

INVESTOR RIGHTS AGREEMENT

BY AND AMONG

H&E HOLDINGS L.L.C.,

BRSEC CO-INVESTMENT, LLC,

BRSEC CO-INVESTMENT II, LLC AND

CREDIT SUISSE FIRST BOSTON CORPORATION

JUNE 17, 2002

==========

This INVESTOR RIGHTS AGREEMENT (this "AGREEMENT") is entered into as of June 17, 2002 by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"), BRSEC Co-Investment, LLC ("BRSEC"), BRSEC Co-Investment II, LLC ("BRSEC-II") and Credit Suisse First Boston Corporation (the "INVESTOR").

RECITALS

WHEREAS, on June 17, 2002, the Investor purchased units offered by H&E Equipment Services L.L.C. ("H&E EQUIPMENT SERVICES"), H&E Finance Corp. ("H&E FINANCE") and the Company consisting of (a) 12 1/2% Senior Subordinated Notes due 2013 issued jointly by H&E Equipment Services and H&E Finance and (b) limited liability company interests issued by the Company.

WHEREAS, as a result of such purchase of units by the Investor, as of the date hereof the Investor owns a number of the Company's Class A Common Units, Class B Common Units, Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units, which represent in the aggregate 5% of the total outstanding LLC Interests (as defined below) of the Company.

WHEREAS, as of the date hereof, BRSEC owns a number of the Company's Class A Common Units, Series A Preferred Units, Series B Preferred Units and Series C Preferred Units; and (ii) BRSEC-II owns a number of the Company's Class A Common Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units.

WHEREAS, as of the dated hereof, (i) John M. Engquist ("ENGQUIST"), Kristan Engquist Dunne ("DUNNE"), Wheeler Investments, Inc. ("WHEELER INVESTMENTS"), Don Wheeler ("WHEELER"), Southern Nevada Capital Corporation ("SNCC"), Bagley Family Investments, L.L.C. ("BAGLEY INVESTMENTS"), Kenneth Sharp, Jr. ("SHARP"), Siegfried Wallin ("WALLIN"), The Conner Family Trust ("CONNER TRUST"), The McClain Family Revocable Trust ("MCCLAIN TRUST"), C/J Land & Livestock L.P. ("GERALD WILLIAMS INVESTMENTS"), John and Ellen Williams Limited Partnership ("JOHN WILLIAMS INVESTMENTS") and Robert G. Williams Limited Partnership ("ROBERT WILLIAMS INVESTMENTS") each own a number of the Company's Class B Common Units; and (ii) some of Engquist, Dunne, Wheeler Investments, Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments own some of the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units of the Company.

WHEREAS, Schedule 1 to this Agreement sets forth a complete list of all equity securities of the Company that will be outstanding at the close of business on the date hereof (including all securities exerciseable for or convertible into any such equity securities) and the name of the owners thereof.

WHEREAS, on June 17, 2002, the Company, BRSEC and BRSEC-II, entered into a Securityholders Agreement ("SECURITYHOLDERS AGREEMENT"), with Engquist, Dunne, Wheeler Investments, Wheeler, SNCC, Bagley Investments, Sharp, Wallin, Conner Trust, McClain Trust, Gerald Williams Investments, John Williams Investments and Robert Williams Investments, pursuant to which the parties therein established, among other things, the manner

and terms by which the Management Interests and Other Interests (as defined below) may be transferred.

WHEREAS, the Company, BRSEC, BRSEC-II and the Investor desire to enter into this Agreement for the purposes, among others, of limiting the manner and terms by which the LLC Interests (as defined below) may be transferred, and otherwise agreeing as to certain matters relating to the Company's equity securities.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

"AFFILIATE" means, when used with reference to a specified Person, any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" shall also include, without limitation, any member of such individual's Family Group.

"BOARD" means the Company's board of directors.

"BRS INVESTOR" means any of BRSEC, BRSEC-II or any of their respective Permitted Transferees.

"BRS MAJORITY HOLDERS" means, at any time, the holders of a majority of the number of the BRS Units that are Common Units.

"BRS UNITS" means all LLC Interests owned by any BRS Investor.

"CLASS A COMMON UNITS" means the Company's Class A Common Units (as such term is defined in the LLC Agreement).

"CLASS A DIRECTOR" shall have the meaning assigned to such term in the LLC Agreement.

"CLASS B COMMON UNITS" means the Company's Class B Common Units (as such term is defined in the LLC Agreement).

"CLASS B DIRECTOR" shall have the meaning assigned to such term in the LLC Agreement.

"COMMISSION" means the Securities and Exchange Commission.

"COMMON UNITS" means collectively the Class A Common Units, the Class B Common Units and any other equity securities of the Company (or its successors) that are not limited to a fixed sum or percentage of par value or stated value in respect of the rights of the holders thereof to participate in dividends or other distributions or in the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the issuer of such securities, including any common equity securities of any successor entity of the Company issued pursuant to a transaction of the type described in Section 10.17 of the LLC Agreement.

"EXEMPT TRANSFER" has the meaning specified in Section 2(a)(iv).

"FAMILY GROUP" means, with respect to any Person who is an individual, (i) such Person's spouse, former spouse, ancestors and descendants (whether natural or adopted), parents and their descendants and any spouse of the foregoing persons (collectively, "RELATIVES"), (ii) the trustee, fiduciary or personal representative of such Person and any trust solely for the benefit of such Person and/or such Person's relatives or (iii) any limited partnership, limited liability company or trust the governing instruments of which provide that such Person shall have the exclusive, nontransferable power to direct the management and policies of such entity and of which the sole owners of partnership interests, membership interests or any other equity interests are, and will remain, limited to such Person and such Person's relatives.

"INDEPENDENT THIRD PARTY" means any Person who, immediately prior to the contemplated transaction, does not own in excess of 5% of the number of Common Units on a fully diluted basis (a "5% OWNER"), who is not an Affiliate of any such 5% Owner and who is not a member of the Family Group of any such 5% Owner or a trust for the benefit of any such 5% Owner and/or such other Persons.

"INVESTOR UNITS" means all LLC Interests owned from time to time by the Investor or any Permitted Transferee of the Investor.

"LLC AGREEMENT" means the Limited Liability Company Agreement of the Company, dated June 17, 2002, as amended from time to time.

"LLC INTERESTS" means (i) all Common Units, (ii) all Preferred Units and (iii) all equity securities issued directly or indirectly with respect to any Common Units referred to in clause (i) above or with respect to any Preferred Units referred to in clause (ii) above, in each case, by way of a unit or stock dividend or other distribution, or unit or stock split, or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization, including pursuant to Section 10.17 of the LLC Agreement. As to any particular units or shares constituting LLC Interests, such units or shares will cease to be LLC Interests when they have been Transferred in a Public Sale.

"LLC INTERESTS HOLDERS" means collectively the BRS Investors and the Investor.

"MANAGEMENT INTERESTS" means the LLC Interests owned by the Management Investors.

"MANAGEMENT INVESTOR" means any of Engquist, Dunne, SNCC, Bagley Investments, Sharp, McClain Trust, or any of their respective Permitted Transferees.

"NOTES" means the 13 1/2% Senior Subordinated Notes due 2013 of H&E Equipment Services L.L.C. and H&E Finance Corp.

"OTHER INTERESTS" means the LLC Interests owned by the Other Investors.

"OTHER INVESTOR" means any of Wheeler Investments, Wheeler, Wallin, Conner Trust, Gerald Williams Investments, John Williams Investments, Robert Williams Investments or any of their respective Permitted Transferees.

"PERMITTED TRANSFEREE" means (i) with respect to any BRS Investor, any Person who acquires LLC Interests from such BRS Investor in an Exempt Transfer in accordance with Section 2(a)(iv) hereof, and (ii) with respect to the Investor, any Person who acquires LLC Interests from the Investor or from any of its Permitted Transferees; PROVIDED, that the provisions of this Agreement shall no longer apply to any LLC Interests that are sold in a Public Sale.

"PERSON" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity or organization.

"PREFERRED UNITS" means any of the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Series D Preferred Units or any other preferred equity securities authorized by the Company (or its successors) which are not Common Units.

"PUBLIC OFFERING" means an underwritten public offering and sale of equity securities of the Company pursuant to an effective registration statement under the Securities Act; PROVIDED, that a Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form; PROVIDED further that an offering shall not be deemed a Public Offering unless the Company's equity securities are at the time listed for trading on a national securities exchange or are authorized for trading on the Nasdaq National Market System.

"PUBLIC SALE" means any sale of LLC Interests to the public pursuant to an offering registered under the Securities Act or, after the consummation of an initial Public Offering, to the public pursuant to the provisions of Rule 144 (or any similar rule or rules then in effect) under the Securities Act.

"QUALIFYING PUBLIC OFFERING" means any Public Offering that results in at least $50.0 million of equity securities of the Company having been sold to the public pursuant to one or more registration statements (other than on Form S-4 or Form S-8 or any similar form); PROVIDED that the Company's equity securities are at the time listed for trading on a national securities exchange or is authorized for trading on the Nasdaq National Market System at such time.

"RELATED PARTY" has the meaning specified in Section 2(a)(v).

"REGISTRABLE SECURITIES" means the LLC Interests held by the Investor or any of its Permitted Transferees and any successor securities but only until such time as such securities (i) have been effectively registered under the Act and disposed of in accordance with the Registration Statement covering it or (ii) have been sold to the public pursuant to Rule 144 (or any similar provision then in force) under the Act and the Legend referred to in Section 7(a) has been removed from the certificate representing such security.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SERIES A PREFERRED UNITS" means the Company's Series A Preferred Units (as such term is defined in the LLC Agreement).

"SERIES B PREFERRED UNITS" means the Company's Series B Preferred Units (as such term is defined in the LLC Agreement).

"SERIES C PREFERRED UNITS" means the Company's Series C Preferred Units (as such term is defined in the LLC Agreement).

"SERIES D PREFERRED UNITS" means the Company's Series D Preferred Units (as such term is defined in the LLC Agreement).

"TCW" means collectively, TCW Leveraged Income Trust IV, L.P., TCW/Crescent Mezzanine Partners III, L.P., TCW/Crescent Mezzanine Trust III and TCW/Crescent Mezzanine Partners III Netherlands, L.P. and their respective Affiliates.

"TRANSFER" means any direct or indirect sale, transfer, conveyance, assignment, pledge, hypothecation, gift, delivery or other disposition or encumbrance.

SECTION 2. RESTRICTIONS ON TRANSFER OF LLC INTERESTS.

(a) TAG-ALONG RIGHTS.

(i) With respect to any proposed Transfer of any equity securities of the Company of any class or series by any BRS Investor (the "BRS TRANSFERRING INVESTOR") to a person (such other person being hereafter referred to as the "PROPOSED PURCHASER"), other than pursuant to an Exempt Transfer (as defined below), the Investor and each of its Permitted Transferees (collectively, the "TAG-ALONG INVESTORS") shall each have the right (the "TAG-ALONG RIGHT") to require the proposed purchaser to purchase from it up to the number of units or shares, as applicable, of the class or series of such type of equity securities being transferred by the BRS Transferring Investor that are at the time owned by each such Tag-Along Investor equalling the sum of (A) the number derived by multiplying the total number of units or shares, as applicable, the BRS Transferring Investor proposes to Transfer by a fraction, the numerator of which is the total number of units or shares, as applicable, of the class or series of such type of equity securities being transferred that are at that time owned by such Tag-Along Investor, and the denominator of which is the total number of units or shares, as applicable, of the class or series of such type of equity securities being transferred that are at that time owned by the BRS Investors and all Tag-Along Investors as a group and (b) any additional units or

shares, as applicable, of the class or series of such type of equity securities being offered such Tag-Along Investor shall be entitled to have purchased pursuant to the next paragraph if any other Tag-Along Investor elects not to exercise its rights hereunder. Any units or shares, as applicable, purchased from Tag-Along Investors pursuant to this Section 2(a) shall be paid for at the same price per unit or share, as applicable, and upon the same terms and conditions as such proposed Transfer by the BRS Transferring Investor (or its Related Parties, as the case may be), it being agreed however, that such terms and conditions will not include the making of any representations and warranties, indemnities or other similar agreements other than customary representations and warranties with respect to title of the units or shares, as applicable, being sold and authority to sell such units or shares, as applicable, absence of conflicts with applicable law or material agreements of the transferor and customary indemnities related thereto. At least 15 business days prior to each proposed transfer, the Company and the BRS Transferring Investor will notify, or cause to be notified, each Tag-Along Investor in writing of each such proposed transfer. Such notice shall set forth: (i) the name of the transferor and the number of units or shares, as applicable, proposed to be transferred, (ii) the name and address of the proposed purchaser, (iii) the proposed amount and form of consideration and terms and conditions of payment offered by such proposed purchaser and (iv) that the proposed purchaser has been informed of the Tag-Along Right provided for in this Section 2(a) and has agreed to purchase units or shares, as applicable, in accordance with the terms hereof.

(ii) The Tag-Along Right may be exercised by any Tag-Along Investor by delivery of a written notice to the Company or the BRS Transferring Investor proposing to sell units or shares, as applicable, (the "TAG-ALONG NOTICE") within 15 business days following its receipt of the notice specified in the last sentence of the preceding paragraph. The Tag-Along Notice shall state the amount of units or shares, as applicable, that such Tag-Along Investor proposes to include in such transfer to the proposed purchaser determined as aforesaid, plus the amount of additional units or shares, as applicable, if any, that such Tag-Along Investor would be willing to sell to the proposed purchaser in the event that any of the other Tag-Along Investors elect not to exercise their Tag-Along Rights in whole or in part. The maximum amount of additional units or shares, as applicable, that each such Tag-Along Investor shall be entitled to sell, and the proposed purchaser be required to purchase, shall be determined by multiplying the total number of units or shares, as applicable, that, under the formula described in the previous paragraph, Tag-Along Investors could have elected to sell to the proposed purchaser but elected not to so sell, by a fraction, the numerator of which is the total number of units or shares, as applicable, of such class or series of such type of LLC Interests being transferred that are at that time owned by such Tag-Along Investor electing to sell additional units or shares, as applicable, and the denominator of which is the total number of units or shares, as applicable, of such class or series of such type of LLC Interests being transferred that are at that time owned by all Tag-Along Investors who delivered Tag-Along Notices. In the event that the proposed purchaser does not purchase units or shares, as applicable, from the Tag-Along Investors on the same terms and conditions as specified in the notice referred to in the last sentence of the preceding paragraph, then the BRS Transferring Investor and its Related Parties shall not be permitted to Transfer any units or shares, as applicable, to the proposed purchaser in the

proposed Transfer. If no Tag-Along Notice is received during the 15-business day period referred to above (or if such notices do not cover all the units or shares, as applicable, proposed to be transferred to the proposed purchaser), the BRS Transferring Investor and its Related Parties shall have the right, for a 90-day period after the expiration of the 15-business day period referred to above, to transfer the units or shares, as applicable, specified in the notice referred to in the last sentence of the preceding paragraph (or the remaining units or shares, as applicable) on terms and conditions no more favorable to the BRS Transferring Investor than those stated in the Tag-Along Notice and in accordance with the provisions of this Section 2(a).

(iii) For purposes of this Section 2(a), the Class A Common Units and the Class B Common Units will be deemed to be the same type and class of LLC Interests, whereas each of the Series A Preferred Units, Series B Preferred Units, Series C Preferred Units and Series D Preferred Units will be deemed to be a different series and type of LLC Interests.

(iv) As used herein, the term "EXEMPT TRANSFER" means (1) transfers by any BRS Investor to its Related Parties; (2) transfers by any BRS Investor's Related Parties to such BRS Investor; (3) transfers since the date of this Agreement by BRS Investors of any units or shares, as applicable, of a class or series of equity interests of the Company not to exceed, in the aggregate, 10% of the number of units or shares, as applicable, of such class or series owned by them as of the date hereof; (4) distributions by a BRS Investor to its constituent partners or members proportionate to their interest in the BRS Investor; and (5) transfers by any BRS Investor or any of its Related Parties in a Public Sale; PROVIDED, HOWEVER, that no such transfer (except as set forth in (5) above) shall be an Exempt Transfer unless the transferee agrees in writing to be bound by this Agreement as if such transferee were a BRS Investor with respect to such transferred units or shares, as applicable, by executing a joinder agreement in the form of Exhibit A hereto.

(v) As used herein, the term "RELATED PARTY" with respect to any BRS Investor means: (A) any parent, controlling stockholder, or a more than 80% owned subsidiary of such BRS Investor; (B) any member of the Family Group of such BRS Investor; or (C) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or persons holding more than a 80% controlling interest of which consist of such BRS Transferring Investor and/or such other persons or entities referred to in the immediately preceding clauses (A) and (B).

(vi) The Investor Transferring LLC Interests pursuant to Section 2(a)(i) shall pay its own out-of-pocket expenses incurred in connection with such Transfer and shall take all reasonably necessary and desirable actions as reasonably directed by the BRS Transferring Investor in connection with the consummation of such Transfer, including without limitation executing all applicable purchase agreement documents of transfer subject to the provisions of Section 2(a).

(vii) The Tag-Along Right provided under this Section 2 shall

terminate upon the consummation of a Qualifying Public Offering.

(viii) Each Tag-Along Investor shall have Tag-Along Rights with respect to all equity securities of the Company owned by it from time to time, including those acquired after the date hereof, so long as the same are Registrable Securities. The BRS Investors will hold all of their equity securities of the Company subject to the Tag-Along Right, including those acquired after the date hereof except for those equity securities of a class or series of which no securities of such class or series are then held by a Tag-Along Investor.

(ix) The Company agrees not to effect any Transfer of equity securities of the Company by any BRS Investor until it has received evidence reasonably satisfactory to it that the Tag-Along Right, if applicable to such transfer, has been complied with.

(b) If any LLC Interests Holder Transfers LLC Interests to an Affiliate and an event occurs which causes such Affiliate to cease to be an Affiliate of such LLC Interests Holder unless, prior to such event, such Affiliate Transfers such LLC Interests back to such LLC Interests Holder, then, in each case, such event or Transfer shall be deemed a Transfer of LLC Interests subject to all of the restrictions on Transfers of LLC Interests set forth in this Agreement, including without limitation, this Section 2.

SECTION 3. DRAG-ALONG RIGHT.

(a) If BRS Majority Holders approve a sale of all or substantially all of the Company's assets determined on a consolidated basis or a sale of 85% or more (measured by fair market value) of the aggregate equity interests of the Company at the time owned by the BRS Investors (in either case, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise) or any other transaction which has the same effect as any of the foregoing, to an Independent Third Party or group of Independent Third Parties in a transaction in which (a) more than 50% of the aggregate equity interests of the Company (on a fully diluted basis) are to be transferred and (b) all Holders of the same class or series of LLC Interests that are being Transferred in such transaction are treated identically except as provided below in this Section 3 (each such sale or transaction, an "APPROVED COMPANY SALE"), then each LLC Interests Holder will vote for, consent to and raise no objections against the Approved Company Sale or the process. If the Approved Company Sale is structured as a merger or consolidation, then each LLC Interests Holder shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger or consolidation. If the Approved Company Sale is structured as a Transfer of LLC Interests, then each LLC Interests Holder shall agree to sell all, but not less than all, of his or its LLC Interests and rights to acquire LLC Interests on the same terms and conditions, as applicable to the respective types of LLC Interests to be Transferred by the BRS Majority Holders, it being agreed however, that such terms and conditions will not include the making of any representations and warranties, indemnities or other similar agreements other than representations and warranties with respect to title of the units or shares, as applicable, being sold and authority to sell such units or shares, as applicable, absence of conflicts with applicable law or material agreements of the transferor and indemnities related thereto. Subject to the foregoing, each LLC Interests Holder shall take all necessary or desirable actions in connection with the consummation of an Approved Company Sale as requested by the Board, including, without limitation, executing the applicable documents of transfer. Notwithstanding the

foregoing, no LLC Interests Holder shall be required to participate in an Approved Company Sale unless such holder is provided a reasonably acceptable opinion of counsel to the effect that the transfer in connection with such Approved Company Sale is not in violation of the registration or qualification requirements of the federal or applicable state securities laws, or, if such holder is not provided with such an opinion, the Company will indemnify such holder for any such violation.

(b) Each LLC Interests Holder will bear its own costs incurred in connection with any Approved Company Sale.

(c) The provisions of this Section 3 shall terminate upon the consummation of a Qualifying Public Offering.

SECTION 4. LEGEND.

(a) Each certificate or instrument evidencing LLC Interests originally issued to the Investor and each certificate or instrument issued in exchange for or upon the Transfer of any LLC Interests originally issued to the Investor (if such securities remain LLC Interests after such Transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN INVESTOR RIGHTS AGREEMENT, DATED AS OF JUNE 17, 2002, AS MAY BE AMENDED FROM TIME TO TIME, BY AND AMONG THE ISSUER AND CERTAIN OF THE ISSUER'S EQUITYHOLDERS. THE HOLDER HEREOF IS ENTITLED TO THE BENEFITS OF AND IS SUBJECT TO THE TERMS AND CONDITIONS OF THE INVESTOR RIGHTS AGREEMENT. A COPY OF SUCH INVESTOR RIGHTS AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

(b) The legend set forth above regarding this Agreement shall be removed from the certificates evidencing any securities which cease to be LLC Interests. Upon the request of any LLC Interests Holder, the Company shall remove the Securities Act portion of the legend set forth above from the certificate or certificates for such LLC Interests (if such LLC Interests are certificated as of such time); PROVIDED, that such LLC Interests are eligible (as reasonably determined by the Company in reliance upon an opinion of counsel to the LLC

Interests Holder) for sale pursuant to Rule 144(k) (or any similar rule or rules then in effect) under the Securities Act.

SECTION 5. TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any LLC Interests in violation of any provision of this Agreement or the LLC Agreement shall be null and void, and the Company shall not record such Transfer on its books or treat any purported transferee of such LLC Interests as the owner of such securities for any purpose.

SECTION 6. PREEMPTIVE RIGHTS.

(a) Except in the case of an Exempt Issuance (as defined below), the Company shall not issue (an "ISSUANCE") additional equity securities, or securities convertible into or exchangeable for, or options to purchase, any such equity securities, to any BRS Investor, officer, director or Affiliate of the Company or any BRS Investor unless, prior to such Issuance, the Company notifies the holders of Registrable Securities in writing of the Issuance and grants to the holders of Registrable Securities the right (the "RIGHT") to subscribe for and purchase a portion of such additional equity securities so issued at the same price as issued in the Issuance such that, after giving effect to the Issuance and exercise of the Right (including, if applicable, the issuance of equity securities upon conversion, exchange or exercise of any such security), the equity securities owned by the holders of Registrable Securities (rounded to the nearest whole unit or share, as applicable) shall represent the same percentage of the outstanding equity of the Company as was owned by the holders of Registrable Securities prior to the Issuance. The Right may be exercised by the holders of Registrable Securities at any time by written notice to the Company received by the Company within 15 business days after receipt of notice from the Company of the Issuance (the "ACCEPTANCE PERIOD"), and the closing of the purchase and sale pursuant to the exercise of the Right shall occur at least 15 days after the Company receives notice of the exercise of the Right and prior to or concurrently with the closing of the Issuance.

(b) To the extent exercise of a Right by the holders of Registrable Securities has not been received within the Acceptance Period, the Company may, at its election, during a period of 90 days following the expiration of the applicable Acceptance Period, issue and sell the remaining equity interests in connection with the Issuance to any officer, director or Affiliate of the Company or any BRS Investor at a price and upon terms not more favorable to such any stockholder, officer, director or Affiliate of the Company or any BRS Investor than those stated in the Company's notice to the holders of Registrable Securities. In the event the Company has not sold any equity interests covered by a Company's notice to the holders of Registrable Securities, to any stockholder, officer, director or Affiliate of the Company or any BRS Investor within such 90-day period, the Company shall not thereafter issue or sell such equity interests to any stockholder, officer, director or Affiliate of the Company or any BRS Investor, without first offering such to the holders of Registrable Securities in the manner provided in this Section 6; PROVIDED, HOWEVER, that failure by the holders of Registrable Securities to exercise its option to purchase with respect to one Issuance and sale of equity interests shall not affect its option to purchase equity interests in any subsequent Issuance.

(c) EXEMPT ISSUANCES. Notwithstanding the foregoing, the Right shall not apply (i) to any issuance of equity securities (or securities convertible into or exchangeable for, or options to purchase, equity securities) to employees or directors of the Company (other than

any director elected by any BRS Investor) or any subsidiary, PROVIDED that the aggregate amount of equity securities so issued shall not exceed the sum of (a) 10% of the aggregate number of Class A Common Units and Class B Common Units outstanding at the close of business on the date hereof plus (b) the amount of any LLC Interests repurchased by the Company from the BRS Investors or any member of the Company's management team (and not reissued thereto), or (ii) to any issuance, pro rata to all holders of equity securities, of equity securities (or securities convertible into or exchangeable for, or options to purchase, equity securities) as a dividend on, subdivision of, or other distribution in respect of, the equity securities (each such issuance, an "EXEMPT ISSUANCE").

(d) TERMINATION. The provisions of this Section 6 shall terminate upon consummation of a Qualifying Public Offering.

SECTION 7. REGISTRATION RIGHTS.

(a) PIGGYBACK REGISTRATION RIGHTS.

(i) RIGHT TO PIGGYBACK. Subject to the last sentence of this subsection (i), whenever the Company proposes to register any equity securities (or securities convertible into or exchangeable for, or options to acquire, equity securities) with the Commission under the Act and the registration form to be used may be used for the registration of the Registrable Securities (a "PIGGYBACK REGISTRATION"), the Company will give written notice to the holders of Registrable Securities, at least 30 days prior to the anticipated filing date, of its intention to effect such a registration, which notice will specify the proposed offering price (if available), the kind and number of securities proposed to be registered, the distribution arrangements and such other information that at the time would be appropriate to include in such notice, and will, subject to subsection (a)(ii) below, include in such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 business days after the effectiveness of the Company's notice. Except as may otherwise be provided in this Agreement, Registrable Securities with respect to which such request for registration has been received will be registered by the Company and offered to the public in a Piggyback Registration pursuant to this Section 7 on the terms and conditions at least as favorable as those applicable to the registration of shares of equity securities (or securities convertible into or exchangeable or exercisable for equity securities) to be sold by the Company and by any other person selling under such Piggyback Registration.

(ii) PRIORITY ON PIGGYBACK REGISTRATIONS. If the managing underwriter or underwriters, if any, advise the holders of Registrable Securities in writing that in its or their reasonable opinion that the number or kind of securities proposed to be sold in such registration (including Registrable Securities to be included pursuant to subsection (a)(i) above) will materially adversely affect the success of such offering, the Company will include in such registration the number of securities, if any, which, in the opinion of such underwriter or underwriters, or the Company, as the case may be, can be sold as follows: (A) first, the securities the Company proposes to sell, (B) second, the securities proposed to be sold by Persons initially requesting such registration, if any (other than any BRS

Investor), and (C) third, the securities proposed to be sold by any BRS Investor and the Registrable Securities requested to be included in such registration by the holders of Registrable Securities and all other Persons having registration rights with respect to such offering. To the extent that the privilege of including Registrable Securities in any Piggyback Registration must be allocated among the holders of Registrable Securities and other Persons pursuant to clause (B) or (C) above, the allocation shall be made pro rata based on the number of Registrable Securities that each such participant shall have requested to include therein or proposed to be sold by any BRS Investor, as the case may be. If any holder of Registrable Securities is excluded as a result of the foregoing restrictions from registration, then such holder shall be entitled to sell, on a pro rata basis, the excluded Registrable Securities, prior to any other Registrable Securities, pursuant to the underwriters' over-allotment option.

(iii) SELECTION OF UNDERWRITERS. If any Piggyback Registration is an underwritten offering, the Company will select a managing underwriter or underwriters to administer the offering, which managing underwriter or underwriters will be of nationally recognized standing.

(b) DEMAND REGISTRATION RIGHTS.

(i) RIGHT TO DEMAND BY THE HOLDERS OF REGISTRABLE SECURITIES. On any two occasions after 180 days after the first Public Offering, the holders of Registrable Securities holding 33% or more (singly or

collectively) of the Registrable Securities issued to the Investor on the date hereof (or any successor security) (collectively, a "DEMANDING GROUP") may, make a written request of the Company for registration with the Commission, under and in accordance with the provisions of the Act, of all or part of their Registrable Securities (a "DEMAND REGISTRATION"); PROVIDED, that (a) the Company need not effect a Demand Registration unless such Demand Registration shall include at least 50% of the Registrable Securities held on the date of such written request by the Demanding Group, (b) the Company will not be obligated to effect any Demand Registration within 180 days of the effectiveness of another registration statement, (c) the Company may, if the Board unanimously determines in the exercise of its reasonable judgment that to effect such Demand Registration at such time would have a material adverse effect on the Company, defer such Demand Registration for a single period not to exceed 90 days, and (c) if the Company elects to defer any Demand Registration pursuant to the terms of this sentence, no Demand Registration shall be deemed to have occurred for purposes of this Agreement. Within 10 days after receipt of the request for a Demand Registration, the Company will send written notice (the "NOTICE") of such registration request and its intention to comply therewith to each of the holders of Registrable Securities who are holders of Registrable Securities and, subject to subsection (iii) below, the Company will include in such registration all Registrable Securities of such holder of Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 business days after the effectiveness of the Notice. All requests made pursuant to this subsection (b)(i) will specify the aggregate number of Registrable Securities requested to be registered and will also specify the intended methods of disposition thereof.

(ii) PRIORITY ON DEMAND REGISTRATIONS. If in any Demand Registration, the managing underwriter or underwriters thereof advise the Company in writing that in its or their reasonable opinion the number of securities proposed to be sold in such Demand Registration exceeds the number that can be sold in such offering without having a material effect on the success of the offering (including, without limitation, an impact on the selling price or the number of Shares that any participant may sell), the Company will include in such registration only the number of securities that, in the reasonable opinion of such underwriter or underwriters (or holders of Registrable Securities, as the case may be) can be sold without having a material adverse effect on the success of the offering as follows: (A) first, the Registrable Securities requested to be included in such Demand Registration by the holders of Registrable Securities pro rata among those requesting to be included in such Registration on the basis of the number of securities requested to be included, (B) second, the securities requested to be included in such Demand Registration by all other Persons having registration rights with respect thereto pro rata among those requesting such Registration on the basis of the number of securities requested to be included, and (C) third, securities to be issued and sold by the Company.

(iii) SELECTION OF UNDERWRITERS. If a Demand Registration is an underwritten offering, the holders of a majority of the Registrable Securities to be included in such Demand Registration held by members of the Demanding Group that initiated such Demand Registration will select a managing underwriter or underwriters of recognized national standing to administer the offering.

(v) EFFECTIVE REGISTRATION STATEMENT. A demand registration requested pursuant to this Section 7(b) shall not be deemed to have been effected (i) unless a registration statement with respect thereto has become effective; PROVIDED, HOWEVER, that if such registration does not become effective after the Company has filed it solely by reason of the refusal to proceed by the requesting holders of Registrable Securities (other than a refusal to proceed based upon the advice of counsel relating to a matter with respect to the Company), then such registration shall be deemed to have been effected unless such requesting holders shall have elected to pay all registration expenses referred to in Section 7(e) hereof in connection with such registration, (ii) if, after the registration statement that relates to such registration has become effective, such registration statement becomes subject to any stop order, injunction or requirement of the Commission or other governmental agency or court for any reason and such stop order, injunction or requirement is not promptly withdrawn or lifted, or (iii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of some act or omission by such requesting holders.

(c) REGISTRATION PROCEDURES. With respect to any Piggyback Registration or Demand Registration (generically, a "REGISTRATION"), the Company will, subject to Sections 7(a)(ii) and 7(b)(iii), as expeditiously as practicable:

(i) prepare and file with the Commission, within 90 days

after mailing the applicable Notice, a registration statement or registration statements, on Form S-3, if

available, (the "REGISTRATION STATEMENT") relating to the applicable Registration on any appropriate form under the Act, which form shall be available for the sale of the Registrable Securities in accordance with the intended method or methods of distribution thereof; PROVIDED that the Company will include in any Registration Statement on a form other than Form S-1 all information that the holders of the Registrable Securities so to be registered shall reasonably request, (PROVIDED that such information is either required by Form S-1 or relevant to the offering) and shall include all financial statements required by the Commission to be filed therewith, cooperate and assist in any filings required to be made with the National Association of Securities Dealers, Inc. ("NASD"), and use all commercially reasonable efforts to cause such Registration Statement to become effective; PROVIDED FURTHER, that before filing a Registration Statement or prospectus related thereto (a "Prospectus") or any amendments or supplements thereto, the Company will furnish to the holders of the Registrable Securities covered by such Registration Statement and the underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the reasonable review of such holders and underwriters and their respective counsel, and the Company will not file any Registration Statement or amendment thereto or any Prospectus or any supplement thereto to which the holders of a majority of the Registrable Securities covered by such Registration Statement or the underwriters, if any, shall reasonably object;

(ii) prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep each Registration Statement effective for the applicable period, or such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold; cause each Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) notify the selling holders of Registrable Securities and the managing underwriters, if any, promptly, and (if requested by any such person or entity) confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective, (B) of any request by the Commission for amendments or supplements to the Registration Statement or the Prospectus or for additional information, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, (D) if at any time the representations and warranties of the Company contemplated by subsection (xiv) below cease to be true and correct, (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (F) of the happening of any event which makes any statement made in the Registration Statement, the Prospectus or any document incorporated therein by reference untrue or which requires the making of any

changes in the Registration Statement, the Prospectus or any document incorporated therein by reference in order to make the statements therein not misleading;

(iv) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement at the earliest possible moment;

(v) if requested by the managing underwriter or underwriters or a holder of Registrable Securities being sold in connection with an underwritten offering, promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriters and the holders of a majority of the Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus

supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(vi) furnish to each selling holder of Registrable Securities and each managing underwriter, without charge, at least one conformed copy of the Registration Statement and any amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(vii) deliver to each selling holder of Registrable Securities and the underwriters, if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such selling holder of Registrable Securities and underwriters may reasonably request; the Company consents to the use of each Prospectus or any amendment or supplement thereto by each of the selling holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto;

(viii) prior to any public offering of Registrable Securities, register or qualify or cooperate with the selling holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions as any seller or underwriter reasonably requests in writing, considering the amount of Registrable Securities proposed to be sold in each such jurisdiction, and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statement; PROVIDED that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject;

(ix) cooperate with the selling holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters;

(x) use all commercially reasonable efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriters, if any, to consummate the disposition of such Registrable Securities;

(xi) upon the occurrence of any event contemplated by subsection (iii)(F) above, prepare a supplement or posteffective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(xii) cause all Registrable Securities covered by any Registration Statement to be listed on each securities exchange on which similar securities issued by the Company are then listed, or cause such Registrable Securities to be authorized for trading on the Nasdaq National Market System if any similar securities issued by the Company are then so authorized, if requested by the holders of a majority of such Registrable Securities or the managing underwriters, if any;

(xiii) provide a CUSIP number for all Registrable Securities, not later than the effective date of the applicable Registration Statement;

(xiv) enter into such agreements (including an underwriting agreement) and take all such other actions in connection therewith in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, whether or not an underwriting agreement is entered into and whether or not the Registration is an underwritten Registration (A) make such representations and warranties and indemnities to the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in primary underwritten offerings; (B) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any) addressed to the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably

requested by such underwriters; (C) obtain "cold comfort" letters and updates thereof from the Company's independent certified public accountants addressed to the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters by underwriters in connection with primary underwritten offerings; and (D) the Company shall deliver such documents and

certificates as may be requested by the managing underwriters, if any, to evidence compliance with subsection (iii)(F) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement or as and to the extent required thereunder;

(xv) make available for inspection by a representative of any underwriter participating in any disposition pursuant to such Registration, and any attorney or accountant retained by the underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement; PROVIDED that any records, information or documents that are designated by the Company in writing as confidential shall be kept confidential by such Persons unless disclosure of such records, information or documents is required by court or administrative order or any regulatory body having jurisdiction;

(xvi) otherwise use all commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders, earnings statements satisfying the provisions of Section 11(a) of the Act, no later than 45 days after the end of any 12-month period (or 90 days, if such period is a fiscal year) (A) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a firm or best efforts underwritten offering, or (B) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statements shall cover said 12-month periods; and

(xvii) promptly prior to the filing of any document that is to be incorporated by reference into any Registration Statement or Prospectus (after initial filing of the Registration Statement), provide copies of such document to the managing underwriters, if any, make the Company's representatives available for discussion of such document and make such changes in such document prior to the filing thereof as counsel for such selling holders or underwriters may reasonably request.

The Company may require each seller of Registrable Securities as to which any Registration is being effected to furnish to the Company such information regarding the proposed distribution of such securities and the proper name and address of such seller as the Company may from time to time reasonably request in writing.

Each holder of Registrable Securities agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in subsection (iii)(F) of this subsection (c), such holder will forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement until such holder's receipt of copies of the supplemented or amended Prospectus as contemplated by subsection (xi) of this subsection (c), or until it is advised in writing (the "ADVICE") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus, and, if so

directed by the Company, such holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the time periods referred to in subsection (ii) of this subsection (c) shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement shall have received the copies of the supplemented or amended prospectus contemplated by subsection (xi) of this subsection (c) or the Advice.

(d) RESTRICTIONS ON PUBLIC SALE.

(i) PUBLIC SALE BY HOLDERS OF REGISTRABLE SECURITIES. To the extent not inconsistent with applicable law, the holders of Registrable Securities, if requested by the managing underwriter or underwriters for

any registration statement filed by the Company, agrees not to effect any public sale or distribution of Registrable Securities, including a sale pursuant to Rule 144 (or any similar provision then in force) under the Act, during the 180-day period (or such shorter period as may be applicable to sales by the Company) beginning on, the effective date of such registration statement and during the 30-business day period following notice of such registration statement.

(ii) PUBLIC SALE BY THE COMPANY AND OTHERS. If requested by the managing underwriter or underwriters for any underwritten Registration, or by the holders of a majority of the Registrable Securities held by the Persons whose securities are being registered in a Demand Registration that is not being underwritten, (i) the Company will not effect any public sale or distribution of equity securities for their own account (or securities convertible into or exchangeable or exercisable for equity securities) during the 180-day period (or such shorter period as may be agreed to by such underwriters or holders) beginning on, the effective date of such registration statement and during the 30-business day period following notice of such registration statement, and (ii) the Company will assist the underwriters to cause each other holder of equity securities (or securities convertible into or exchangeable for, or options to purchase, equity securities) purchased from the Company at any time after the date of this Agreement (other than in a registered public offering) to agree not to effect any public sale or distribution of any such securities during such period described in (A) above (except as part of such Registration, if otherwise permitted).

(iii) OTHER REGISTRATIONS. If the Company has previously filed a Registration Statement with respect to Registrable Securities, and if such previous Registration has not been withdrawn or abandoned, the Company will not file or cause to be effected any other registration of any of its equity securities (or securities convertible into or exchangeable for, or options to purchase, equity securities) under the Act (except on Form S-8 or any similar successor form), whether on its own behalf or at the request of any holder or holders of equity securities (or securities convertible into or exchangeable or exercisable for equity securities), until a period of at least six months has elapsed from the effective date of such previous Registration; PROVIDED, that if the Company and holders of 50% or more of the aggregate number of Registrable Securities

included in such previous Registration shall agree in writing, such period may be shortened.

(e) REGISTRATION EXPENSES.

(i) All expenses incident to the Company's performance of or compliance with this Agreement will be borne by the Company, including, without limitation, all registration and filing fees, the fees and expenses of the counsel and accountants for the Company (including the expenses of any "cold comfort" letters and special audits required by or incident to the performance of such persons), all other costs and expenses of the Company incident to the preparation, printing and filing under the Act of the Registration Statement (and all amendments and supplements thereto) and furnishing copies thereof and of the Prospectus included therein, the costs and expenses incurred by the Company in connection with the qualification of the Registrable Securities under the state securities or "blue sky" laws of various jurisdictions, the costs and expenses associated with filings required to be made with the NASD (including, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel as may be required by the rules and regulations of the NASD), the costs and expenses of listing the Registrable Securities for trading on a national securities exchange or authorizing them for trading on the Nasdaq National Market System and all other costs and expenses incurred by the Company in connection with any Registration hereunder; PROVIDED, that, except as otherwise provided in subsection (ii) below, the Company shall not bear the costs and expenses of the holders of Registrable Securities for underwriters' commissions, brokerage fees, transfer taxes, or the fees and expenses of any counsel, accountants or other representative retained by the holders of Registrable Securities.

(ii) Notwithstanding the foregoing and except as provided below, in connection with each Registration hereunder, the Company will reimburse holders of Registrable Securities being registered in any Registration hereunder for the reasonable out-of-pocket expenses, including the reasonable fees and disbursements of not more than one counsel, which counsel shall be chosen by the majority in interest of the holders of Registrable Securities requesting such registration.

(f) INDEMNIFICATION.

(i) INDEMNIFICATION BY THE COMPANY. The Company agrees to indemnify, to the full extent permitted by law, the holder of Registrable Securities and each of its respective officers, directors and agents and

each person who controls any of them (within the meaning of the Act and the Exchange Act), against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any omission or alleged omission to state therein a material fact necessary to make the statements therein (in the case of a Prospectus or any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, except insofar as the same are caused by or contained in any information with respect to the holder of Registrable Securities furnished in writing to the Company by such holder of Registrable Securities or its representative specifically for use therein. The Company will also

indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each person who controls such persons (within the meaning of the Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities; PROVIDED, HOWEVER, if pursuant to an underwritten public offering of Registrable Securities, the Company and any underwriters enter into an underwriting or purchase agreement relating to such offering that contains provisions relating to indemnification and contribution between the Company and such underwriters, such provisions shall be deemed to govern indemnification and contribution as between the Company and such underwriters.

(ii) INDEMNIFICATION BY HOLDERS OF REGISTRABLE SECURITIES. In connection with any registration in which the holders of Registrable Securities is participating, the holders of Registrable Securities will furnish to the Company in writing such information with respect to the holders of Registrable Securities as the Company reasonably requests for use in connection with any Registration Statement or Prospectus and agrees to indemnify, to the full extent permitted by law, the Company, the directors and officers of the Company signing the Registration Statement and each person who controls the Company (within the meaning of the Act and the Exchange Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements in the Registration Statement or Prospectus or preliminary Prospectus (in the case of the Prospectus or any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission is contained in any information with respect to such holder of Registrable Securities so furnished in writing by such holders of Registrable Securities specifically for inclusion therein. In no event shall the liability of any selling holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such holder upon the sale of the Registrable Securities giving rise to such indemnification obligation. The Company shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above with respect to information with respect to such persons or entities so furnished in writing by such persons or entities or their representatives specifically for inclusion in any Prospectus or Registration Statement.

(iii) CONDUCT OF INDEMNIFICATION PROCEEDINGS. Any person or entity entitled to indemnification hereunder will (A) give prompt written notice to the indemnifying party after the receipt by the indemnified party of a written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which such indemnified party will claim indemnification or contribution pursuant to this Agreement; PROVIDED, HOWEVER, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding clauses (i) and (ii), except to the extent that the indemnifying party is actually prejudiced by such failure to give notice as determined by a final determination by a court of competent jurisdiction and (B) unless in such indemnified party's reasonable judgment a conflict of interest may exist between such

indemnified and indemnifying parties with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. Whether or not such defense is assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). No indemnifying party will be required to consent to the entry of any judgment or to enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. An indemnifying party who is not entitled to, or elects not to, assume the defense of a

claim will not be obligated to pay the fees and expenses of more than one counsel in any one jurisdiction for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel or counsels.

(iv) CONTRIBUTION. If for any reason the indemnification provided for in the preceding clauses (i) and (ii) is unavailable to an indemnified party as contemplated by the preceding clauses (i) and (ii), then the indemnifying party in lieu of indemnification shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect not only the relative benefits received by the indemnified party and the indemnifying party, but also the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations, PROVIDED that such holder of Registrable Securities shall not be required to contribute in an amount greater than the difference between the net proceeds received by such holder of Registrable Securities with respect to the sale of any LLC Interests and any successor securities and all amounts already contributed by such holder of Registrable Securities with respect to such claims, including amounts paid for any legal or other fees or expenses incurred by such holder of Registrable Securities.

(g) RULE 144. The Company agrees that at all times after it has filed a registration statement pursuant to the requirements of the Act relating to any class of equity securities of the Company, it will file in a timely manner all reports required to be filed by it pursuant to the Act and the Exchange Act and will take such further action as any holder of Registrable Securities may reasonably request in order that such holder may effect sales of Shares pursuant to Rule 144. At any reasonable time and upon request of the Investor, the Company will furnish the holders of Registrable Securities and others with such information as may be necessary to enable the holders of Registrable Securities to effect sales of securities pursuant to Rule 144 under the Act and will deliver to the holders of Registrable Securities a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, the Company may deregister any class of its equity securities under Section 12 of the Exchange Act or suspend its duty to file reports with respect to any class of its securities pursuant to Section 15(d) of the Exchange Act if it is then permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder.

(h) PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No holder of Registrable Securities may participate in any underwritten registration hereunder unless the holder of Registrable Securities (i) agrees to sell its Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to select the underwriter pursuant to Sections 7(a)(iii) and 7(b)(iv) above, and, subject to the provisions of Section 2, (ii) accurately completes in a timely manner and executes all questionnaires, powers of attorney, underwriting agreements and other documents customarily required under the terms of such underwriting arrangements.

(i) OTHER REGISTRATION RIGHTS. The Company will not grant to any person (including the Investor) any demand or piggyback registration rights with respect to the equity securities of the Company (or securities convertible into or exchangeable for, or options to purchase, equity securities) other than piggyback registration rights that are not inconsistent with the terms of this Section 7. To the extent that the Company grants to any person registration rights with respect to any securities of the Company having provisions more favorable to the holders thereof than the provisions contained in this Agreement, the Company will confer comparable rights to the holders of Registrable Securities under this Agreement.

SECTION 8. LIMITATION ON COMPANY ACTIVITIES. At all times during the term of this Agreement, the Company shall not (i) hold any material assets other than (a) the equity interests of H&E Equipment Services and (b) books, records, permits, licenses, qualifications and other similar corporate assets necessary for the preservation of its corporate or limited liability company existence, or (ii) incur any indebtedness for borrowed money unless the net proceeds of such incurrence are concurrently contributed to the capital of, or used to purchase equity interests in, H&E Equipment Services.

SECTION 9. NON-VOTING OBSERVER.

(a) GENERALLY. So long as TCW collectively owns at least $10.0 million in aggregate principal amount of the Notes they will be entitled to designate one observer (a "NON-VOTING OBSERVER") selected by TCW to be present at all meetings of the Board, all committees and subcommittees thereof, and the board of directors or any other governing body (and all committees and subcommittees thereof) of any existing or future, direct or indirect subsidiary

of the Company (collectively, the "GOVERNANCE MEETINGS"). Such observer shall be notified of any Governance Meetings, including such meeting's time and place, in the same manner as directors of the Company, and shall have the same access to information concerning the business and operations of the Company or the applicable subsidiary as the applicable Board members and on the same terms and shall be entitled to participate in discussions and consult with, and make proposals and furnish advice to, the Board, without any right to vote on any matter brought before the Board whatsoever; PROVIDED, HOWEVER, that the Board or similar managing body of the relevant subsidiary of the Company, as the case may be, shall be under no obligation to take any action with respect to any proposals made or advice furnished by any Non-Voting Observer, other than to give due consideration thereto.

(b) EXPENSES. All reasonable travel expenses incurred by a Non-Voting Observer or a representative in order to attend any Governance Meetings shall be reimbursed by the Company from time to time promptly on demand.

(c) REPRESENTATIVE. In the event that, after receiving proper notice of a Governance Meeting, any Non-Voting Observer determines that he or she is unable to attend such meeting, TCW shall have the right to designate a representative to attend and observe such meeting on behalf of such Non-Voting Observer who shall be entitled to participate in the same manner as the Non-Voting Observer set forth in Section 8(a) above.

SECTION 10. AMENDMENT AND WAIVER. No modification or amendment of any provision of this Agreement shall be effective against the LLC Interests Holders or the Company unless such modification or amendment is approved in writing by (i) the Company, (ii) BRS Majority Holders and (iii) the holders of Registrable Securities holding a majority of the Registrable Securities then outstanding; and any amendment to which such written consent is obtained will be binding upon the Company and each LLC Interests Holder. No waiver of any provision of this Agreement shall be effective against any LLC Interests Holder unless such waiver is approved in writing by such LLC Interests Holder. No waiver of any provision of this Agreement shall be effective against the Company unless such waiver is approved in writing by the Company. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. Each LLC Interests Holder shall remain a party to this Agreement only so long as such person is the holder of record of LLC Interests.

SECTION 11. ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

SECTION 12. SUCCESSORS, ASSIGNS AND TRANSFEREES. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, legatees, successors and assigns including any party to which any holder of Registrable Securities transferred or sold his or its Registrable Securities. Each transferee of LLC Interests from a party hereto or Permitted Transferee thereof shall take such LLC Interests subject to the same restrictions and the same rights as existed in the hands of the transferor except that Securities sold in a Public Offering shall no longer be subject to any of the provisions of this Agreement.

SECTION 13. SPECIFIC PERFORMANCE, ETC. The Company and the LLC Interests Holders, in addition to being entitled to exercise all rights provided herein, in the Company's LLC Agreement or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

SECTION 14. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the internal law of the State of New York.

SECTION 15. INTERPRETATION. The headings of the sections contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect the meaning or interpretation of this Agreement.

SECTION 16. NOTICES. All notices and other communications provided for or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail (return receipt requested) postage prepaid to the parties at the following addresses (or

at such other address for any party as shall be specified by like notice, PROVIDED that notices of a change of address shall be effective only upon receipt thereof). Notices sent by mail shall be effective five days after mailing.

(a) If to the Company, at:

H&E Holdings L.L.C.
11110 Mead Road, Second Floor
Baton Rouge, Louisiana 70816
Attention: Chief Executive Officer
Tel: (225) 298-5230
Fax: (225) 298-5382

With a copy, which shall not constitute notice, to:

Bruckmann, Rosser, Sherrill & Co., Inc.
126 East 56th Street, 29th Floor
New York, New York 10022
Attention: Bruce Bruckmann and Rice Edmonds
Tel: (212) 521-3700
Fax: (212) 521-3799

and

Kirkland & Ellis
153 East 53rd Street
New York, New York 10022
Attention: W. Brian Raftery, Esq.
Tel: (212) 446-4800
Fax: (212) 446-4900

and

Taylor, Porter, Brooks & Phillips, L.L.P.
Bank One Center
451 Florida Boulevard, 8th Floor
Baton Rouge, Louisiana 70821
Attention: J. Ashley Moore, Esq.
Tel: (225) 381-0218
Fax: (225) 346-8049

and

Kesler & Rust
2000 Beneficial Life Tower
36 South State Street
Salt Lake City, Utah 84111
Attention: Joseph C. Rust, Esq.
Tel: (801) 532-8000
Fax: (801) 531-7965

or such other address, telecopy number or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

(b) If to the holders of Registrable Securities Investor, at:

its address as shown in the
stock register of the Company

With a copy, which shall not constitute notice, to:

Latham & Watkins
885 Third Avenue, Suite 1000
New York, New York 10022
Attention: Kirk A. Davenport, Esq.
Tel: (212) 906-1284
Fax: (212) 751-4864

SECTION 17. RECAPITALIZATIONS, EXCHANGE, ETC. AFFECTING THE COMPANY'S LLC INTERESTS. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the LLC Interests, to any and all equity interests of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets, or otherwise) that may be issued in respect of, in exchange for, or in substitution of the LLC Interests and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof.

SECTION 18. INSPECTION AND COMPLIANCE WITH LAW. Copies of this Agreement will be available for inspection or copying by the holders of Registrable Securities at the offices of the Company through the Secretary of the Company. The Company shall take all reasonable action to insure that the provisions of

laws of the State of New York relating to agreements similar to this Agreement are promptly complied with.

SECTION 19. COUNTERPARTS. This Agreement may be executed in one or more counterparts, by the original parties hereto and any successor in interest, each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same agreement.

SECTION 20. TERMINATION. This Agreement will automatically terminate and be of no further force or effect immediately after the consummation of an Approved Company Sale.

SECTION 21. ATTORNEYS' FEES. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

SECTION 22. SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby.

SECTION 23. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

SECTION 24. VENUE; SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT ONLY IN THE SUPREME COURT OF THE STATE OF NEW YORK AND EACH PARTY TO THIS AGREEMENT HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURT FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO HIM OR IT AT THE ADDRESS AS PROVIDED IN SECTION 14 HEREOF. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH HE OR IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 25. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto,

and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

SECTION 26. TIME OF THE ESSENCE; COMPUTATION OF TIME. Time is of the essence for each and every provision of this Agreement. Whenever the last day for the exercise of any privilege or the discharge or any duty hereunder shall fall upon a Saturday, Sunday, or any date on which commercial banks in the State of New York are authorized to be closed, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a regular business day.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Investor Rights Agreement as of the date first above written.

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

IN WITNESS WHEREOF, the parties hereto have executed this Investor Rights Agreement as of the date first above written.

H&E HOLDINGS L.L.C.

By: /s/ John M. Engquist

Name: John M. Engquist
Title: Chief Executive Officer and President

BRSEC CO- INVESTMENT, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

BRSEC CO- INVESTMENT II, LLC

By: /s/ Rice Edmonds

Name: Rice Edmonds
Title: Secretary

CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ Jana Ernakovich

Name: Jana Ernakovich
Title: Vice President

SCHEDULE 1

LIST OF EQUITY SECURITIES AND HOLDERS THEREOF

Series A Series B Series C Series D Name and Member Preferred Units Preferred Units Preferred Units Preferred Units
- ---
BRSEC Co-Investment, LLC 10,500.000 9,200.000 20,814.929 --
BRSEC Co-Investment II, LLC -- 10,882.282 42,484.581 17,200.000 John M. Engquist -- -- 3,500.000 15,714.251 Kristan Engquist Dunne -- 1,756.171 -- 822.000 Wheeler Investments, Inc. -- 1,600.000 3,578.750 10,390.000 Don Wheeler -- 3,800.000 8,556.142 --

Southern Nevada Capital Corporation -- 800.000 1,606.639 -- Bagley Family Investments, L.L.C. -- -- -- -- Kenneth Sharp, Jr. -- -- -- -- Siegfried Wallin -- -- -- -- The Connor Family Trust -- -- -- -- -- The McClain Family Revocable Trust -- -- -- -- C/J Land & Livestock L.P. -- -- -- -- John and Ellen Williams Limited Partnership -- -- -- -- Robert G. Williams Limited Partnership -- -- -- -- Credit Suisse First Boston Corporation 552.632 1,475.708 4,239.002 2,612.962 ---------- ---------- ---------- ---------- Total 11,052.632 29,514.161 84,780.043 46,739.213

Name and Member	Class A Common Units	Class B Common Units
BRSEC Co-Investment, LLC	785,000.0000	--
BRSEC Co-Investment II, LLC	1,245,000.0000	--
John M. Engquist	1,170,300.0000	--
Kristan Engquist Dunne	74,700.0000	--
Wheeler Investments, Inc.	261,560.7810	--
Don Wheeler	2,174.9643	--
Southern Nevada Capital Corporation	164,325.5681	--
Bagley Family Investments, L.L.C.	--	--

85,813.7130		
Kenneth Sharp, Jr. -- 44,561.5525		
Siegfried Wallin -- 28,955.9663		
The Connor Family Trust -- 24,235.9744		
The McClain Family Revocable Trust -- 16,474.0928		
C/J Land & Livestock L.P. -- 32,299.1292		
John and Ellen Williams Limited Partnership -- 32,299.1292		
Robert G. Williams Limited Partnership -- 32,299.1292		
Credit Suisse First Boston Corporation	106,842.105	103,684.211
Total	2,136,842.105	2,073,684.211

EXHIBIT A

FORM OF JOINDER TO
INVESTOR RIGHTS AGREEMENT

THIS JOINDER to the Investor Rights Agreement, dated as of June __, 2002, by and among H&E Holdings L.L.C., a Delaware limited liability company (the "COMPANY"), and certain securityholders of the Company (the "AGREEMENT"), is made and entered into as of _____ by and between the Company and _____ ("HOLDER"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement.

WHEREAS, Holder has acquired certain [SERIES A/B/C/D PREFERRED UNITS/CLASS [A/B] COMMON UNITS] from _____ and the Agreement and/or the Company require Holder, as a holder of such [SERIES A/B/C/D PREFERRED UNITS/CLASS [A/B] COMMON UNITS], to become a party to the Agreement, and Holder agrees to do so in accordance with the terms hereof.

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

(A) AGREEMENT TO BE BOUND. Holder hereby agrees that upon execution of this Joinder, it shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto and shall be deemed a [BRS INVESTOR/INVESTOR/MANAGEMENT INVESTOR/OTHER INVESTOR] and an LLC Interests Holder for all purposes thereof. In addition, Holder hereby agrees that all Preferred Units and all Common Units held by Holder shall be deemed LLC Interests for all purposes of the Agreement.

(B) SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors, heirs and assigns and Holder and any subsequent LLC Interests Holder and the respective successors, heirs and assigns of each of them, so long as they hold any LLC Interests.

(C) COUNTERPARTS. This Joinder may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

(D) NOTICES. For purposes of Section 14 of the Agreement, all notices, demands or other communications to the Holder shall be directed to:

[NAME]
[ADDRESS]

(E) GOVERNING LAW. This Joinder shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any rules, principles or provisions of choice of law or conflict of laws.

(F) DESCRIPTIVE HEADINGS. The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder to the Investor Rights Agreement as of the date set forth in the introductory paragraph hereof.

H&E HOLDINGS L.L.C.

By:

Name:
Title:

[HOLDER]

By:

Name:
Title:

EXHIBIT 12.1

RATIO OF EARNINGS TO FIXED CHARGES

For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes and fixed charges. Fixed charges consist of interest expense on all indebtedness (whether paid or accrued plus discount amortization), amortization of deferred debt issuance costs and original issue discount, the interest component of all payments associated with capital lease obligations, and one-third of the rental expense, deemed representative of that portion of rental expense estimated to be attributable to interest.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	1999	2000	2001	2001	2002
Earnings:					
Income (loss) before taxes	(2,496)	(10,456)	5,276	(652)	(3,636)
Fixed charges - Interest expense ...	18,106	23,536	18,828	10,511	8,995
Total earnings	15,610	13,080	24,104	9,859	5,359
Fixed Charges:					
Interest Expense	18,106	23,536	18,828	10,511	8,995
Ratio of earnings to fixed charges ...	0.9	0.6	1.3	0.9	0.6

Exhibit 21.1

Subsidiaries of H&E Equipment Services L.L.C.

1. H&E Finance Corp.

2. GNE Investments, Inc.

3. Great Northern Equipment, Inc.

H&E Finance Corp. has no subsidiaries.

EXHIBIT 23.1

INDEPENDENT AUDITORS' REPORT AND CONSENT

The Board of Directors
H&E Equipment Services L.L.C.:

The audit referred to in our report on the consolidated financial statements of H&E Equipment Services L.L.C. (the "Company", formerly Gulf Wide Industries, L.L.C.) dated April 12, 2002, included the related financial statement schedule as of December 31, 2001, and for the year then ended, included in the registration statement. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audit. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Our report dated April 12, 2002 contains an explanatory paragraph that states that the Company's credit agreement expires in August 2002. This has raised substantial doubt about its ability to continue as a going concern. The consolidated financial statements and financial statement schedule do not include any adjustments that might result from the outcome of that uncertainty.

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP
New Orleans, Louisiana
September 12, 2002

EXHIBIT 23.2

September 12, 2002

INDEPENDENT AUDITOR'S REPORT AND CONSENT

The Board of Directors
H&E Equipment Services L.L.C.

The audit referred to in our report on the consolidated financial statements of H&E Equipment Services L.L.C. (the "Company", formerly Gulf Wide Industries, L.L.C.) dated February 20, 2001, included the related financial statement schedule as of December 31, 2000 and 1999, and for the years then ended, is included in the registration statement. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

EXHIBIT 23.3

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
H&E Equipment Services L.L.C.:

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Salt Lake City, Utah
September 12, 2002

Exhibit 23.6

Potential Limitation of Remedies Against Arthur Andersen LLP

This registration statement does not include a consent from Arthur Andersen LLP related to the audited consolidated financial statements of ICM Equipment Company L.L.C. as of December 31, 2000 and for each of the two years in the period ended December 31, 2000 included in this registration statement as H&E Equipment Services L.L.C. was unable to obtain such written consent after reasonable efforts. The lack of such consent may cause a limitation in the remedies available against Arthur Andersen LLP in connection with those consolidated financial statements.

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2)

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York	13-5160382
(State of incorporation if not a national bank)	(I.R.S. employer identification no.)
One Wall Street, New York, N.Y.	10286
(Address of principal executive offices)	(Zip code)

H & E EQUIPMENT SERVICES L.L.C.

(Exact name of obligor as specified in its charter)

Louisiana	73-1287046
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)

H & E FINANCE CORP.

(Exact name of obligor as specified in its charter)

Delaware	02-0602822
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)
11100 Mead Road, Suite 200, Baton Rouge, Louisiana	70816
(Address of principal executive offices)	(Zip code)

GNE INVESTMENTS, INC.

(Exact name of obligor as specified in its charter)

Washington	91-1561043
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)

GREAT NORTHERN EQUIPMENT, INC.

(Exact name of obligor as specified in its charter)

Montana	81-0448694
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)

12 1/2% Senior Subordinated Notes due 2013

(Title of the indenture securities)

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 AND RULE 24 OF THE COMMISSION'S RULES OF PRACTICE.

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No.1 to Form T-1, filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 2nd day of August, 2002.

THE BANK OF NEW YORK

By:

Margaret M. Ciesmelewski

Vice President

EXHIBIT 7

- ---

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business March 31, 2002, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

Dollar Amounts In Thousands ASSETS Cash and balances due from depository institutions: Noninterest-bearing balances and currency and coin.. $3,765,462 Interest-bearing balances..... 3,835,061 Securities: Held-to-maturity securities..... 1,232,736 Available-for-sale securities..... 10,522,833 Federal funds sold and Securities purchased under agreements to resell..... 1,456,635 Loans and lease financing receivables: Loans and leases held for sale..... 801,505 Loans and leases, net of unearned income..... 35,858,070 LESS: Allowance for loan and lease losses..... 608,375 Loans and leases, net of unearned income and allowance..... 35,249,695 Trading Assets..... 8,132,696 Premises and fixed assets (including capitalized leases)..... 898,980 Other real estate owned..... 911 Investments in unconsolidated subsidiaries and associated companies..... 220,609 Customers' liability to this bank on acceptances outstanding..... 574,020 Intangible assets..... Goodwill..... 1,714,761 Other intangible assets..... 49,213 Other assets..... 5,001,308 ---------- Total assets..... $73,954,859 ========== LIABILITIES Deposits: In domestic offices..... $29,175,631 Noninterest-bearing..... 11,070,277 Interest-bearing..... 18,105,354 In foreign offices, Edge and Agreement subsidiaries, and IBFs..... 24,596,600 Noninterest-bearing..... 321,299 Interest-bearing..... 24,275,301 Federal funds purchased and securities sold under agreements to repurchase..... 1,922,197 Trading liabilities..... 1,970,040 Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)..... 1,577,518 Bank's liability on acceptances executed and outstanding..... 575,362 Subordinated notes and debentures..... 1,940,000 Other liabilities.....

5,317,831 ------------ Total liabilities..... $67,075,179 ============ EQUITY CAPITAL Common stock..... 1,135,284 Surplus..... 1,055,508 Retained earnings..... 4,227,287 Accumulated other comprehensive income..... (38,602) Other equity capital components..... 0 - ---------- ---------- ---------- Total equity capital..... 6,379,477 - ---------- Total liabilities and equity capital..... $73,954,859 ============

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been

prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

--
Thomas A. Renyi |
Gerald L. Hassell |
Alan R. Griffith | Directors
--

QuickLinks -- Click here to rapidly navigate through this document

EXHIBIT 99.1

LETTER OF TRANSMITTAL

TO TENDER FOR EXCHANGE
12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

OF

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

PURSUANT TO THE PROSPECTUS DATED , 2002

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2002 UNLESS EXTENDED (THE "EXPIRATION DATE").

PLEASE READ CAREFULLY THE ATTACHED INSTRUCTIONS

If you desire to accept the Exchange Offer, this Letter of Transmittal should be completed, signed, and submitted to the Exchange Agent:

By Registered or Certified Mail or Overnight Courier

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, 7 East
New York, New York 10286

By Hand Delivery

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, Lobby Window
New York, New York 10286

By Facsimile:
(212) 298-1915
Attn: Customer Service

Confirm by telephone:
(800) 548-5075

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

FOR ANY QUESTIONS REGARDING THIS LETTER OF TRANSMITTAL OR FOR ANY ADDITIONAL INFORMATION, YOU MAY CONTACT THE EXCHANGE AGENT BY TELEPHONE AT (800) 548-5075 OR BY FACSIMILE AT 212-298-1915.

The undersigned hereby acknowledges receipt of the Prospectus dated , 2002 (the "Prospectus") of H&E Equipment Services L.L.C., a Louisiana limited liability corporation, and of H&E Finance Corp., a Delaware corporation (collectively, the "Issuer"), and this Letter of Transmittal (the "Letter of Transmittal"), that together constitute the Issuer's offer (the "Exchange Offer") to exchange $1,000 in principal amount of its 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "Exchange Notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement, for each $1,000 in principal amount of its outstanding 12 1/2% Senior Subordinated Notes due 2013 (the "Notes"), of which $53,000,000 aggregate principal amount at maturity is outstanding. Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

The undersigned hereby tenders the Notes described in Box 1 below (the "Tendered Notes") pursuant to the terms and conditions described in the Prospectus and this Letter of Transmittal. The undersigned is the registered owner of all the Tendered Notes and the undersigned represents that it has received from each beneficial owner of the Tendered Notes ("Beneficial Owners") a duly completed and executed form of "Instruction to Registered Holder and/or Book-Entry Transfer Facility Participant from Beneficial Owner" accompanying this Letter of Transmittal, instructing the undersigned to take the action described in this Letter of Transmittal.

Subject to, and effective upon, the acceptance for exchange of the Tendered Notes, the undersigned hereby exchanges, assigns, and transfers to, or upon the order of, the Issuer, all right, title, and interest in, to, and under the Tendered Notes.

Please issue the Exchange Notes exchanged for Tendered Notes in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions" below (Box 3), please send or cause to be sent the certificates for the Exchange Notes (and accompanying documents, as appropriate) to the undersigned at the address shown below in Box 1.

The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as the true and lawful agent and attorney in fact of the undersigned with respect to the Tendered Notes, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver the Tendered Notes to the Issuer or cause ownership of the Tendered Notes to be transferred to, or upon the order of, the Issuer, on the books of the registrar for the Notes and deliver all accompanying evidences of transfer and authenticity to, or upon the order of, the Issuer upon receipt by the Exchange Agent, as the undersigned's agent, of the Exchange Notes to which the undersigned is entitled upon acceptance by the Issuer of the Tendered Notes pursuant to the Exchange Offer, and (ii) receive all benefits and otherwise exercise all rights of beneficial ownership of the Tendered Notes, all in accordance with the terms of the Exchange Offer.

The undersigned understands that tenders of Notes pursuant to the procedures described under the caption "The Exchange Offer" in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Issuer upon the terms and subject to the conditions of the Exchange Offer, subject only to withdrawal of such tenders on the terms set forth in the Prospectus under the caption "The Exchange Offer-Withdrawal Rights." All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any Beneficial Owner(s), and every obligation of the undersigned or any Beneficial Owners hereunder shall be binding upon the heirs, representatives, successors, and assigns of the undersigned and such Beneficial Owner(s).

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign, and transfer the Tendered Notes and that the Issuer will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, and adverse claims when the Tendered Notes are acquired by the Issuer as contemplated herein. The undersigned and each Beneficial Owner will, upon request, execute and deliver any additional documents reasonably requested by the Issuer or the Exchange Agent as necessary or desirable to complete and give effect to the transactions contemplated hereby.

The undersigned hereby represents and warrants that the information set forth in Box 2 is true and correct.

By accepting the Exchange Offer, the undersigned hereby represents and warrants that (i) the Exchange Notes to be acquired by the undersigned and any Beneficial Owner(s) in connection with the Exchange Offer are being acquired by the undersigned and any Beneficial Owner(s) in the ordinary course of business of the undersigned and any Beneficial Owner(s), (ii) the undersigned and each Beneficial Owner are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes, (iii) except as otherwise disclosed in writing herewith, neither the undersigned nor any Beneficial Owner is an "affiliate," as defined in Rule 405 under the Securities Act, of the Issuer, and (iv) the undersigned and each Beneficial Owner acknowledge and agree that any person participating in the Exchange Offer with the intention or for the purpose of distributing the Exchange Notes must comply with the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder, the "Securities Act"), in connection with a secondary resale of the Exchange Notes acquired by such person and cannot rely on the position of the Staff of the Securities and Exchange Commission (the "Commission") set forth in the no-action letters that are discussed in the section of the Prospectus entitled "The Exchange Offer." In addition, by accepting the Exchange Offer, the undersigned hereby (i) represents and warrants that, if the undersigned or any Beneficial Owner of the Notes is a Participating Broker-Dealer, such Participating Broker-Dealer acquired the Notes for its own account as a result of market-making activities or other trading activities and has not entered into any arrangement or understanding with the Issuer or any affiliate of the Issuer (within the meaning of Rule 405 under the Securities Act) to distribute the New Notes to be received in the Exchange Offer, and (ii) acknowledges that, by receiving New Notes for its own account in exchange for Notes, where such Notes were acquired as a result of market-making activities or other trading activities, such Participating Broker-Dealer will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes.

---

o CHECK HERE IF TENDERED NOTES ARE BEING DELIVERED HEREWITH.

o CHECK HERE IF TENDERED NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY DELIVERED TO THE EXCHANGE AGENT AND COMPLETE "Use of Guaranteed Delivery" BELOW (Box 4).

o CHECK HERE IF TENDERED NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE "Use of Book-Entry Transfer" BELOW (Box 5).

PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THE BOXES

BOX 1
DESCRIPTION OF NOTES TENDERED (attach additional signed pages, if necessary)

NAME(S) AND ADDRESS(ES) OF REGISTERED NOTE HOLDER(S), EXACTLY AS NAME(S) APPEAR(S) ON NOTE CERTIFICATE(S) (PLEASE FILL IN, IF BLANK)	CERTIFICATE NUMBER(S) OF NOTES*	AGGREGATE PRINCIPAL AMOUNT REPRESENTED BY CERTIFICATES	AGGREGATE PRINCIPAL AMOUNT TENDERED	AGGREGATE CERTIFICATE(S) TENDERED**
TOTAL				

* Need not be completed by persons tendering by book-entry transfer.

** The minimum permitted tender is $1,000 in principal amount of Notes. All other tenders must be in integral multiples of $1,000 of principal amount. Unless otherwise indicated in this column, the principal amount of all Note Certificates identified in this Box 1 or delivered to the Exchange Agent herewith shall be deemed tendered. See Instruction 4.

BOX 2 BENEFICIAL OWNER(S)

STATE OF PRINCIPAL RESIDENCE OF EACH BENEFICIAL OWNER OF TENDERED NOTES	PRINCIPAL AMOUNT OF TENDERED NOTES HELD FOR ACCOUNT OF BENEFICIAL OWNER

BOX 3

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 5, 6 and 7)

TO BE COMPLETED ONLY IF EXCHANGE NOTES EXCHANGED FOR NOTES AND UNTENDERED NOTES ARE TO BE SENT TO SOMEONE OTHER THAN THE UNDERSIGNED, OR TO THE UNDERSIGNED AT AN ADDRESS OTHER THAN THAT SHOWN ABOVE.

Mail Exchange Note(s) and any untendered Notes to:

Name(s):

(please print)

Address:

(include zip code)

Tax Identification or
Social Security No.:

BOX 4

USE OF GUARANTEED DELIVERY
(See Instruction 2)

TO BE COMPLETED ONLY IF NOTES ARE BEING TENDERED BY MEANS OF A NOTICE OF GUARANTEED DELIVERY.

Name(s) of Registered Holder(s):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution which Guaranteed Delivery:

BOX 5

USE OF BOOK-ENTRY TRANSFER
(See Instruction 1)

TO BE COMPLETED ONLY IF DELIVERY OF TENDERED NOTES IS TO BE MADE BY BOOK-ENTRY TRANSFER.

Name of Tendering Institution:

Account Number:

Transaction Code Number:

BOX 6

TENDERING HOLDER SIGNATURE (See Instructions 1 and 5)
IN ADDITION, COMPLETE SUBSTITUTE FORM W-9

X

X

(SIGNATURE OF REGISTERED HOLDER(S) OR AUTHORIZED SIGNATORY)

Note: The above lines must be signed by the registered holder(s) of Notes as their name(s) appear(s) on the Notes or by persons(s) authorized to become registered holder(s) (evidence of which authorization must be transmitted with this Letter of Transmittal). If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer, or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below. See Instruction 5.

Name(s):

Capacity:

Street Address:

(Include Zip Code)

Area Code and Telephone Number

Tax Identification or Social Security Number:

Signature Guarantee (If required by Instruction 5)

Authorized Signature

X

Name:

(PLEASE PRINT)

Title:

Name of Firm:

(must be an Eligible Institution as defined in Instruction 2)

Address:

(Include Zip Code)

Area Code and Telephone Number

Dated:

BOX 7
BROKER-DEALER STATUS

o Check this box if the Beneficial Owner of the Notes is a Participating Broker-Dealer and such Participating Broker-Dealer acquired the Notes for its own account as a result of market-making activities or other trading activities.

PAYOR'S NAME: H&E EQUIPMENT SERVICES L.L.C.

SUBSTITUTE
FORM W-9
Department of the Treasury
Internal Revenue Service

Name (if joint names, list first and circle the name of the person or entity whose number you enter in Part 1 below. See instructions if your name has changed.)

Address

City, State and ZIP Code

List account number(s) here (optional)

PART 1—PLEASE PROVIDE YOUR TAXPAYER IDENTIFICATION TREASURY NUMBER ("TIN") IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW

Social Security Number or TIN

PART 2—Check the box if you are NOT subject to backup withholding under the provisions of section 3406(a)(1)(C) of the Internal Revenue Code because (1) you have not been notified that you are subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified you that you are no longer subject to backup withholding. o

CERTIFICATION—UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

PART 3—
Awaiting TIN o

SIGNATURE

DATE

NOTE: **FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payer.—Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

For this type of account	**Give the SOCIAL SECURITY number of —**
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, the first individual on the account(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)
7. a. The usual revocable savings trust account (grantor is also	The grantor-trustee(1)

trustee)	
8. b. The usual revocable savings trust account (grantor is also trustee)	The actual owner(1)
9. Sole proprietorship account	The owner(4)

For this type of account	**Give the EMPLOYER IDENTIFICATION number of —**
10. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(5)
11. Corporate account	The corporation
12. Religious, charitable, or educational organization account	The organization
13. Partnership account held in the name of the business	The partnership
14. Association, club, or other tax-exempt organization	The organization
15. A broker or registered nominee	The broker or nominee
16. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.

(2) Circle the minor's name and furnish the minor's social security number.

(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.

(4) Show the name of the owner.

(5) List first and circle the name of the legal trust, estate, or pension trust.

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9
PAGE 2

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card (for infividuals), or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under section 501(a), or an individual retirement plan, or a custodial account under Section 403(b)(7).
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereat.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.

- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments of dividends and patronage dividends not generally subject to backup withholding include the following:
- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.
  Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Exempt payees described above should file a Substitute Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

Certain payments other than Interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N, and the regulations under those sections.

Privacy Act Notice.—Section 6109 requires most recipients of dividend, Interest, or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold on payments of taxable interest and dividends and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) **Penalty for Failure to Furnish Taxpayer Identification Number.**—if you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) **Civil Penalty for False Information With Respect to Withholding.**—If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) **Criminal Penalty for Falsifying Information.**—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE. Unless otherwise noted herein, all references to section numbers or regulations are reference to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

INSTRUCTIONS TO LETTER OF TRANSMITTAL

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND NOTES. A properly completed and duly executed copy of this Letter of Transmittal, including Substitute Form W-9, and any other documents required by this Letter of Transmittal must be received by the Exchange Agent at its address set forth herein, and either certificates for Tendered Notes must be received by the Exchange Agent at its address set forth herein or such Tendered Notes must be transferred pursuant to the procedures for book-entry transfer described in the Prospectus under the caption "Exchange Offer—Book-Entry Transfer" (and a confirmation of such transfer received by the Exchange Agent), in each case prior to 5:00 p.m., New York City time, on the Expiration Date. The method of delivery of certificates for Tendered Notes, this Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the tendering holder and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. Instead of delivery by mail, it is recommended that the Holder use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. No Letter of Transmittal or Notes should be sent to the Company. Neither the Issuer nor the registrar is under any obligation to notify any tendering holder of the Issuer's acceptance of Tendered Notes prior to the closing of the Exchange Offer.

2. GUARANTEED DELIVERY PROCEDURES. Holders who wish to tender their Notes but whose Notes are not immediately available, and who cannot deliver their Notes, this Letter of Transmittal or any other documents required hereby to the Exchange Agent prior to the Expiration Date must tender their Notes according to the guaranteed delivery procedures set forth below, including completion of Box 4. Pursuant to such procedures: (i) such tender must be made by or through a firm which is a member of a recognized Medallion Program approved by the Securities Transfer Association Inc. (an "Eligible Institution") and the Notice of Guaranteed Delivery must be signed by the holder; (ii) prior to the Expiration Date, the Exchange Agent must have received from the holder and the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by mail or hand delivery) setting forth the name and address of the holder, the certificate number(s) of the Tendered Notes and the principal amount of Tendered Notes, stating that the tender is being made thereby and guaranteeing that, within five New York Stock Exchange trading days after the Expiration Date, this Letter of Transmittal together with the certificate(s) representing the Notes and any other required documents will be deposited by the Eligible Institution with the Exchange Agent; and (iii) such properly completed and executed Letter of Transmittal, as well as all other documents required by this Letter of Transmittal and the certificate(s) representing all Tendered Notes in proper form for transfer, must be received by the Exchange Agent within five New York Stock Exchange trading days after the Expiration Date. Any holder who wishes to tender Notes pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery relating to such Notes prior to 5:00 p.m., New York City time, on the Expiration Date. Failure to complete the guaranteed delivery procedures outlined above will not, of itself, affect the validity or effect a revocation of any Letter of Transmittal form properly completed and executed by an Eligible Holder who attempted to use the guaranteed delivery process.

3. BENEFICIAL OWNER INSTRUCTIONS TO REGISTERED HOLDERS. Only a holder in whose name Tendered Notes are registered on the books of the registrar (or the legal representative or attorney-in-fact of such registered holder) may execute and deliver this Letter of Transmittal. Any Beneficial Owner of Tendered Notes who is not the registered holder must arrange promptly with the registered holder to execute and deliver this Letter of Transmittal on his or her behalf through the execution and delivery to the registered holder of the Instructions to Registered Holder and/or Book-Entry Transfer Facility Participant from Beneficial Owner form accompanying this Letter of Transmittal.

---

4. PARTIAL TENDERS. Tenders of Notes will be accepted only in integral multiples of $1,000 in principal amount. If less than the entire principal amount of Notes held by the holder is tendered, the tendering holder should fill in the principal amount tendered in the column labeled "Aggregate Principal Amount Tendered" of the box entitled "Description of Notes Tendered" (Box 1) above. The entire principal amount of Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Notes held by the holder is not tendered, then Notes for the principal amount of Notes not tendered and Exchange Notes issued in exchange for any Notes tendered and accepted will be sent to the Holder at his or her registered address, unless a different address is provided in the appropriate box on this Letter of Transmittal, as soon as practicable following the Expiration Date.

5. SIGNATURES ON THE LETTER OF TRANSMITTAL; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES. If this Letter of Transmittal is signed by the registered holder(s) of the Tendered Notes, the signature must correspond with the name(s) as written on the face of the Tendered Notes without alteration, enlargement or any change whatsoever. If any of the Tendered Notes are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any Tendered Notes are held in different names, it will be necessary to complete, sign and submit as many separate copies of the Letter of Transmittal as there are different names in which Tendered Notes are held.

If this Letter of Transmittal is signed by the registered holder(s) of Tendered Notes, and Exchange Notes issued in exchange therefor are to be issued (and any untendered principal amount of Notes is to be reissued) in the name of the registered holder(s), then such registered holder(s) need not and should not endorse any Tendered Notes, nor provide a separate bond power. In any other case, such registered holder(s) must either properly endorse the Tendered Notes or transmit a properly completed separate bond power with this Letter of Transmittal, with the signature(s) on the endorsement or bond power guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of any Tendered Notes, such Tendered Notes must be endorsed or accompanied by appropriate bond powers, in each case, signed as the name(s) of the registered holder(s) appear(s) on the Tendered Notes, with the signature(s) on the endorsement or bond power guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Tendered Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by the Issuer, evidence satisfactory to the Issuer of their authority to so act must be submitted with this Letter of Transmittal.

Endorsements on Tendered Notes or signatures on bond powers required by this Instruction 5 must be guaranteed by an Eligible Institution.

Signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution unless the Tendered Notes are tendered (i) by a registered holder who has not completed the box set forth herein entitled "Special Delivery Instructions" (Box 3) or (ii) by an Eligible Institution.

6. SPECIAL DELIVERY INSTRUCTIONS. Tendering holders should indicate, in the applicable box (Box 3), the name and address to which the Exchange Notes and/or substitute Notes for principal amounts not tendered or not accepted for exchange are to be sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

7. TRANSFER TAXES. The Issuer will pay all transfer taxes, if any, applicable to the exchange of Tendered Notes pursuant to the Exchange Offer. If, however, a transfer tax is imposed for any reason other than the transfer and exchange of Tendered Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or on any other

---

person) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the Tendered Notes listed in this Letter of Transmittal.

8. TAX IDENTIFICATION NUMBER. Federal income tax law requires that the holder(s) of any Tendered Notes which are accepted for exchange must provide the Issuer (as payor) with its correct taxpayer identification number ("TIN"), which, in the case of a holder who is an individual, is his or her social security number. If the Issuer is not provided with the correct TIN, the Holder may be subject to backup withholding and a $50 penalty imposed by the Internal Revenue Service. (If withholding results in an over-payment of taxes, a refund may be obtained.) Certain holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

To prevent backup withholding, each holder of Tendered Notes must provide such holder's correct TIN by completing the Substitute Form W-9 set forth herein, certifying that the TIN provided is correct (or that such holder is awaiting a TIN), and that (i) the holder has not been notified by the Internal Revenue Service that such holder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding. If the Tendered Notes are registered in more than one name or are not in the name of the actual owner, consult the "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for information on which TIN to report.

The Issuer reserves the right in its sole discretion to take whatever steps are necessary to comply with the Issuer's obligation regarding backup withholding.

9. VALIDITY OF TENDERS. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of Tendered Notes will be determined by the Issuer in its sole discretion, which determination will be final and binding. The Issuer reserves the right to reject any and all Notes not validly tendered or any Notes the Issuer's acceptance of which would, in the opinion of the Issuer or their counsel, be unlawful. The Issuer also reserves the right to waive any conditions of the Exchange Offer or defects or irregularities in tenders of Notes as to any ineligibility of any holder who seeks to tender Notes in the Exchange Offer. The interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) by the Issuer shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Notes must be cured within such time as the Issuer shall determine. Neither the Issuer, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holders, unless otherwise provided in this Letter of Transmittal, as soon as practicable following the Expiration Date.

10. WAIVER OF CONDITIONS. The Company reserves the absolute right to amend, waive or modify any of the conditions in the Exchange Offer in the case of any Tendered Notes.

11. NO CONDITIONAL TENDER. No alternative, conditional, irregular, or contingent tender of Notes or transmittal of this Letter of Transmittal will be accepted.

12. MUTILATED, LOST, STOLEN OR DESTROYED NOTES. Any tendering Holder whose Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated herein for further instructions.

---

13. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance and requests for additional copies of the Prospectus or this Letter of Transmittal may be directed to the Exchange Agent at the address indicated herein. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

14. ACCEPTANCE OF TENDERED NOTES AND ISSUANCE OF NOTES; RETURN OF NOTES. Subject to the terms and conditions of the Exchange Offer, the Issuer will accept for exchange all validly tendered Notes as soon as practicable after the Expiration Date and will issue Exchange Notes therefor as soon as practicable thereafter. For purposes of the Exchange Offer, the Issuer shall be deemed to have accepted tendered Notes when, as and if the Issuer has given written or oral notice (immediately followed in writing) thereof to the Exchange Agent. If any Tendered Notes are not exchanged pursuant to the Exchange Offer for any reason, such unexchanged Notes will be returned, without expense, to the undersigned at the address shown in Box 1 or at a different address as may be indicated herein under "Special Delivery Instructions" (Box 3).

15. WITHDRAWAL. Tenders may be withdrawn only pursuant to the procedures set forth in the Prospectus under the caption "The Exchange Offer."

QuickLinks

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9
GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 PAGE 2

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY

WITH RESPECT TO
12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

OF

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

PURSUANT TO THE PROSPECTUS DATED , 2002

This form must be used by a holder of 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "Notes") of H&E Equipment Services L.L.C., a Louisiana limited liability corporation, and of H&E Finance Corp., a Delaware corporation (the "Company"), who wishes to tender Notes to the Exchange Agent pursuant to the guaranteed delivery procedures described in "The Exchange Offer—Guaranteed Delivery Procedures" of the Company's Prospectus, dated , 2002 (the "Prospectus") and in Instruction 2 to the related Letter of Transmittal. Any holder who wishes to tender Notes pursuant to such guaranteed delivery procedures must ensure that the Exchange Agent receives this Notice of Guaranteed Delivery prior to the Expiration Date of the Exchange Offer. Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus or the Letter of Transmittal.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2002 UNLESS EXTENDED (THE "EXPIRATION DATE").

The Bank of New York (the "Exchange Agent")

By Registered or Certified Mail or Overnight Courier

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, 7 East
New York, New York 10286

By Hand Delivery

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, Lobby Window
New York, New York 10286

By Facsimile:
(212) 298-1915
Attn: Customer Service

Confirm by telephone:
[(800) 548-5075]

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

FOR ANY QUESTIONS REGARDING THIS NOTICE OF GUARANTEED DELIVERY OR FOR ANY ADDITIONAL INFORMATION, YOU MAY CONTACT THE EXCHANGE AGENT BY TELEPHONE AT **[800-548-5075]** , OR BY FACSIMILE AT (212) 298-1915.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature

---

guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to the Company, upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, receipt of which is hereby acknowledged, the principal amount of Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus and in Instruction 2 of the Letter of Transmittal.

The undersigned hereby tenders the Notes listed below:

CERTIFICATE NUMBER(S) (IF KNOWN) OF NOTES OR ACCOUNT NUMBER AT THE BOOK-ENTRY FACILITY	AGGREGATE PRINCIPAL AMOUNT REPRESENTED	AGGREGATE PRINCIPAL AMOUNT TENDERED

PLEASE SIGN AND COMPLETE

Signatures of Registered Holder(s)
or Authorized Signatory:

Date:

, 2002

Name(s) of Registered Holder(s):

Address:

Area Code and Telephone No.:

This Notice of Guaranteed Delivery must be signed by the Holder(s) exactly as their name(s) appear on certificates for Notes or on a security position listing as the owner of Notes, or by person(s) authorized to become Holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or is a commercial bank or trust company having an office or correspondent in the United States, or is otherwise an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, guarantees deposit with the Exchange Agent of the Letter of Transmittal (or facsimile thereof), together with the Notes tendered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Notes into the Exchange Agent's account at the Book-Entry Transfer Facility described in the prospectus under the caption "The Exchange Offer—Guaranteed Delivery Procedures" and in the Letter of Transmittal) and any other required documents, all by 5:00 p.m., New York City time, on the fifth New York Stock Exchange trading day following the Expiration Date.

Name of firm:

(AUTHORIZED SIGNATURE)

Address:

Name:

(PLEASE PRINT)

(INCLUDE ZIP CODE)

Title:

Area Code and Tel. No.:

Dated: . 2002

DO NOT SEND SECURITIES WITH THIS FORM. ACTUAL SURRENDER OF SECURITIES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, AN EXECUTED LETTER OF TRANSMITTAL.

INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

1. Delivery of this Notice of Guaranteed Delivery. A properly completed and duly executed copy of this Notice of Guaranteed Delivery and any other documents required by this Notice of Guaranteed Delivery must be received by the Exchange Agent at its address set forth herein prior to the Expiration Date. The method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and sole risk of the holder, and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. As an alternative to delivery by mail, the holders may wish to consider using an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedures, see Instruction 2 of the Letter of Transmittal.

2. Signatures on this Notice of Guaranteed Delivery. If this Notice of Guaranteed Delivery is signed by the registered holder(s) of the Notes referred to herein, the signature must correspond with the name(s) written on the face of the Notes without alteration, enlargement, or any change whatsoever. If this Notice of Guaranteed Delivery is signed by a participant of the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of the Notes, the signature must correspond with the name shown on the security position listing as the owner of the Notes.

If this Notice of Guaranteed Delivery is signed by a person other than the registered holder(s) of any Notes listed or a participant of the Book-Entry Transfer Facility, this Notice of Guaranteed Delivery must be accompanied by appropriate bond powers, signed as the name of the registered holder(s) appears on the Notes or signed as the name of the participant shown on the Book-Entry Transfer Facility's security position listing.

If this Notice of Guaranteed Delivery is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and submit with the Letter of Transmittal evidence satisfactory to the Company of such person's authority to so act.

3. Requests for Assistance or Additional Copies. Questions and requests for assistance and requests for additional copies of the Prospectus may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.

EXHIBIT 99.3

INSTRUCTIONS TO REGISTERED HOLDER AND/OR
BOOK-ENTRY TRANSFER FACILITY PARTICIPANT FROM BENEFICIAL OWNER
OF

H&E EQUIPMENT SERVICES L.L.C.
H&E FINANCE CORP.

12 1/2% SENIOR SUBORDINATED EXCHANGE NOTES DUE 2013

To Registered Holder and/or Participant of the Book-Entry Transfer Facility:

The undersigned hereby acknowledges receipt of the Prospectus, dated , 2002 (the "Prospectus") of H&E Equipment Services L.L.C., a Louisiana limited liability corporation, and of H&E Finance Corp., a Delaware corporation (the "Company"), and the accompanying Letter of Transmittal (the "Letter of Transmittal"), that together constitute the Company's offer (the "Exchange Offer"). Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

This will instruct you, the registered holder and/or book-entry transfer facility participant, as to action to be taken by you relating to the Exchange Offer with respect to the 12 1/2% Senior Subordinated Exchange Notes due 2013 (the "Notes") held by you for the account of the undersigned.

The aggregate face amount of the Notes held by you for the account of the undersigned is (FILL IN AMOUNT):

$ of the 12 1/2% Senior Subordinated Exchange Notes due 2013

With respect to the Exchange Offer, the undersigned hereby instructs you (CHECK APPROPRIATE BOX):

o TO TENDER the following Notes held by you for the account of the undersigned (INSERT PRINCIPAL AMOUNT OF NOTES TO BE TENDERED, IF ANY):

$

o NOT TO TENDER any Notes held by you for the account of the undersigned.

If the undersigned instruct you to tender the Notes held by you for the account of the undersigned, it is understood that you are authorized (a) to make, on behalf of the undersigned (and the undersigned, by its signature below, hereby makes to you), the representation and warranties contained in the Letter of Transmittal that are to be made with respect to the undersigned as a beneficial owner, including but not limited to the representations that (i) the undersigned's principal residence is in the state of (FILL IN STATE) , (ii) the undersigned is acquiring the Exchange Notes in the ordinary course of business of the undersigned, (iii) the undersigned is not participating, does not participate, and has no arrangement or understanding with any person to participate in the distribution of the Exchange Notes, (iv) the undersigned acknowledges that any person participating in the Exchange Offer for the purpose of distributing the Exchange Notes must comply with the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the "Act"), in connection with a secondary resale transaction of the Exchange Notes acquired by such person and cannot rely on the position of the Staff of the Securities and Exchange Commission set forth in no-action letters that are discussed in the section of the Prospectus entitled "The Exchange Offer—Resales of the Exchange Notes," and (v) the undersigned is not an "affiliate," as defined in Rule 405 under the Act, of the Company; (b) to agree, on behalf of the undersigned, as set forth in the Letter of Transmittal; and (c) to take such other action as necessary under the Prospectus or the Letter of Transmittal to effect the valid tender of such Notes.

SIGN HERE

Name of beneficial owner(s):

Signature(s):

Name (please print):

Address:

Telephone number:

Taxpayer Identification or Social Security Number:

Date:
