

TOC EQUIPMENT RENTALS, LLC RENTAL AGREEMENT TERMS & CONDITIONS

1. DEFINITIONS

- a. "Lessee" shall mean the party to this contract identified herein other than the TOC Equipment Rentals, LLC entity identified on the face of this Agreement.
- b. "Lessor" shall mean the TOC Equipment Rentals, LLC entity identified on the face of this Agreement.
2. **RENTAL PERIOD:** The rental period shall commence from the date of shipment of the rental equipment, accessories and related spare parts and supplies covered by this agreement (the "Equipment") from the point of shipment and shall continue until Lessee's receipt of an off rent confirmation notice. Provided, however, for all rentals in which Lessee is responsible for arranging freight, the rental shall not terminate until return to Lessor's yard. The rental period shall not be subject to pro-ration.
3. **PURCHASE ORDER REQUIRED:** A valid Purchase Order, acknowledged in writing by both Lessor and Lessee, is required as a condition of this agreement and all agreements for rental by Lessor of any equipment. All Purchase Orders are subject to equipment availability. In the event equipment included in a Purchase Order is determined by Lessor to be unavailable, Lessor shall, within 48 hours of acknowledgement by Lessee, give written notice of termination of the Purchase Order as to the unavailable equipment with no damage or penalty to be paid to Lessee.
4. **DETERMINATION OF RENTAL CHARGES:** Lessee shall pay for the rental period on each piece of Equipment named in the list of equipment in this agreement, including any parts encompassed thereby, at the rate herein stipulated. A rental rate is for a minimum rental period of one week, any portion of a week will be charged as a full week. A MONTH IS DEFINED AS A PERIOD OF TWENTY-EIGHT (28) DAYS. Unless otherwise agreed in writing, all rental rates are based on a shift system, single shift is defined as eight (8) hours in a day, forty (40) hours in a week or one hundred sixty (160) hours in a twenty-eight (28) day month. Double shift is defined as eighty (80) hours in a week or three hundred twenty (320) hours in a twenty-eight (28) day month. Triple shift is unlimited hours in a twenty-eight (28) day month.
5. **PAYMENT:** All rentals and other charges due under this agreement are due and payable within 30 days from the date of invoice, provided applicable credit limits are approved by Lessor, failing which rentals shall be due and payable in advance on a weekly basis to Lessor at the address set forth in this Agreement and in which case payment for the minimum rental period shall be due before the delivery of the Equipment to Lessee or the latter's agent or carrier, unless otherwise agreed in writing. In addition to its termination rights, Lessor, in Lessor's sole discretion, may change payment terms to advance billing and payment due upon receipt, if Lessee becomes delinquent on any payments due and owing, under this Agreement or any other rental agreement. All overdue payments, for all charges, including damages and losses, shall bear interest at the lesser of 18% per annum or the highest amount otherwise allowed by law without prejudice to Lessor's rights and in particular without prejudice to Lessor's right contained in Section 16 to terminate this agreement for non-payment of rental. Any invoicing requirements of Lessee must be provided in advance of the rental or will be deemed waived.
6. **LOADING, UNLOADING AND TRANSPORTATION:** Lessee shall bear the expense of and responsibility for unloading and reloading the Equipment at Lessee's receiving point, including all injuries and damages resulting therefrom, and shall pay all demurrage charges incurred at the shipping or receiving points. Lessee shall be responsible for shipping expenses from the original point of shipment to Lessee's receiving point and all return shipping expenses to Lessor's yard or such other point as Lessor shall in writing direct, regardless of whether these costs are advanced by Lessor. However, if Lessor directs Lessee in writing to return all Equipment to a place other than Lessor's yard, then Lessee shall pay the shipping expenses up to but not beyond the amount that would have been required to return the Equipment to Lessor's yard. Lessee must have an authorized agent available to sign a bill of lading upon delivery of the Equipment by the carrier. If no agent is provided at the time of delivery, Lessee authorizes Lessor's employee to execute the bill of lading as Lessee's agent and such execution shall be deemed an acceptance of the condition of the Equipment upon delivery, and for all losses occurring to the Equipment thereafter while in Lessee's possession, except as expressly set forth in Section 19 below.
7. **RECALLING AND RETURNING NOTICE:** Lessor may recall any or all Equipment upon thirty (30) days written notice to Lessee and Lessee may return any or all Equipment upon like notice to Lessor. In the event of recall, Lessee shall remain responsible for any loading, unloading, and transportation costs as referred to in Section 5.
8. **MAINTENANCE, OPERATION AND REPAIRS:** Unless otherwise agreed upon in writing, Lessee shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. Lessee shall at its own expense operate, maintain, and keep in good repair the Equipment and return it in the same condition in which it was received. Specifically, Lessee must:
 - (a) Ensure that the Equipment is operated by qualified personnel in accordance with applicable manufacturer's guidelines and instructions.
 - (b) Ensure that the Equipment is used for applications within the capacity ratings of the Equipment.
 - (c) Comply with all applicable federal, state, and local laws and regulations in connection with operating, handling and transporting the Equipment.
 - (d) Inspect the Equipment on a regular basis.
 - (e) Supply all fuel, coolants, and lubricants necessary to operate the Equipment.
 - (f) Immediately notify Lessor of any known problems or malfunctions or suspected malfunctions or problems or those that should reasonably be known or suspected upon regular inspection that are necessary to keep the Equipment in good running order.
 - (g) Perform all routine and minor repairs and maintenance necessary to keep the Equipment in good running order, unless otherwise agreed in writing.
 - (h) Replace all broken or worn out parts on the Equipment, unless otherwise agreed in writing, and notify Lessor immediately of any broken or worn out parts on the Equipment.
 - (i) Return the Equipment in a clean and unmarred condition.
9. **INSPECTION:** Before the Equipment is loaded for transit to Lessee, Lessee may require an inspection thereof by a qualified inspector. If Lessee does not inspect the Equipment before it is loaded for transit, then Lessee is conclusively deemed to have accepted that the Equipment is in good running order without broken or worn out parts and in a clean and unmarred condition. Lessor shall have the right at any time and from time to time to enter the premises occupied by the Equipment and shall be given free access thereto and afforded necessary facilities for the purpose of inspection and removal.
10. **DAMAGE TO EQUIPMENT:** Lessee shall be liable to Lessor for all loss or damage to the Equipment, while it is in the possession of Lessee, regardless of the cause or origin of such loss or damage, except as limited by Section 19. Subject to the provisions of Section 8 hereof, Lessee shall advise Lessor within seven (7) days of the receipt of the Equipment of any shortages or damage claim which it might have and unless such notice is given within such period such claim for shortage or damage shall be invalid and unenforceable. In the event of partial loss or damage to the Equipment, Lessee shall immediately notify Lessor of such, and if its failure to so notify Lessor results in additional or consequential damage to Lessor, Lessee agrees to incur to the exclusion of all others and pay for all such damages. The repair of the damaged Equipment will be governed by Section 19.
11. **INDEMNIFICATION: LESSEE SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS AGAINST ANY CLAIM, DEMAND, LOSS, DAMAGE, LIABILITY, LAWSUIT, CAUSE OF ACTION, JUDGMENT, PENALTY AND/OR EXPENSE (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, COURT COSTS AND OTHER COSTS OF SUIT) ON ACCOUNT OF PROPERTY DAMAGE OR LOSS, OR PERSONAL INJURIES (INCLUDING ILLNESS, DISABILITY OR DEATH) RESULTING FROM THE OPERATION, USE OR HANDLING OF THE EQUIPMENT OR SERVICES PROVIDED HEREUNDER, TO THE EXTENT CAUSED BY THE NEGLIGENCE OR FAULT OF LESSOR, LESSEE AND/OR A THIRD PARTY. LESSEE FURTHER EXTENDS TO LESSOR TO THE GREATEST POSSIBLE EXTENT IMMUNITY FROM SUIT AS TO ANY AND ALL CLAIMS FOR PERSONAL INJURY OR DEATH WHICH RISE OUT OF THE OPERATION OR FAILURE OF ANY EQUIPMENT OR LABOR FURNISHED BY LESSOR TO LESSEE UNDER THIS AGREEMENT.**
11. **INSURANCE:** Lessee shall at Lessee's own expense and for all relevant periods maintain: (i) commercial general liability insurance to protect Lessee and Lessor against damage to property or persons from the operation, handling and use of the Equipment during the rental period with minimum coverage of \$1,000,000 per occurrence and a \$2,000,000 general aggregate, (ii) commercial auto insurance to protect Lessee and Lessor against damage to property or persons from transportation-related losses with minimum coverage of \$1,000,000 per occurrence and a \$2,000,000 general aggregate; (iii) broad form property insurance covering the Equipment at the replacement value identified on the rental agreement or TOC Equipment Rentals, LLC's bill of lading (the "Replacement Value"); and, (iv) if customer is hauling the Equipment, all risk cargo insurance, at the Replacement Value, (v) workers compensation insurance for its employees in amounts required by the laws of the state in which the work is performed, and (vi) such other insurance as may be requested by Lessor in advance of shipment by Lessor to Lessee. Lessee shall cause its insurer to issue an endorsement identifying that all insurance identified in this Section 11 shall be primary to that of Lessor to the extent of Lessee's obligations herein and that Lessee and its insurer agree to waive their subrogation rights with respect thereto. Lessee shall provide thirty (30) day advance written notice to Lessor of change or termination of any such policy prior to change or cancellation and Lessee shall cause Lessor and Lessor's vendor to be named as an additional insured on each such policy, other than Workers' Compensation. Failure to provide the requisite insurance shall not be deemed as a waiver of this provision.
12. **LEGAL EXPENSES:** Lessee shall pay all costs, charges and expenses including reasonable attorney's fees incurred in retaking possession of the Equipment hereby rented, in the collection of any sums which may be due and owing Lessor by Lessee, including but not limited to the defense of any action brought against Lessor for damages caused by the Equipment to any person while the Equipment is in the possession of Lessee. The Equipment shall be deemed to be in the possession of Lessee for all purposes of this agreement from the time Lessee begins loading it for transit from Lessor's yard until the time that Lessee has completed unloading the Equipment at Lessor's yard or such other points as Lessor shall in writing direct, except as otherwise limited herein.
13. **ENVIRONMENTAL FEES:** Lessee shall pay the reasonable environmental fees identified in the Agreement.
14. **SUBLETTING & ASSIGNMENT:** Lessee shall not re-rent any Equipment nor shall Lessee assign or transfer any interest in this agreement without the prior written consent of Lessor. If the Equipment is re-rented, Lessee shall require its customer, the end user and any third party in contractual privity in between to be bound by the terms and conditions hereof. Any person or entity to which this Contract is assigned pursuant to the provisions of the U.S. Bankruptcy Code, 11 U.S.C. Section 101 et. seq., shall be deemed without further act or deed to have assumed all of the obligations arising under the rental agreement to which these terms and conditions apply on and after the date of such assignment. Any such assignee

shall upon demand execute and deliver to Lessor an instrument confirming such assumption, however a party's failure to deliver such documentation shall not relieve that party or its successor of the obligations created herein.

15. **RENTAL OF NON-SCHEDULED ITEMS:** In the event Lessor is asked to supply boilers, transformers, electrical distribution equipment, large centrifugal air compressors, or other goods or services that are provided to Lessor by a third party vendor, Lessor shall not be under any obligation to provide such products or services unless Lessee also agrees to additional terms and conditions that may be imposed on Lessor by such third party vendors, which are incorporated herein by reference.

16. **TERMINATION OF THE AGREEMENT:** If any of the following events occur (i) Lessee fails to make payment in accordance with the terms of this agreement and such failure continues for a period of five (5) days, (ii) Lessee becomes bankrupt, insolvent or makes an assignment for the benefit of its creditors, (iii) Lessee fails to maintain and/or operate or to return the Equipment as provided by this agreement, (iv) Lessee fails to maintain the insurance required by Section 11, (v) Lessor reasonably believes that Lessee is unable to comply with the payment terms hereof as a result of delays in payment under this Agreement or any other rental agreement with Lessor or is likely to become bankrupt, insolvent or make an assignment for the benefit of its creditors,

(vi) Lessee violates any material provision hereof (vii) the Equipment is lost, damaged, stolen, destroyed or seized by a governmental agency after it had been placed in the possession of Lessee, (viii) Lessor has a reasonable belief that there is an unusual risk of damage to the Equipment or that Lessee cannot adequately protect the Equipment, or (iv) a Force Majeure event that lasts longer than two (2) weeks, then Lessor may at its option, after three (3) days notice in writing of such event terminate this agreement, retrieve the Equipment wherever it may be found without becoming liable for damages or for trespass, and/or, in addition to any other remedies Lessor may have, recover all amounts due together with any damages for injury to the Equipment and all expenses incurred in recovering, retrieving or repossessing the Equipment.

17. **WARRANTY:** Lessee has selected the Equipment rented hereunder for its own purposes and Lessee expressly disclaims any reliance upon any statements or representations made by Lessor. EXCEPT FOR SATISFACTORY RATED OPERATION OF THE EQUIPMENT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE EQUIPMENT AND LESSOR HEREBY DISCLAIMS SAME. Lessor's liability under this Section 17 is limited to repairing or replacing (at the discretion of Lessor) any Equipment not performing according to rated operation.

18. **AUTHORITY OF AGENTS:** The execution hereof by an agent of Lessee shall conclusively establish the authority of such agent to contract herein, unless Lessor receives written notification to the contrary prior to the loading of the Equipment for transit.

19. **SPECIAL CONDITIONS:** Notwithstanding any provisions contained herein to the contrary:

a. If the Equipment goes down for maintenance or repairs while in Lessee's service, Lessee may notify Lessor and if Lessee elects to return the down Equipment, Lessor will make arrangements to send Lessee Equipment to replace it. Lessee will be charged for all applicable transportation costs.

b. If the Equipment goes down for maintenance or repairs while in Lessee's service and Lessee elects not to return the down Equipment, Lessor will send a qualified technician to repair it. Lessee shall pay for travel time, mileage, labor, and parts for the services of each such technician.

(ii) If Lessor determines that the required maintenance or repairs is Lessor's responsibility, the labor and parts required for repair will be provided at no charge to Lessee.

(iii) If Lessor determines that any maintenance or repairs (including those resulting from improper maintenance or the failure to perform required maintenance, or for any reason other than Lessor's negligence) is Lessee's responsibility, then Lessee agrees to pay, within thirty (30) days from receipt of Lessor's invoice, all applicable transportation costs, travel time, mileage, labor, and parts for the repair, even if service is performed by Lessor upon return of the Equipment.

Additionally, the parties hereto acknowledge that the Equipment is unique in design and manufacture, and as to Lessor, it is inherently valuable as rental equipment. Therefore, in the event of damage to the Equipment, regardless of whether ultimately deemed a total loss, Lessor and Lessee agree that the loss to Lessor comprises, in addition to the Replacement Cost or cost of labor and parts to repair the Equipment, transportation costs, travel time, mileage, and other such incidental costs, the loss of use of such rental Equipment (rentals) until it can be fully repaired or replaced. In such event, Lessee shall also be liable for, and agrees to pay within thirty (30) days from receipt of Lessor's invoice, the loss of use and rentals which such damaged Equipment could have produced, at Lessor's then current published rental rate, for such period of time which elapses from the loss until the Equipment can be repaired or replaced.

20. **TAXES AND FEES:** Lessee shall pay all license fees, registration fees, assessments, duties and taxes which may now or hereafter be imposed upon the ownership, possession, lease or use of the Equipment, excepting only those based on Lessor's net income or exempted by law. Lessee shall promptly notify Lessor of the receipt of any tax notices, tax reports or inquiries or notices from taxing or other authorities concerning taxes, fees or assessments.

21. **COMPLIANCE WITH LAWS:** Lessee shall comply with all environmental and other laws, rules and regulations with regard to the operation of the Equipment including any local, state or Federal Air Quality Legislation.

22. **OWNERSHIP OF EQUIPMENT; ENCUMBRANCES:** The Equipment is, and shall at all times remain, the property of Lessor, and Lessee shall have no right, title or interest therein, or thereto except the right of possession and use of the Equipment pursuant to the terms of this agreement. Lessee shall not remove or deface any plate or marking on the Equipment identifying Lessor as the owner of the Equipment or the manufacturer's serial number. The Equipment is, and shall at all times remain, personal property of Lessor notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to any other personal or real property. Lessee shall keep the Equipment free and clear of any and all levies, liens, security interests and encumbrances of any kind, and shall give Lessor prompt notice of any attachment or judicial process affecting the Equipment. Lessee shall not, without prior written consent from Lessor, remove the equipment from such location, part with possession or control of equipment or assign, sell, pledge, mortgage, or otherwise encumber the equipment or any part of thereof or assign or encumber any interest under this lease.

23. **LIMITED LIABILITY:** IN NO EVENT SHALL LESSOR BE LIABLE TO LESSEE OR ANY OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING, BUT IN NO WAY LIMITED TO LOSS OF USE, LOSS OF REVENUES, PROFITS OR ANTICIPATED PROFITS, LOST LABOR TIME, LOST OR SPOILED PRODUCT, DELAY, LIQUIDATED OR PUNITIVE DAMAGES.

24. **SCOPE OF DAMAGES:** LESSOR'S LIABILITY AND INDEMNITY OBLIGATIONS, IF ANY, SHALL IN NO EVENT EXCEED THE TOTAL RENTALS RECEIVED FROM LESSEE BY LESSOR FOR THE EQUIPMENT WHICH IS THE SUBJECT OF CLAIM OR DISPUTE.

25. **NOTICE:** For purposes of this agreement, notice shall be provided and deemed made by the following methods only: (1) by U.S. certified or registered Mail, return receipt requested, postage prepaid, on the date the return receipt is signed or, if not signed and/or accepted, on the date the return receipt establishes the first attempt at delivery was made (2) by 24 hour nationally reputable private courier delivery service (i.e., Federal Express, UPS, DHL), 24 hours after it is delivered to the private courier, (3) by hand delivery, upon delivery and acknowledgement of receipt by the party to whom it is delivered,

(4) by facsimile, upon documented receipt of successful transmission or (5) by email, with proof of delivery receipt. Notice shall be provided to Lessor at (COMPANY, LLC, address) and to Lessee at the address identified on the front page of this agreement or at any other address subsequently provided to Lessor by Lessee by any method providing in this Section 25.

26. **ENTIRE AGREEMENT; GOVERNING LAW; VENUE:** This agreement and a properly acknowledged Purchas Order constitute the entire agreement between Lessor and Lessee, and supersedes any representations, warranties or agreements (written or oral) heretofore made or entered into between the parties relating to the Equipment rental and related services. Without limiting the foregoing, no "click-through", "browse-wrap", or other terms which Lessor may be required to "accept" to access a Lessee's website or portal shall have any force or effect. This contract is governed by the laws of the requisite country and state (or judicial district) where the contract is performed, as set forth below. Additionally, as set forth below, the parties hereto further submit to the jurisdiction of the federal and state (or judicial district) courts of Harris County, Texas, USA. Any claim or cause of action filed against either party to this agreement **MUST** be filed in State or Federal Court in Houston, Harris County, Texas and the parties agree that Harris County shall be the exclusive venue for the filing of any lawsuit concerning any claim arising out of or concerning this agreement and the transaction it concerns. Lessor and Lessee hereby irrevocably consent to the jurisdiction of the federal and state (or judicial district) courts listed above and shall be bound by any judgments rendered thereby after all appeals taken. If any provision of this Agreement shall otherwise contravene or be invalid under the laws of any state or other jurisdiction where it is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Agreement, but rather this Agreement shall be reformed and construed as not to contain the such provision or provisions, but only to the extent that they are contravening or are invalid under the laws of that state or jurisdiction. All other provisions of the Agreement shall remain in full force and effect.

27. **CHANGES, MODIFICATIONS, WAIVERS, ETC:** Changes, modifications, waivers, additions or amendments to the terms and conditions of this agreement shall be binding on Lessor only if such are in writing and signed by a duly authorized representative of Lessor. The failure of Lessor to enforce, at any time or for any period of time, any of the provisions of this agreement shall not constitute a waiver of such provisions or of the right of Lessor to enforce each and every provision.

28. **FORCE MAJEURE:** If the performance by either party of any of its obligations shall in any way be prevented, interrupted or hindered as a consequence of an Act of God, war, civil disturbance, riot, strike, lockout, fire, earthquake or other natural calamities, legislation or restriction of any government or other authority, force majeure or any other circumstances beyond the reasonable control of such party, the obligations of the party concerned shall be wholly or partially suspended during the continuance and to the extent of such prevention of interruption or hindrance.

29. **RESTRICTIONS ON EMPLOYMENT:** Lessee shall not employ any employee of Lessor who performed work, directly or indirectly, on behalf or for the benefit of Lessee for twelve months following the last date Lessor's employee performed such work. Should lessee employ any employee of Lessor within twelve months following the last date Lessor's employee performed such work, Lessee shall pay Lessor a monthly fee of \$6,000.00, prorated for any incomplete month, for each month until the passing of the twelve month limitation.

30. **CONFIDENTIALITY.** Unless required by law or all bids are made known to all competing vendors as part of the bidding process, Lessee shall keep all competitive bidding information submitted by Lessor confidential, regardless of whether said information is marked "Confidential". Lessor's bid materials, this Agreement, if different, and any derivative works resulting therefrom are confidential and proprietary to Lessor. As such, Customer acknowledges the confidential and proprietary nature thereof and shall maintain its confidentiality, only use the confidential information for the purpose thereof, provide such confidential information only to those employees and other parties with the need to know and require all such individuals to be bound by the terms contained herein. These restrictions on use and disclosure shall not apply to any information (i) independently developed by Lessee, as evidenced by documentation in its possession, or which is lawfully received free of restriction from another source having the right to so furnish such Information; (ii) after it has become generally available to the public without breach of this Agreement by Lessee; or (iii) ordered or required to be released pursuant to applicable law, regulation, or a verifiable court order, provided that each party has been given notice of and, to the extent possible, an opportunity to contest such order. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, designs, works of authorship or other know how developed or created by Lessor prior to or during the course of performing work for Lessee, or developed jointly with Lessee, shall belong exclusively to Lessor. Lessor shall have the exclusive right to, and shall bear all of the costs of, acquiring intellectual property rights, such as patents and copyrights, for any inventions or developments associated with this Agreement and the work or derivative work developed as a result thereof.

31. **APPLICABILITY OF TERMS & CONDITIONS:** The terms and conditions hereof shall be deemed accepted and binding upon Lessee upon transfer of custody of the Equipment to the carrier for delivery to Lessee's receiving point, regardless of whether the Rental Agreement is signed by Lessee. To the extent these terms and conditions or Lessor's proposal are in conflict with any terms and conditions provided by Lessee, the terms and conditions hereof shall dictate. Notwithstanding any provision therein to the contrary, unless otherwise expressly agreed in writing and evidenced by signature of both parties, any terms attached to a purchase order or other customer-provided document are expressly rejected and shall have no force or effect. To the extent these terms and conditions are in conflict with any terms and conditions of a master service agreement with Lessee, the terms and conditions of the master service agreement shall dictate, unless the conflict is acknowledged in writing in which the parties expressly agree to conflicting terms.

COUNTERPARTS: This Agreement, including Lessor's proposal and these terms and conditions by reference therein, may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed to be one and the same agreement. Signatures of acceptance may be exchanged by facsimile, scan or e-mail, and each party agrees to be bound by its own telecopied or electronically submitted signature, and to accept the telecopy or electronic signature of the other party. Alternatively, acceptance of Lessor's proposal and these terms and conditions by reference therein may be made by email acknowledgement.