

Axiom Production Services

2289 Des Jardines
Houston, Texas 77023

Equipment Rental Agreement

The “Lessee”, as named herein, agrees to rent from Axiom Production Services, hereafter called “Lessor”, certain equipment as set forth in the attached schedule, Estimate(s) and/or Invoice(s), for the term set forth herein and at the rental rates set forth herein. This Rental Agreement is subject to the following additional terms and conditions:

Minimum Rental Period: Unless otherwise agreed, rental payments shall begin on the date specified in this lease agreement for delivery of equipment, and shall continue until the equipment is returned. Lessee agrees to return said equipment on the date specified in this lease. Out of town shipments of equipment shall be billed for a minimum two-day rental. Irrespective of any agreements with respect to number of rental days, full daily rates shall be charged for each day said equipment is not returned after the date specified for return of said equipment.

A full day’s rental will be charged for equipment not returned by 10:00 AM. When on a daily rental schedule, daily rates will be charged for each day, Sundays and Holidays included if the equipment is used. The daily rate will be charged for each full day or any portion thereof.

Payment, Rates & Interest: All rates are subject to change without notice. Rental prices are based on a one day rental. The terms of payment are C.O.D. for the first rental, net 10 thereafter if a customer’s account is current. Lessee agrees that Lessor is privileged to revise terms of payment without further notice. Payments due for 30 days or more are considered past due. For each month or part of a month thereafter an interest rate of 1.5 % per month (18% annually) shall be charged and an administrative charge of not more than \$50 will be added to the amounts due. If Lessor places the account in the hands of an attorney for collection, Lessee agrees to pay all attorney’s fees and court costs. Lessee agrees to pay the Lessor directly or as directed by the Lessor or its agent.

The first rental day shall be the date of delivery of equipment to Lessee. The last rental day shall be the day of return to Lessor, if return is after 10:00AM.

Credit Card Charges: All charges made to credit cards shall be final. Lessee and/or charge card holder waives all rights to dispute charges with credit/charge card companies and agrees to resolve disputes as if the charges were made as cash payments. Any legal action brought by credit/charge card companies against Lessor shall have no effect or claims for payment by Lessor or disputed charges.

Delivery: Lessee at Lessor’s place of business shall pick up all equipment, or at Lessee’s request, Lessor shall arrange shipment to a location designated by Lessee. Lessor agrees to deliver to Lessee or its agent, or to ship the rented equipment in the manner specified by Lessee. Lessor is not responsible for non-availability, shipping delays of said equipment, nor any failure of Lessee, its agents, or authorized or designated carrier, to accept or pick up said equipment.

Delivery of the equipment to Lessee shall be deemed complete at Lessor’s premises when equipment is placed on Lessee’s transportation or carrier arranged by Lessee or Lessor. This shall include any vehicles rented by Lessee. Lessee agrees to prepay all shipping charges and other expenses (including insurance) of shipping, but Lessor will not arrange for insurance in transit. Lessee bears all risks of loss or damage to the equipment from the time of delivery to lessee (as defined) until the return of the equipment to Lessor’s premises during normal business hours. Return of equipment

to Lessor shall be deemed to occur when the equipment has been off loaded onto Lessor's premises.

Order Deadlines: Orders received after 3pm weekdays that require personnel after normal business hours will be subject to a late load fee.

Cancellation & Penalties: The Lessor shall be entitled to compensation, not to exceed the lease payments, for any losses the Lessor may sustain because of the Lessee's cancellation of all or part of an order.

Use By Qualified Technicians: The equipment may be used only by Lessee's duly qualified employees and/or agents and in strict accordance with the use contemplated in the Rental Contract. Lessee shall keep the equipment within its sole custody and shall not permit the equipment to be used in violation of any laws.

Do Not Remove Serial Numbers or Cover Company Logos: You may not remove or cover over any serial numbers, tags, nameplates, or identifying logos on the equipment showing ownership by the Lessor.

Removal, Custody, Sublease: This equipment may not be removed from the State of Texas without the prior written consent of Lessor endorsed hereon. In no condition may this equipment be removed from the continental United States. This equipment shall be used only by qualified and trained employees and/or agents of Lessee, and in strict accordance with the laws of its location and with the contemplated in this agreement, and in accordance with any operating instructions provided by Lessor to the Lessee.

Lessee shall keep equipment leased hereby in Lessee's sole custody and shall not permit the leased equipment to be used in violation of any federal, state or municipal statutes, rules or regulations, and indemnifies and holds harmless from any and all fines, forfeitures, penalties, and for the violation of any statute, law, ordinance, rule, or regulation of any duly constituted public authority.

The equipment shall not be sublet or assigned by Lessee.

Indemnity: Lessee agrees to and does hereby indemnify and hold Lessor harmless from and against any and all losses, damages, claims, demand of liability of any kind or nature whatsoever, including legal expenses, arising from the use, condition (defects or otherwise) or operation of the equipment rented, and by whoever used or operated during the term hereof. This indemnification shall continue in full force and effect during and after term of this lease for causes arising during the term of this Lease.

Lessor shall not be liable for any loss or damage of any kind whether caused by negligence, including negligence of Lessor or its employees or agents, or otherwise resulting from any delay, detention, late delivery, non-delivery, defect, or deficiency in leased equipment supplied by Lessor.

Loss or Damage: Lessee is responsible for loss or damage to equipment rented for full replacement costs including loss of use and/or rents from the date of this lease until equipment is either replaced, repaired or moneys paid as per below provision.

Cleanup of Equipment: The Lessee will be assessed a cleanup fee if rented equipment is not returned reasonably clean, based on a hourly charge.

Insurance: Lessee shall at its own expense, provide and maintain in full force and effect insurance

covering the equipment rented hereunder for the full replacement costs and for loss of use and/or rents of said equipment, from the date of this lease until the equipment is actually returned, and/or repaired and or replaced with full payment of loss, including any damage while equipment is in transit or in storage.

Said insurance shall name lessor as loss payee, and any act or neglect or breach of condition shall not affect the right of Lessor under such insurance by the Lessee. Such insurance shall be written by reputable insurers, with any deductible and a policy limit as specified by Lessor. All insurance shall be written by an insurer with an: AM Best's rating of "A" or better.

Said insurance shall cover all risks of physical loss or damage. Lessee shall name Lessor as an "Additional Insured" and as a "Loss Payee".

Lessee shall also name Lessor as an "Additional Insured", as regards general liability insurance, and Lessee's liability insurance shall be deemed primary insurance in the event of any claim or suit. Lessee shall provide to Lessor a certificate of insurance in compliance with this **Insurance** section of this agreement prior to delivery of said equipment.

Equipment Rental (without vehicle) Insurance Requirements:

1) "All Risk" Rented Equipment Insurance providing Replacement Cost coverage equal to at least the replacement cost of the equipment being rented including loss of use and/or rental value. Coverage shall be primary to Lessor and shall cover equipment at any location including in transit. Lessor shall be named as "Loss payee".

2) Commercial General Liability insurance with limits of not less than \$1,000,000/ \$2,000,000 per Occurrence/Aggregate. Lessor shall be named as an additional insured with respects to Lessee's use of equipment. Coverage shall be primary and non-contributory.

Equipment Rental (with vehicle) Insurance Requirements:

1) SAME AS ABOVE

2) SAME AS ABOVE

3) Business Automobile Liability on hired, non-owned, loaned and donated vehicles in the amount of \$1,000,000 combined single limit each occurrence for bodily injury and property damage. Coverage is to be on a primary basis and non-contributory with any insurance maintained by owner/lessor. Owner/lessor shall be listed as additional insured as respects to liability. Hired Car Physical Damage (Comprehensive and Collision) shall also be provided for not less than the actual cash value of the vehicle(s) being rented. This coverage shall also be on a primary basis and noncontributory and shall list owner/lessor as loss payee as respects to any rented vehicle.

In the event that any of the equipment is lost, stolen, damaged beyond repair, destroyed or otherwise disappears or is not returned for any reason, Lessee shall pay to Lessor the replacement cost of said equipment, in addition to the accrued rental at time of actual replacement. The foregoing liability for lost, damaged, destroyed or missing equipment shall apply whether the loss, damage or destruction is caused by or results from the active or passive fault of Lessee, or through no fault of Lessee. Any equipment that is damaged, lost or destroyed by Lessee or its agents or employees while on Lessor's premises shall be deemed to have been lost, damaged or destroyed while in Lessee's possession.

No Warranties: Lessee acknowledges that the equipment listed herein has either been examined and tested by a representative the Lessee, or that the opportunity to examine and test the equipment was permitted, and that the same is in good workable condition and accepts the same as is, and without any rental deductions or claims therefore. Lessee acknowledges that this equipment is leased without warranty or guarantee of any kind, express or implied, and that Lessor assumes no responsibility, express or implied, in fact or in law, for the performance or nonperformance of said equipment other than as expressly agreed herein [whether the failure is caused by the negligence of Lessee, Lessor, or any other person or entity.]

Lessee agrees to notify Lessor immediately upon discovery that equipment is not in workable condition and to return all such equipment to Lessor at Lessee's sole cost and expense. Lessee expressly agrees to bear the risk of loss, direct and consequential, for any equipment found not in workable condition. Lessor's only obligation shall be to use reasonable efforts to repair or replace any damaged or defective equipment, which defect existed at the time of delivery and which was not readily apparent from inspection, or to refund any rental payments for such equipment. This provision shall not release Lessee of responsibility in the event of damage, destruction or non-return.

Title: Ownership/Title to the rented equipment is retained solely by the Lessor, and Lessee covenants that it will not assign, pledge or encumber the equipment in any manner whatsoever, nor permit any liens to become effective thereon.

Inspection by Lessor: Lessor shall have the right to inspect the leased equipment at any time during the term of this lease. Lessee shall make any and all arrangement necessary to permit Lessor access to the location of the equipment. Any breach of this provision shall be deemed material and entitle Lessor to exercise any of the remedies set forth in this lease.

Default & Breach of Term: In the event of default by Lessee in payment of rent hereunder, or Lessee's breach of any terms of this lease, or if Lessee shall assign or attempt to assign said equipment or any interest therein, as security or otherwise, or if any lien or encumbrance is placed against said equipment by any person or entity claiming rights against Lessee, or if Lessee becomes insolvent or executes an assignment for the benefit of creditors, or if a voluntary or involuntary petition in bankruptcy is filed by or against Lessee, or if Lessee misuses or mishandles said equipment, or damages same, or attempts to remove said equipment from the State of Texas without the consent of Lessor, then Lessor may at its option exercise one or more of the following remedies:

- A.** Declare the entire amount of rentals due and payable from the time of said breach.
- B.** Sue for, and recover all rents or other sums due, or to accrue thereafter, under the terms of this lease.
- C.** Take possession of the said leased equipment without demand or notice and without liability for trespass or other damage in connection with taking thereof.

(The exercise of any of the foregoing remedies shall not terminate this lease unless Lessor notifies Lessee thereof in writing)

D. *Lessor may terminate this lease at any time.* In the event that Lessor terminates this lease by reason of Lessee's breach of this agreement, then Lessor may recover from Lessee the value of the rent reserved for the balance of the entire rental term if Lessor is unable to re-rent the same said equipment for the balance of the rental over the remaining term of the original agreement.

If Lessor is actually able to secure equal rental value income for the same said equipment, during the

rental term, then Lessor shall recover from Lessee the pro-rated value of the rental value *at the time of termination* of this agreement.

E. Lessor may pursue any other remedy at law or in equity and all such remedies are cumulative and may be exercised concurrently or separately. In the event Lessor is required to take any action, to enforce any legal rights or provisions of this lease or to secure payment for damages or loss of rents, including arbitration or other steps, Lessor shall be entitled to attorney fees and costs incurred by it, whether lessee or Lessee's insurer is ultimately responsible for the dispute or payment.

F. This agreement shall not be subject to arbitration under any circumstance.

This lease agreement shall be deemed to have been made in Houston, Texas and shall be interpreted, and the rights and liabilities of the parties here determined, in accordance with the laws of the State of Texas.

Equipment Compensation: The Lessor shall provide the Lessee with the equipment detailed herein for the mutually agreed upon sum of \$ (See current estimate for charges if this line is not totaled), plus any yet to be determined charges for expendables, mileage, and any damage/loss, (if applicable).

Additional Compensation: TITLES and CREDITS:

A. Lessor will be accorded the following credit on screen:

The following credit(s) shall be accorded:
(not applicable)

B. (not applicable)

Entire agreement: This agreement, including all the terms and conditions set forth, expresses the entire agreement between parties and any change thereto must be in writing. This Lease may not be modified, except by an instrument in writing signed by the parties.

AGREED and ACCEPTED by
Authorized Signature:

Lessee's Name: _____ Address: _____

Title: _____ Date: _____

Company: _____ Phone #: _____

City: _____ State: _____ Zip: _____