

PETROLEUM SPECIALTY RENTAL, LLC

700 YOUNGS ROAD

MORGAN CITY, LOUISIANA 70380

FACILITIES

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CONTACTS

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ROSS P. ROCK	G.M. OPS.
CHARLENE ZERANGUE	OFF. MGR.

[HTTP://WWW.WILLCOM.NET](http://www.willcom.net)

TERMS AND CONDITIONS

1. **TERMS OF AGREEMENT**—The rental and term of this lease begins when the equipment leaves the Lessor's yard and continues until the return and acceptance by authorized personnel of the Lessor.
2. **RENTAL CHARGES**—Lessee will pay Lessor, and Lessor will accept as payment from Lessee, as rental for leased equipment, the rental charges as specified in the Lessor's current price schedule understanding that all prices are subject to change without notice.
Lessee agrees to pay rent when due irrespective of any claims, demands, setoffs, actions, suits or proceedings that it may have or assert against Lessor or any supplier or manufacturer of equipment or any portion thereof, or any one or more others.
When it becomes necessary to subrent equipment from third parties at higher rates than our published rental schedule, the higher rate will be charged. Any equipment denoted as H₂S (Sour Gas) will be charged at a rate of 25% higher than the current rental schedule. Standby rates will be charged on individual tools at current rates.
3. **TRANSPORATION CHARGES**—All transportation charges including freight, rail, or air express and drayage charges must be borne by lessee even though lessor may arrange said transportation on behalf of lessee.
4. **WELL CONDITIONS**—Well conditions which prevent satisfactory operation of equipment do not relieve Lessee of his responsibility for rental charges, repair costs, and/ or any obligations assumed by lessee.
5. **TERMS OF PAYMENT**—Net cash. No discount. All rental charges or other payments due or to become due hereunder shall be due and payable in Morgan City, Louisiana 30 days following the date of the invoice. Interest will be charged at a rate of 1 1/2% per month or at the maximum legal rate of interest, whichever is higher, on all invoices not paid within 60 days. If the invoiced amount is not paid when due and the account is placed in the hands of an attorney for collection or if suit is filed to collect the account, or any part thereof, Lessee (or purchaser as the case may be) agrees to pay all costs and a reasonable sum as attorney's fees in addition to the amount owing on the account.
6. **RETURN OF EQUIPMENT**—Lessee warrants, upon acceptance of or delivery of any equipment, that its in proper operation order and appearance and that, as between Lessee and Lessor, that the equipment was delivered in good repair. Lessee assumes all responsibility for equipment while out of the possession of the Lessor and agrees to return to the Lessor in as good condition as it was at the effective day of the lease, ordinary wear and tear from reasonable use thereof excepted. Lessee will pay for any repairs to place the equipment in its original condition.

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- 7. DAMAGED OR LOST EQUIPMENT**—All equipment lost or damaged beyond repair, will be paid for by the Lessee at the current catalogue price {replacement cost new}. In the event Lessee shall return such equipment to the Lessor in a damaged but repairable condition, Lessee shall have the option to secure and pay for all repairs necessary to restore such equipment to its original condition or, in the alternative, to appoint Lessor agent for the sole purpose of securing the repairs necessary on behalf of Lessee. In the event Lessee shall appoint Lessor agent for the sole purpose of securing the necessary repairs, Lessee agrees to pay Lessor for said repairs in accordance with the Terms Of Payment set forth herein. Accrued rental charges cannot be applied against the purchase price or cost of repairs of such damaged or lost equipment. Equipment billed as a sale after have been damaged beyond repair will be held for the purchaser for sixty (60) days. If not claimed at the expiration of that period, title to said equipment will be subject to disposal at the discretion of said Lessor.
- 8. DEFAULT**—If Lessee breaches his obligation to pay rental charges when due or if Lessee breaches any of the terms and conditions hereof or if Lessee becomes insolvent, bankrupt, or his financial responsibility becomes impaired or if the equipment or any part of it be abused, illegally used or misused or whenever Lessor deems the rentals or equipment insecure, all rental charges and/ or repair charges and/or other claims of indebtedness arising hereunder shall at the option of Lessor and without notice be accelerated and become due and payable forthwith, and Lessee authorizes Lessor to enter, with or without legal process, any premises where equipment may be and take possession thereof without being liable to any suit or action or proceeding by Lessee. upon Lessor's retaking possession of the said equipment, the rental agreement shall terminate but said termination shall be without prejudice to any right or claim for arrears of rental, if any, or for damages on account of any preceding breach or breaches of the terms and conditions hereof.
- 9. LESSOR'S LIABILITY**—Lessor exercises precaution to keep equipment in good condition, but does not guarantee it and all equipment is used at the Lessee's sole risk and expense. Lessee assumes and shall be solely responsible for the entire risk and each and every cause or hazard of loss of any and all equipment, including, but not limited to, the equipment leased herein, whether caused by the manner of the use of said equipment, defects of the materials-latent or patent, workmanship, assembling or otherwise. Furthermore, Lessor shall not be liable for damages or losses of any kind whatsoever, whether subsurface or not, to any person, firm and/ or corporation occasioned by or related to the use of said equipment, whether used or operated by Lessee or his employees or whether resulting from the acts or omissions of Lessor or any of its agents, servants or employees or otherwise.

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- 10. INDEMNITY BY LESSEE**—Lessee agrees to protect, indemnify, and hold harmless the Lessor, its officers, agents and employees from every kind and character of damages, losses, expenses, demands, claims, and causes of action arising in favor of Lessee, its officers, agents, employees and its subcontractors, their officers, agents, employees or any other persons, firm or corporation whatsoever, on account of personal injuries, death claims or damages to property arising from any cause whatsoever growing out of or incident to such equipment rental whether such injuries, death or damage result from or are claimed to have resulted from the negligence or fault of the Lessor, its officers, agents, or employees, the negligence or fault of the Lessee, its officers, agents, or employees, or its subcontractors, their officers, agents or employees, or whether resulting from or alleged to have resulted from the concurrent negligence or fault of Lessor, its officers, agents, or employees and/or Lessee, its officers, agents, or employees, and/or its subcontractors, their officers, agents, or employees or by any alleged defective condition of any equipment of Lessor, pre-existing or otherwise, regardless of whether such negligence or defective condition be active or passive, primary or secondary. Lessee at its own expense shall defend any suit or action brought against the Lessor based on any such alleged injury, death or damage and shall pay all damages, costs, and expenses, including attorney's fees in connection therewith or in any manner resulting therefrom. Lessee's obligation to defend, indemnify and hold harmless Lessor shall apply to any damages, losses, expenses, demands, claims or causes of action, of any nature, including, but not limited to, those based on contract, negligence, strict liability, products liability, liability without fault or any theory or nature of liability.
- 11. EXAMINATION AND INSPECTION**—Lessee agrees to afford Lessor access to the leased equipment for the purpose of examination and inspection at all reasonable times during the term hereof.

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- 12. DISCLAIMER—LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ITS EQUIPMENT. LESSEE UNDERSTANDS AND AGREES THAT NO WARRANTY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS IS TO BE IMPLIED WITH RESPECT TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, THE FITNESS OF THE EQUIPMENT FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO THE INFRINGEMENT OR THE LIKE. LESSOR SHALL NOT IN ANY EVENT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS DEPRIVING THE LESSEE OF WHATEVER RIGHTS, IF ANY, LESSEE MAY HAVE AGAINST THE SUPPLIER OR MANUFACTURER OF THE EQUIPMENT.**