

OEG OFFSHORE, Inc. RENTAL TERMS AND CONDITIONS

Customer agrees to rent or buy the Equipment from Company and/or purchase Services from Company in accordance with the Contract, which incorporates these terms and conditions ("**Terms and Conditions**").

Definitions. The following definitions apply to the capitalized terms used in these Terms and Conditions:

"**Company**" means OEG Offshore, Inc., a Louisiana registered company.

"**Contract**" means (a) these Terms and Conditions, including the Rental Terms, Sales Terms, Service Terms, and General Terms, and (b) the agreement to which these Terms and Conditions are attached or which incorporates these Terms and Conditions.

"**Customer**" means the person or entity that is renting or purchasing the Equipment, or purchasing the Services, under the Contract.

"**Equipment**" means the equipment Company rents or sells to Customer under the Contract.

"**General Terms**" means the terms in **Part D** of these Terms and Conditions.

"**New Equipment**" means Equipment which has not previously been used other than in tests of that Equipment.

"**Operator**" means an employee or contractor of Company who performs Services for Customer at a Worksite.

"**Rental Terms**" means the terms in **Part A** of these Terms and Conditions.

"**Sale Terms**" means the terms in **Part B** of these Terms and Conditions.

"**Service Terms**" means the terms in **Part C** of these Terms and Conditions.

"**Services**" means the services described in the Contract that Company will perform for Customer.

"**Worksite**" means the location where an Operator will perform Services for Customer, as identified in the Contract.

Part A : Rental Terms

1. **Applicability.** If Customer elects to rent Equipment from Company under the Contract, then the Rental Terms and the General Terms will govern the rental of that Equipment.
2. **No Other Terms.** No term or condition of any order or other document from Customer related to the rental of Equipment from Company will become part of the Contract, and Company objects to all different and additional terms in Customer's order and other documents. Company's rental of Equipment to Customer is expressly conditioned on Customer's acceptance of the Contract.
3. **Inspection by Customer.** If Customer picks up the Equipment, Customer will inspect the Equipment and will give Company written notice of any problems or deficiencies before taking the Equipment from Company's premises. If Company ships the Equipment to Customer, Customer will inspect the Equipment promptly after it receives it and will give Company written notice of any problems or deficiencies within 24 hours after Customer receives the Equipment. Subject only to any particular problems or deficiencies specified in any written notice Customer delivers to Company in accordance with this **Section 3**, Customer will be deemed to have accepted the Equipment and to have verified that it was in good condition and proper working order.
4. **Rent, Fees and Payment.** Unless a different start date is specified in the Contract, the rental period for the Equipment ("**Rental Period**") starts on the earlier of (a) when Company ships the Equipment to a location designated by Customer, or (b) when Customer or its designee picks up the Equipment at Company's premises, and ends when Customer delivers the Equipment to Company at Company's premises (unless a different return location and demob cost is specified in the Contract). Company will calculate the rent Customer owes based on the applicable daily rate. Company will invoice Customer at the end of the calendar month Rental Period, or for continuing contracts the last day of the month, and Customer will pay all invoiced amounts within 30 days after the date of the invoice. All invoices will include all taxes and other governmental charges due in connection with the Contract or the Equipment, all of which Customer will pay. Company's failure to invoice Customer for an amount due will not be a waiver of that amount, and Company may invoice Customer for that amount at a later date.
5. **Inspection by Company.** Company will be entitled to inspect, and to observe the use of, the Equipment wherever it is located at any time during the Rental Period, but Company will not have any obligation to do so. Company will give Customer 48 hours prior notice of its intention to inspect the Equipment or observe its use, and Customer will provide Company access to do so. Additionally, if a governmental official is authorized under applicable law to inspect the Equipment while the Equipment is in Company's possession, and the governmental official notifies Customer that it wishes to do so, Customer will notify Company of that request, and, unless Company directs Customer otherwise, will provide the governmental official access to do so.
6. **Customer's Duty to Maintain.** During the Rental Period, Customer will provide and pay for all consumable parts, batteries, supplies, lubricants, service, routine maintenance and recertification required by the manufacturer to keep the Equipment in good condition and proper working order, normal wear and tear excepted. Company will have no obligation to provide routine maintenance for the Equipment during the Rental Period. If the Equipment fails to perform properly and needs to be replaced, and if that failure was not caused by any act or omission on the part of Customer, then Company will use reasonable efforts to find available replacement Equipment in its inventory. If Company notifies Customer that it has found that replacement Equipment, Customer will return the original Equipment to Company, Company will give Customer a credit for Customer's reasonable shipping costs, and Company will ship the replacement Equipment to Customer at Company's expense.
Notwithstanding the foregoing, if Company determines in its sole discretion that providing replacement Equipment is not commercially reasonable, Company may terminate the Contract without any further obligation to Customer by giving Customer written notice of termination.
7. **Customer's Duty to Report.** Customer will immediately notify Company in writing if any of the Equipment (a) becomes lost, damaged, stolen, unsafe, or disabled, (b) is used in connection with any violation of applicable law, or (c) is involved in any accident causing any injury or damage. Within 48 hours after the occurrence of any of the foregoing, Customer will complete some form of formal written report and will deliver a complete copy of the report to Company. Additionally, Customer will promptly provide to Company all other documents and records Company requests regarding such occurrence and will provide to Company all other assistance Company requests.
8. **Customer's Use; No Alterations.** Customer will: (a) inspect the Equipment regularly to confirm that the Equipment is in good condition and proper working order; (b) have each person who uses the Equipment read all instructional, operational and safety manuals and decals for the Equipment (collectively, "**Manuals**") before he or she uses the Equipment; (c) allow only employees of Customer who are authorized, qualified and trained to operate the Equipment to use the Equipment; (d) cause each person who uses the Equipment to use the Equipment in a careful and prudent manner for its intended purposes only and in accordance with the Manuals and applicable laws, regulations and safety requirements; (e) take reasonable precautions to secure and protect the Equipment; (f) not use, misuse, or operate the Equipment in a negligent, reckless or abusive manner; (g) not remove, alter, disfigure or cover up any numbering, lettering or decals displayed on the Equipment; and (h) not subject the Equipment to any careless or rough use. Company reserves the right to impose additional charges on Customer in accordance with **Sections 10 or 11** of the Rental Terms below if Customer uses the Equipment in a manner not permitted by the Contract. Customer will not make any alterations, deletions, additions or improvements to the Equipment without Company's prior written consent in each instance.
9. **Title.** Company will be the owner of, and will have title to, the Equipment during the Rental Period and at all other times. Customer will give Company immediate written notice if Customer becomes aware that any person or entity other than Company claims any ownership of, title to or other interest in any of the Equipment or if any Equipment is levied upon, claimed or threatened with seizure.

Customer will not permit any of the Equipment to become affixed to, or to become part of, any building or other real property. Customer will not permit the Equipment to become subject to any lien or third party claim.

10. Return of Equipment; Responsibility for Damage. Customer will return the Equipment to Company at Customer's expense at the end of the Rental Period in good condition and proper working order, normal wear and tear excepted. Customer will be responsible for, and will pay within 30 days after receiving Company's invoice, all of Company's costs to return the Equipment to good condition and proper working order, plus an administrative fee of 15% of those costs. Notwithstanding the foregoing, if Company determines, in its sole discretion, that it is not practical to repair the Equipment, then **Section 11** of these Rental Terms will apply.

11. Responsibility for Loss. During the Rental Period, Customer assumes full responsibility for the Equipment and all risk of loss with respect to the Equipment. During the Rental Period, if the Equipment is lost, stolen, destroyed, or damaged to an extent that Company determines, in its sole discretion, that it is not practical to repair the Equipment, Company will invoice Customer for the full cost of new replacement Equipment, and Customer will pay Company the invoiced amount within 30 days after the date of the invoice. Customer will continue to pay Company the applicable rental rate on any Equipment that is lost, stolen, destroyed, or damaged until Customer pays Company the amount due under this **Section 11**.

12. Insurance. During the Rental Period, Customer will maintain, at its own expense and with an internationally recognized insurer satisfactory to Company: (a) property damage insurance covering the Equipment for the full value of new replacement Equipment; (b) commercial general liability insurance of not less than One Million Dollars (U.S. \$1,000,000.00) per occurrence, including coverage for the contractual liability of the indemnification clause in the General Terms and for the use of the Equipment; and (c) if the Equipment is to be used on any roadway, automobile insurance (including comprehensive and collision coverage, a non-owned vehicle endorsement and uninsured/underinsured motorist coverage), in the same amount stated in subsection (b) above. Those insurance policies will state that they are primary and not secondary coverage, regardless of any insurance coverage Company has. Concurrently with the execution of the Contract and from time to time at Company's request, Customer will deliver to Company a current insurance certificate showing Customer has in place the foregoing insurance coverage, listing Company as an additional insured and loss payee, and providing that Company will receive at least 10 days prior written notice of any modification or cancellation of any insurance policy. The insurance required by this **Section 12** does not relieve Customer of any of Customer's responsibilities or obligations under the Contract, at law, in equity or otherwise.

13. Financing. This Contract and all of Customer's rights in and to the Equipment are subject to and subordinate to all rights, title and interests of all persons or entities (including Company's secured lenders) who have financed or leased the Equipment or who have provided financing to Company.

14. Subrogation. With respect to any loss, theft or destruction of, or damage to, the Equipment, (i) Company will be subrogated automatically to Customer's rights to recover against any person or entity arising out of that loss, theft, destruction or damage, (ii) Customer hereby irrevocably assigns to Company all claims, rights and proceeds arising out of that loss, theft, damage or destruction, and (iii) Customer agrees to execute and deliver to Company all documents that may be necessary or helpful, and to take all other steps Company requests, to secure in Company all of those rights.

Part B. Sale Terms

1. **Applicability.** If Customer elects to purchase Equipment from Company under the Contract, then the Sales Terms and the General Terms will govern the sale of that Equipment.
2. **Equipment.** No term or condition of any purchase order or other document from Customer related to the sale of Equipment from Company will become a part of the Contract between the parties or bind Company, and Company objects to all different and additional terms in Customer's purchase order and other documents. Company's sale of Equipment to Customer is expressly conditioned on Customer's acceptance of the Contract.
3. **Price; Payment.** a. The purchase price of the Equipment will be specified in the Contract or Purchase Order. The purchase price does not include any sales, use, revenue, excise or other taxes or governmental charges (collectively, "Taxes"), all of which Customer will pay. b. If Company is required to collect any Taxes, Company will add them to the purchase price and invoice Customer (in the original invoice or separately), and Customer will pay the invoice. Company will invoice Customer when Company delivers the Equipment as specified in **Section 4** below, and Customer will pay the total invoiced amount within 30 days after the date of Company's invoice. The date of any payment will be the date Company receives the payment. c. No partial payment by Customer will constitute an accord and satisfaction or otherwise satisfy the entire outstanding balance of any Company invoice, notwithstanding any notation or statement accompanying that payment. d. If Customer desires to pay Company using a credit card, Customer must complete and submit to Company for approval a credit card authorization form.
4. **Delivery; Cancellation; Rescheduling.** a. All prices are net of any delivery charges, all of which Customer will pay. Company will deliver the Equipment to Customer ex works (Incoterms 2010) at Company's facility, and all risk of loss will pass to Customer at that point. Company will not be responsible for any damage to the Equipment caused by a carrier, and Customer's sole recourse for that damage will be against the carrier. All delivery schedules and dates given by Company are estimates only. b. If Customer cancels all or part of any order, Customer will reimburse Company for all non-recoverable costs of materials, labor, cancellation charges by third parties and other costs that Company has incurred, and Customer will pay Company an additional cancellation charge of 10% of the total amount of the order or portion of the order cancelled. c. If Customer reschedules a delivery, Customer agrees to reimburse Company promptly for all rescheduling, handling, storage and other costs and expenses Company incurs in connection with the rescheduling.
5. **Title.** Ownership and title in the Equipment will remain with Company and will not pass to Customer until Customer has paid to Company the sale price in full, notwithstanding delivery of the Equipment to the Customer or to any independent carrier or any third party. Until ownership of the Equipment has passed to Customer in accordance with this **Section 5**, Customer will (a) store the Equipment at Customer's expense separately from all other goods of Customer or any other third party in such a way that they remain readily identifiable as Company's property, and (b) not destroy, deface, or obscure any identifying mark or packaging on or relating to the Equipment.
6. **Default; Remedies.** The occurrence of any of the following will constitute an event of default by Customer: (a) Customer's failure to pay any sum to Company as and when due; or (b) Customer's default under any other provisions of the Contract which is not cured within 10 days after Company gives Customer written notice of default. Upon the occurrence of an event of default, and in addition to any other rights and remedies that Company may have, Company will have the right, at its option, to take one or more of the following actions: (i) declare all or part of Customer's obligations to Company immediately due and payable; (ii) suspend its performance under or terminate pending Contracts; and (iii) pursue its other rights and remedies under the Contract and applicable law. All amounts Customer does not pay as and when due will accrue interest at the rate of 15% per annum until paid in full. If Customer defaults under its obligations to Company, Customer will pay Company all costs of collection, including reasonable attorneys' fees and costs.
7. **Insurance.** Customer will maintain at all times until it has paid the purchase price (and all other amounts) for the Equipment in full, with an insurer reasonably satisfactory to Company, property damage insurance on the Equipment for its full insurable value and will provide to Company from time to time thereafter at Company's request, a valid and current insurance certificate showing Company as loss payee and providing that Company will receive at least 10 days prior written notice of any modification or cancellation of the insurance policy.
8. **Security Interest.** Customer grants Company a continuing first-priority security interest in all Equipment Company sells to Customer and all proceeds of that Equipment to secure the purchase price and all other sums due with respect to that Equipment. Company will be entitled to file UCC financing statements, continuation statements, and all other documents and instruments necessary or desirable to evidence, perfect, and continue Company's security interest in the Equipment and proceeds.

Part C. Service Terms

1. **Applicability.** If the Contract states that Company will perform Services for Customer, then the Service Terms and the General Terms will govern Company's performance of those Services.

2. **Services.** Company shall use commercially reasonable efforts to perform the Services. Company shall determine the method, details, and means of performing the Services. Company may subcontract some or all of the Services. Company shall perform the Services in a professional manner in accordance with the applicable Contract. Company shall re-perform any Services that do not conform to that standard if Customer gives Company written notice of the non-conformity within 5 business days after Company performs the Services. If Company does not give Customer such written notice, Customer will be deemed to have accepted the Services. Customer's sole and exclusive remedy with respect to the Services is the remedy set forth in this **Section 2** of the Service Terms.

3. **Change Orders.** Customer may request changes to the Services. Any change order shall be in writing and shall only be effective when executed and delivered by both parties. Any requested change to the Services may require additional time and compensation.

4. **Price.** Customer will pay Company for the Services in accordance with the price and payment terms in the Contract. It is often difficult to determine at the beginning of an engagement the full nature and extent of the services necessary to perform a task. Therefore, estimates in the Contract regarding the total cost of Services are not binding. If Company performs for Customer any follow-up or additional work not included within the scope of the Services, Company will charge Customer for that work at Company's then current rates.

5. **Payment.** Company will invoice Customer on the last day of each month, and Customer will pay all invoiced amounts within 30 days after the date of the invoice. All invoices will include all taxes and other governmental charges due in connection with the Contract or the Services, all of which Customer will pay. Company's failure to invoice Customer for an amount due will not be a waiver of that amount, and Company may invoice Customer for that amount at a later date.

6. **Expenses.** Customer will be responsible for all costs Company incurs in performing the Services, including costs of photocopying, travel, long distance telephone calls, express mail, lodging, and meals. Company will either advance such costs on Customer's behalf or ask Customer to pay them directly or in advance. If Company pays the fees in advance on Customer's behalf, Company will deliver periodically to Customer an invoice listing all the expenses Company incurred in providing the Services, along with reasonable backup documentation. Customer will pay each invoice within 30 days after Customer receives it.

7. **Customer's Obligations.** Customer shall provide reasonable assistance to Company in connection with the Services, including providing access to records, information, systems, and personnel reasonably required by Company to perform the Services. Customer shall be responsible for procuring all software, hardware, and equipment and obtaining any necessary permission from the vendors for Company to perform its services using that software, hardware, and equipment. Customer shall designate a single point of contact for the coordination of all activities and issues related to the Services. Customer shall be responsible for (a) complying with all applicable laws, ordinances, and regulations related to the Services and Customer's facilities, including, if applicable, the Outer Continental Shelf Lands Act, and (b) providing Company's personnel a safe work environment free of known safety or health hazards. More specific Customer obligations may be described in the applicable Contract, and Customer will comply with them.

8. **Operators.** If the Contract identifies an Operator, Customer shall provide, at its own expense: (a) all necessary power sources and other support equipment necessary for the Operator to perform the relevant Services; (b) reasonable sleeping and living accommodations for the Operator at the Worksite; (c) an operating environment for the Equipment that complies with the applicable Equipment manufacturer's recommendations and any applicable laws or regulations; and (d) a safe work environment free of known safety or health hazards. Customer acknowledges that Customer is solely responsible for determining what Services the Operator will provide.

9. **Substitution of Operators.** a. Company may, at its discretion, substitute an Operator with another Operator after giving Customer written notice of its intention to do so, and Customer shall cooperate with and assist Company in making that substitution. b. The Customer shall ensure that the Operator will remain at the Worksite for a period of time not longer than is considered to be appropriate in accordance with best practices in the industry, applicable health and safety laws, and any limits set by the administrator of the Worksite. If the foregoing standards require Customer to replace the Operator, Customer shall pay all replacement costs and an administration charge of an additional 15% of those costs (the "**Substitution Costs**"). The Substitution Costs shall include, without limitation, airfare, meal expenses, travel costs to and from the Company's offices, and all other reasonable expenses. Company will use commercially reasonable efforts to ensure that each Operator is available to be replaced (or substituted) in accordance with the Customer's normal working patterns and personnel rotations.

10. **Payment of Operators.** Company will be responsible for paying the salary of the Operator. Customer will be responsible for paying the amounts designated in the Contract and the other amounts set forth in these Terms and Conditions.

11. **Equipment Repair.** If the Contract provides that the Operator will service and repair the Equipment at the Worksite, the Operator will use commercially reasonable efforts to do so. However, both parties acknowledge that due to the complex technical nature of the Equipment and the fact that the Operator may not have the competency to carry out all potential Equipment repairs, it may not be practicable for the Operator to service or repair the Equipment at the Worksite. a. **Shipment of Equipment to Customer.** Company will notify Customer's designated representative of any servicing or repair of the Equipment that requires the return of any vessel to port and/or the return of any Equipment to the Customer's premises or the Company's premises. Customer will pay all costs associated with

such transit, and Customer will reimburse Company for any expenses that Company incurs in association with that transit. b. **Engineer Visits Customer Worksite.** If the parties agree that Company should send an engineer to the Worksite to attempt to service or repair the Equipment, Customer will pay all costs associated with the engineer's travel, and Customer will reimburse Company for any expenses that Company incurs in association with the engineer's travel expenses. c. **Delays.** If any Equipment transit, repair, or maintenance time causes Customer to experience any delays, those delays will be considered consequential damages, which are expressly excluded under these Terms. For the avoidance of doubt, Customer will not be entitled to reduce or set off any amounts it owes to Company based on such delays.

12. **Direction and Control.** All work undertaken by the Operator at the Worksite shall be under the direction of Customer, but the actual operation of the Equipment and the manner of performance of work in connection therewith shall be under the direction and control of Company. Company is an independent contractor and is not acting as an agent of Customer. The Operator will cooperate with Customer's personnel and will endeavor to operate the Equipment in accordance with their reasonable requirements. Customer's employees shall not be under the direction or control of Company or its Operators.

13. **Non-Company Equipment.** If Customer directly or indirectly instructs Operator to operate any vessel or equipment other than the Equipment, the Operator will be under the supervision of Customer with respect to that work, and Customer shall be responsible for and shall indemnify Company from and against all claims, losses, damages, costs (including legal costs), expenses, and liabilities, which arise out of or relate to the Operator's operation of any such vessel or equipment, including but not limited to any claims alleging (i) personal injury or death to Customer's employees, agents, or contractors, or any third party, or (ii) loss of or damage to the property of Customer, its employees, agents, or contractors, or any third party, irrespective of the cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of Company, the Operator, or any third party.

14. **Proprietary Rights.** Company shall retain all rights in the intellectual property, copyrights, trade secrets, software, tools, inventions, patent rights and methods it uses to perform, or develops during the performance of, the Services, and Customer shall have no rights in them.

15. **Non-Solicitation of Employees.** During the term of the Contract and for twelve (12) months after its expiration or termination, Customer shall not, either directly or indirectly, solicit for employment any employee of Company who was involved in the performance of the Services, including but not limited to any Operator, unless Customer obtains Company's prior written consent. The actual damages attributable to a breach of this **Section 15** would be difficult to determine and prove; therefore the parties agree that, in addition to any equitable remedies of Company, if Customer breaches this **Section 15**, Customer shall promptly pay Company liquidated damages in an amount equal to eighteen (18) months worth of the annual salary or compensation of such employee or contractor (including prorated bonuses and incentive compensation) prior to the breach, such sum being a reasonable measure of the damages reasonably anticipated by the parties.

Part D. Terms and Conditions Applicable to Rental, Services, and Sale of Equipment

1. **Applicability.** The General Terms govern Company's rental and sale of Equipment to Customer and Company's performance of Services for Customer.

2. **Compliance.** Customer shall promptly obtain, at Customer's expense, all permits, licences, authorizations, and other consents and permissions required for the parties to undertake the obligations contemplated by this Contract. Moreover, the Equipment and Services may be subject to anti-bribery, corruption, and/or export control laws, such as the Export Administration Regulations, the International Traffic in Arms Regulations, the Foreign Assets Control regulations, and the Foreign Corrupt Practices Act. Customer is responsible for (a) determining whether licenses or other authorizations are required under applicable law, including licenses governing export, re-export, deemed export, or deemed re-export, (b) obtaining any such required licenses or authorizations from the United States government and any other relevant government in a timely manner, (c) obtaining all required licenses and other authorizations necessary for the return of the Equipment, and (d) ensuring that no unauthorized transfers or diversions of the Equipment occur. Customer will also comply with all applicable laws, statutes, regulations, and codes relating to bribery, corruption, anti-trust, money laundering, trade sanctions, financial sanctions, and criminal matters, including, if applicable, the Foreign Corrupt Practices Act. Company may, at its sole discretion, suspend its performance under the Contract or terminate the Contract at any time and without liability if it believes in good faith that Customer has breached or is likely to breach any of the obligations it has undertaken pursuant to this **Section 2**. Customer shall indemnify Company from and against any losses, liabilities, penalties, damages, costs, taxes, levies, duties, claims, expenses (including but not limited to legal fees and investigation expenses) and any associated fines and penalties incurred by, or awarded against, Company as a result of the breach of Customer's obligations under this **Section 2**, regardless of whether such breach is caused by Customer, persons associated with the Customer, persons working for Customer, or any third party retained by the Customer.

3. **Deposit.** Company may require Customer to deposit with Company a security deposit ("**Deposit**"), and Company may delay performance of its obligations under the Contract until Customer has paid the Deposit to Company. If Customer fails to pay any sum to Company as or when due under the Contract, or if Customer damages, destroys, or loses any Equipment, Company may deduct from the Deposit all amounts Customer owes Company. Company will return to Customer any unpaid balance on the Deposit within 21 days after Customer returns the Equipment at the end of the Rental Period in accordance with the Contract.

4. **Delivery.** Customer will provide at the delivery point designated in the Contract and at Customer's expense adequate and appropriate equipment and manual labor for loading the Equipment. The quantity of any Equipment that Company records when dispatching Equipment to Customer will be conclusive evidence of the quantity Customer received on delivery unless Customer can provide conclusive evidence to the contrary. If Customer fails to accept delivery of any Equipment when it is ready for delivery in accordance with the Contract, or if Company is unable to deliver the Equipment because Customer has not provided appropriate instructions, documents, licenses, authorizations, equipment, or labor, then (a) risk of loss with respect to the Equipment will automatically pass to Customer, (b) the Equipment will be deemed to have been delivered, and (c) Company may store the Equipment until delivery, and Customer will be liable for all related costs and expenses, including storage and insurance.

5. **Notices.** Any notice permitted or required under the Contract will be deemed given if it is in writing and is (a) delivered personally, (b) deposited with FedEx or in the United States mail, certified mail, return receipt requested, (c) sent by facsimile to the facsimile numbers Company and Customer specify to each other from time to time, or (d) sent by email to the email addresses Company and Customer specify to each other from time to time.

6. **Default; Termination.** Customer will be in default under the Contract if Customer: (a) fails to pay any sum to Company as and when due; (b) fails to comply with any other provision of the Contract and does not cure that noncompliance within 10 days after Company gives Customer written notice of default; (c) places the Equipment at risk of damage, destruction or loss, or encumbers the Equipment, in Company's reasonable judgment. If Customer defaults under the Contract, (x) Company may, in addition to its other rights and remedies under the Contract and applicable law, enter any location where the Equipment is and repossess the Equipment without judicial process or notice, and (y) Customer will pay Company its reasonable attorney's fees and expenses in connection with collecting all amounts due under the Contract, obtaining possession of the Equipment, and defending all Claims arising out of or relating to Customer's breach of the Contract. Customer waives any right of action against Company for any such entry or repossession. All past due amounts will bear interest at the lower of 18% per annum or the highest rate allowed by law until paid in full. Company will also have the right to terminate the Contract at any time for Company's convenience by giving Customer written notice of termination, and if Company elects to terminate the Contract, Customer will promptly return the Equipment to Company in accordance with the Contract.

7. **Warranty; Disclaimers.** a. **Limited Warranty.** Company represents and warrants to Company that (a) it is authorized to rent or sell the Equipment to Customer in accordance with the Contract, and (b) it will perform the Services in a professional manner. b. **Disclaimers.** Company does not design or manufacture the Equipment and is not the agent of any person or entity that does. With respect to any New Equipment that Company sells to Customer under the Contract, the Equipment may have a warranty from the applicable manufacturer. Notwithstanding the foregoing, except for the warranties in **Section 7(a)** of these General Terms, COMPANY IS LEASING THE EQUIPMENT AND IS SELLING THE EQUIPMENT TO CUSTOMER **AS IS**, WITHOUT WARRANTY. COMPANY DISCLAIMS ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS AND IMPLIED, AS TO THE EQUIPMENT OR SERVICES, INCLUDING ALL REPRESENTATIONS AND WARRANTIES: (i) AS TO MERCHANTABILITY, THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE, OR NON- INFRINGEMENT; AND (ii) AS TO THE SUITABILITY OF THE EQUIPMENT OR SERVICES FOR CUSTOMER'S PURPOSES OR THE IMPACT OF THE EQUIPMENT OR SERVICES ON CUSTOMER'S BUSINESS OR OPERATIONS. Company makes no warranties or guarantees regarding the production, performance, or economic benefit Customer may obtain from the Equipment or Services.

8. Limitations. a. Regardless of the theory of recovery, Company's liability with respect to the Contract, including any rental or sale of Equipment and any Services, will not exceed the amount Customer has paid to Company under the Contract within the 12-month period preceding the act or omission giving rise to the claim. Company will not be liable for any late delivery or for the condition of the Equipment. b. Company will not be liable under any circumstances for any special, indirect, incidental, consequential or punitive damages arising out of or related to the Contract, the Equipment, or the Services, including lost revenues or profits, regardless of the theory of recovery and regardless of whether Company is informed of the possibility of those damages. c. Any action or proceeding by Customer arising out of or relating to this Contract will be forever barred unless it is commenced within the earlier of: (a) one year after the claim or cause of action has accrued; or (b) the period prescribed by applicable statute of limitation or repose.

9. Indemnification. a. **Equipment.** CUSTOMER WILL DEFEND, INDEMNIFY AND HOLD HARMLESS, COMPANY AND ALL OF ITS SUBSIDIARIES AND AFFILIATES AND ALL OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS (COLLECTIVELY, "INDEMNIFIED PARTIES") AGAINST ALL CLAIMS (AND ALL RELATED LOSSES, DAMAGES, ATTORNEYS' FEES AND EXPENSES) (COLLECTIVELY, "CLAIMS") FOR (i) INJURY TO OR DEATH OF ANY PERSON, (ii) DAMAGE TO, DESTRUCTION OF, OR CONTAMINATION OF ANY REAL OR PERSONAL PROPERTY, (iii) VIOLATION OF ANY ENVIRONMENTAL OR OTHER LAW OR REGULATION, OR (iv) VIOLATION OF ANY SAFETY REQUIREMENT, BASED IN WHOLE OR IN PART ON (1) THE EQUIPMENT, (2) THE USE, POSSESSION OR CONTROL OF THE EQUIPMENT BY ANY PERSON OR ENTITY, (3) THE SERVICES; OR (4) COMPANY'S OR ANY OPERATOR'S PERFORMANCE OF THE SERVICES.

Customer's obligation under this **Section 9** to indemnify, defend, and hold harmless the Indemnified Parties will include any Claim that results from the negligence, fault or conduct of one or more of the Indemnified Parties; **provided** that Customer will not be required to indemnify, defend or hold harmless the Indemnified Parties under this **Section 9** for any Claim based solely on Company's negligence or violation of applicable law. If any part of this **Section 9** is determined to be invalid by a court of competent jurisdiction, Customer agrees that this release and indemnification will be enforceable to the fullest extent permitted by applicable law. b. **Procedure.** Company will give Customer prompt written notice of any Claim under this **Section 9**, will permit Customer to conduct the defense of such claim as long as Customer confirms in writing that such Claim is within Company's indemnification obligations, and will provide, at Customer's expense, reasonable cooperation in the defense of such Claim.

10. Force Majeure. Company will not be liable for delays or failure to perform directly or indirectly resulting from events and causes beyond Company's reasonable control, accidents, acts of God, acts and omissions of any governmental authority, declared or undeclared wars, terrorism, strikes or other labor disputes, fires, floods, earthquakes, storms, epidemics and other natural calamities, changes in the law, and delays in obtaining or the inability to obtain labor, equipment, materials or services through Company's usual sources at normal prices. Dates or times by which Company is required to perform under the Contract shall be postponed automatically for so long as Company is prevented from performing by any act of or failure to act by Customer.

11. Miscellaneous. **Sections 6, 7, 8,** and **9** of these General Terms will survive the termination of the Contract for any reason, including the expiration of the Rental Period. Company has the right to file Uniform Commercial Code financing statements and all other documents and instruments necessary or desirable to evidence, maintain and protect Company's ownership of and interest in the Equipment. Customer may not assign to any person or entity all or any portion of its rights or obligations under the Contract or with respect to any Equipment without Company's prior written consent in each instance, and any attempted assignment without that consent will be void. Company is an independent contractor, and nothing in the Contract will be construed as creating a partnership, joint venture, agency or fiduciary relationship between the parties. The Contract and any controversy relating to the Contract or the Equipment will be governed by the laws of the State of North Carolina, excluding its conflict of law principals. Any action or proceeding relating to the Contract or a breach of the Contract will be commenced and heard exclusively in the Texas state courts for Houston, Texas or the United States District Court for the Southern District of Texas, Houston Division, and the parties consent and submit to the jurisdiction and venue of those courts. Any waiver under the Contract must be in writing and signed by the waiving party to be effective. No failure or delay by any party in exercising any right, power or privilege under the Contract will operate as a waiver. The term "including" will not be construed to be limiting. The Contract will be binding on, and will inure to the benefit of, the parties and their respective successors, heirs and permitted assigns. The Contract constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous understandings, agreements, usages of trade and courses of dealing regarding the subject matter. The Contract may only be modified by a written agreement signed by both parties.