

## Rental/Production Terms

This Rental/ Production Agreement is made between Premier Production Services, Inc. and the customer described on Equipment Rental Report (“Lessee”) and is effective as of the date of the rental order. This Agreement shall include and be subject to the following terms and conditions:

- 1. Continuing Rental Agreement.** Lessor and Lessee agree that this Agreement shall apply to any rental of Property by Lessee from Lessor occurring on or after the date of this Agreement even though the specific Property, duration of rental and/or the price for the rental may vary. The parties acknowledge and agree that the terms and conditions of this Agreement shall continue to apply to all future rental transactions between them, without necessity or either party executing a new Rental Agreement.
- 2. Description of Property.** The equipment (“Property”) subject to this Agreement shall be the specific items of Property listed on the Equipment Schedule or Property Rental Agreement prepared by Lessor and given to Lessee at the time of delivery of the Property to lease or to a third party at the direction of the Lessee. Such Equipment Schedule and or Property Rental Receipt shall be deemed a part of this Agreement, as if fully incorporated herein. It shall be Lessee’s sole responsibility to determine that the Property delivered is in accordance with the Equipment Schedule or Property Rental Receipts and to notify Lessor immediately of any discrepancy thereon. Lessor shall not be responsible for any discrepancies not brought to Lessor’s attention at the time of delivery.
- 3. Delivery and Return.** For purposes of this Agreement, Lessee shall be deemed to have taken “delivery” of the Property from the time the Property is set aside from Lessor’s general inventory for Lessee’s use. Lessee shall be deemed to have returned the Property only at such time as Lessee shall have returned the Property to Lessor’s Harrisburg office during Lessor’s regular business hours and after Lessor shall have accepted the same. “Acceptance” by Lessor shall mean that Lessor shall have unpacked the Property from its shipping container, examined it for damages and individually bar code scanned the Property into Lessor’s computerized system as “returned. The acceptance of the returned Property is not a waiver by the Lessor of any claims Lessor may have against Lessee, nor a waiver of claims for latent or after discovered damage to the Property.
- 4. Use of Property.** Lessee shall operate and use the Property in accordance with the manufacturer’s instructions and recommended use and shall neither abuse or misuse the Property nor use or store the Property in any manner or at any location which will subject it to abnormal or hazardous conditions or risk. Lessee will take all necessary precautions during the shipment, use or storage of the Property to protect the Property and all persons using the Property from injury or damage. The Property shall be used only by qualified employees or agents of Lessee. Lessee shall not make any alternations, changes, modifications or improvements to the Property without the prior written consent of Lessor and Lessee shall not deface, remove or cover any name plate on the Property showing Lessor’s name and identification or that of the manufacturer. All Property shall be used in accordance with applicable federal, state or local laws or ordinances.
- 5. Inspection/Warranty.** Lessee shall inspect the Property immediately upon delivery and shall notify Lessor at that time if Lessee determines that the Property is not in good working condition. After such delivery and inspection, Lessee acknowledges that the Property is rented without any express or implied warranty or guaranty of any kind.
- 6. Risk of Loss/Repair/New Replacement Cost.** From the delivery of the Property to Lessee until its return to Lessor, as those terms are defined herein, including during any time of transit or shipment of the Property, per Section 7 below, Lessee shall bear any and all risk of loss and/or damage to the Property regardless of whether such loss or damage may have been caused by Lessee, Lessee’s agent, Sublessee, shipper or any third party. If the Property is damaged, such liability shall include Lessor’s actual cost of repair and the payment of all continuing rental charges until the repaired Property can be restored to rental use by Lessor. *If the Property cannot be timely repaired, then damaged Property shall be replaced or repaired shall be solely Lessor’s and shall be conclusive on Lessee.* If the Property is lost, stolen or seized (by a third party or governmental agency) while in the possession of Lessee or any agent or Su lessee of Lessee, or any carrier or storage facility, Lessee shall be liable for the full new replacement cost of the Property and all continuing rental charges until the replacement Property is restored to rental use by Lessor. Lessor shall be under no obligation to replace or repair Property until Lessee has paid for the damaged, lost or stolen Property. In such event, rental charges for the subject Property shall continue to accrue until Lessee has paid for the lost, stolen or damaged Property or until repairs are completed to the satisfaction of Lessor. Accrued rental charges cannot be applied against the new replacement cost or cost of repair of damaged, lost or stolen Property.
- 7. Transport and Shipment.** In the event the Property rented by Lessee is transported or shipped, whether from Lessor to Lessee, or to any third party or location, or upon its return to Lessor, or at anytime between delivery and return of the Property as those terms are defined in Section 3 of this Agreement, the risk of loss during that transport and shipment shall be solely Lessee’s. Lessee, at Lessee’s option, shall be entitled to select its own shipper or transport service and shall notify Lessor of that selected shipper or transport service at the time the rental order is placed. If Lessee decides to make such election, and request transport by a shipper or transport service selected by Lessor, then Lessee shall still remain solely responsible for risk of loss during that transport or shipment and shall continue to maintain insurance on the Property as provided herein. Lessor shall bear risk of loss during transport or shipment only during times when Lessor’s own employees are directly handling the transport or shipment.
- 8. Indemnification.** Lessee agrees to defend, indemnify and hold Lessor harmless against any claims, liability loss, costs, damages, expenses, or demands arising directly or indirectly out of, or in connection with the use of the Property leased from Lessor by Lessee, its agents, servants, sublessees, contractors, representatives, guests, invitees, or customers.
- 9. Property Insurance.** Lessee shall at all times, from the delivery of the Property to Lessee to its return to Lessor, as those terms are defined herein, including during times of shipment and storage, maintain property insurance covering the Property from damage or loss from any cause whatsoever. Such property insurance shall be in an amount sufficient to cover the full new replacement cost of the Property and Lessor’s rental charges until the Property is repaired or replaced. Lessor shall be named an additional insured and loss payee on such policy or policies and, upon request by Lessor; Lessee shall provide Lessor with proof of such insurance.
- 10. Automobile Liability Insurance.** Lessee shall, at its own expense, maintain business automobile insurance, including coverage for loading and unloading Property and hired auto physical damage insurance covering owned, co-owned, hired and rented or leased vehicles. Coverage for physical damage shall include the perils of comprehensive and collision loss. Lessor shall be named as an additional insured respecting the liability coverage and as loss payee on the hired auto physical damage coverage. The insurance shall provide no less than \$1,000,000.00 in combined single limits, and actual cash value, less a \$1,000 deductible for the physical damage on comprehensive and collision coverage.
- 11. Worker’s Compensation Insurance.** Lessee shall, at its own expense, maintain worker’s compensation/employer’s liability insurance during the course of the Property rental with minimum limits of one million dollars (\$1,000,000.00).
- 12. Commercial General Liability Insurance.** Lessee shall, at its own expense, maintain commercial general liability insurance which includes coverage for independent contractors and contractual liability coverage specifically referring to this Rental Agreement and to the hold harmless agreement herein. Said insurance shall name Lessor as an additional insured and provide that said insurance is primary coverage with respect to all insured the limits of which must be exhausted before any obligation arises under Lessor’s insurance. Such insurance shall remain in effect during the course of the rental agreement, and shall include the following coverage’s: broad form contractual liability, personal injury liability, completed operations, and projects liability. Such insurance shall have provided general aggregate limits of not less than \$2,000,000 (including the coverage’s specified above), personal injury and advertising injury of not less than \$1,000,000 and per occurrence limits of not less than \$1,000,000.
- 13. Notice of Insurance.** Before obtaining possession of the Property leased, Lessee shall provide Lessor with a Certificate of Insurance and applicable endorsements confirming each of the coverages specified above. All Certificates of Insurance shall be signed by an authorized agent or representative of the insurance company. All insurance maintained by Lessee pursuant to the foregoing provisions, shall be issued by an insurance carrier authorized to do business in the Commonwealth

- of Pennsylvania with a BEST rating of A- or higher. The failure of Lessor to demand such notice or proof of insurance shall not excuse Lessee from providing the required insurance documentation.
14. **Notice of Cancellation of Insurance.** Lessee shall provide Lessor with thirty (30) days written notice prior to the effective cancellation, material change, or modification to any insurance required to be maintained by Lessee pursuant to the foregoing provisions.
  15. **Waiver of Subrogation.** All insurance maintained by Lessee pursuant to the foregoing provision shall contain a waiver of subrogation against Lessor.
  16. **Failure to Procure Insurance.** Should Lessee fail to procure or pay the cost of maintaining in force the insurance specified herein, or to provide Lessor upon request with satisfactory evidence of insurance, Lessor may, but shall not be obliged to, procure the insurance and Lessee shall reimburse Lessor on demand for such costs. Lapse or cancellation of the requirement of insurance shall be an immediate and automatic default of this rental agreement.
  17. **Sublease by Lessee.** The grant by Lessee of a sublease of the Property shall not effect Lessee's obligation to procure insurance for the benefit of Lessor as provided herein nor shall such Sublease otherwise effect or diminish any of Lessee's obligations under this Agreement.
  18. **Removal from State/US.** Lessee shall not remove the Property from the Commonwealth of Pennsylvania without Lessor's prior written consent, nor shall the Property be removed (under any circumstances) from the United States of America.
  19. **Attorney's Fee:** Lessee hereby agrees to pay all of Lessor's attorney's fees and costs actually incurred by Lessor in enforcing the Terms and Conditions of this Agreement, regardless of whether or not a legal action is filed.
  20. **Place of Contract, Venue and Applicable Law.** This Agreement shall be deemed entered into at Lessor's principal office located in the County of Dauphin, Commonwealth of Pennsylvania, in the event of any dispute between the parties. Lessor and Lessee agree that venue in legal action between them shall be in the Court of Common Pleas of Dauphin County, Pennsylvania and that Pennsylvania law shall apply in interpretation of this Agreement.
  21. **Incorporation by Reference.** This Agreement and any attached or future Equipment Schedules are incorporated by reference and made an integral part of the Agreement. This instrument and any such Equipment Schedules constitutes the complete agreement between the parties as to the issues covered herein. Further, no agreements, representation or warranties other than those specifically set forth in this Agreement or in the attached Equipment Schedule(s) shall be binding on any of the parties unless they are also set forth in writing that is executed by both parties.
  22. **Security Deposit.** Lessor may, at Lessor's option, require Lessee to give Lessor a security deposit in an amount determined by Lessor. Said security deposit, if paid by credit and/or charge card, shall be final. Lessee and/or charge card holder waive all rights to dispute charges with credit/charge card company and agree to resolve disputes as if the charges were made as cash payments. In the event that the credit/charge company fails to honor Lessor's charges for any reason, or if the credit charge or credit available shall be insufficient to cover the claims of Lessor under this Agreement, Lessee shall remain absolutely liable for the full amount of the claims. The election by Lessor to request and accept a security deposit in lieu of a proof of insurance certificate from Lessee, or for any other reason, does not constitute a waiver or limitation by Lessor of any of Lessor's rights or Lessee's obligations under this Agreement.
  23. **Title and Ownership.** This Agreement constitutes a lease and not a sale of the Property or the creation of a security interest therein. No part of the rental payments made under this Agreement shall be deemed payment towards the purchase of any of the Property. Lessee specifically acknowledges the Lessor's superior title and ownership of the Property and must keep the Property free of all liens, levies and encumbrances.
  24. **Surrender.** Upon the expiration or earlier termination of this lease, Lessee shall return the Property to Lessor in the same condition as at the delivery to Lessee, ordinary wear and tear excepted. Lessee does hereby grant Lessor an option to terminate this agreement on twenty-four (24) hours notice.
  25. **Inspection.** Lessor shall have the right to inspect the equipment or observe its use at all reasonable times. Reasonable times shall be at the discretion of the Lessor.
  26. **Severability.** The provisions of this contract shall be severable so that the invalidity, unenforceability or waiver of any of the provisions shall affect the remaining provisions.
  27. **Terms of Rental.** Unless otherwise specified in writing, the Property shall be leased on a day to day basis and all rates shall apply to each full day or any fraction thereof which has elapsed between the time the Property is delivered to Lessee and the time it is returned to Lessor. Lessee agrees to return the Property on the date and time specified on the equipment schedule. If Lessee fails to return the Property by the return date specified, Lessee is liable for the daily rental cost of the Property, until it is returned. Unless otherwise stated in writing, a full additional day's rental will be charged on any Property not returned by 5:00 PM on the due date. The rental fee payable for any item of Property shall be the Lessor's standard daily rental rate for such equipment. Lessor's standard daily rates are subject to change at any time without notice. Lessor may discount rates upon their sole discretion. Discounts may be revoked at any time. All rates are FOB Lessor, and Lessee is responsible for all shipping and delivery charges. No allowance will be made for items delivered to, but not used, by Lessee.
  28. **Payment and Charges.** Rental rates are offered to Lessee based upon Lessee's credit information available to Lessor as time of rental. If Lessee's credit information is incorrect or changes during the course of a rental, Lessor may revise the applicable rate without notice. Lessee agrees that rental invoices and loss or damage invoices are payable upon receipt of invoices or use of the equipment. **Fifty percent (50%) is due at the signing of the Agreement, with the balance due upon delivery or receipt of equipment.** Any discounts granted by Lessor may be removed at any time after thirty (30) days. If credit card is supplied by Lessee to Lessor, Lessee acknowledges and grants Lessor the unequivocal right to recover from Lessee's credit card immediately and/or consecutively any charges or amounts due Lessor until paid in full. Lease payment may not be applied to the purchase or repair or replacement cost of the Property.
  29. **Interest Charges.** Monetary balances unpaid by Lessee and unpaid claims by Lessor against Lessee shall bear interest at the rate of 1.5 percent per month until paid; provided, however, that if such interest rate exceeds the maximum amount allowed under the laws of the State of Lessor's applicable rental office then that maximum amount shall instead apply.
  30. **Cancellation.** In the event of cancellation of less than twenty-four (24) hours, charges may apply in consideration of Lessor's preparing, holding in reserve or sub-renting equipment on Lessee's behalf. Lessor shall be entitled to compensation for any losses sustained because of full or partial cancellation of order. Cancellation is subject to payment of the first day rental or forfeiture of deposit, whichever is greater.
  31. **Default.** In the event Lessee shall fail to make any of the lease payments when due or shall fail to perform any other covenant or condition hereof to be performed by Lessee or any of the events described in this Agreement, Lessor may in addition to all other remedies provided by law, exercise any one or more of the following, with or without demand, notice or legal process:
    - a. Recover from Lessee all sums then due;
    - b. Repossess the Property (by entering upon Lessee's premises, if necessary) without liability or trespass, or responsibility with respect to the Property or to any article left in or attached to same; and recover from Lessee all damages sustained by Lessor as a result thereof;
    - c. Recover from Lessee any and all damages which Lessor shall have sustained by reason of non-performance by the Lessee of the terms and conditions of this Agreement;
    - d. Retain, free from any claim by Lessee, all payments or other property theretofore received under this Agreement;
    - e. Recover from Lessee all expenses incurred by Lessor in protection of its rights under this Agreement, including, without limitation, attorney's fees, court costs, and costs of location, repossessing, repairing, reconditioning and storing the Property.
  32. **Bankruptcy.** Neither this Agreement nor the Property is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or makes any assignment for the benefit of his creditors or if a writ of attachment or execution is levied on any item or items of the equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of any item or any item or items of the Property, Lessor shall have any may exercise any one or more of the remedies set forth in the Default Section of this Agreement hereof. This Agreement shall, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of said option and Lessor shall recover from Lessee any and all costs or damages associated with recovery of the Property.