

Damage Waiver/ Terms of Service

1. MASTER AGREEMENT. Customer ("Lessee") and Dead Horse Sales & Rentals ("Lessor") agree that the terms and conditions ("Terms") contained in this agreement ("Lease" or "Agreement") govern the rental of all equipment and its appurtenances, together with any tools and accessories ("Equipment") by Lessee from Lessor. Except as otherwise agreed by Lessor and Lessee in writing, in the event of a conflict between the Terms hereof and those set out in any purchase order or other document relating to the Equipment, whether sent or received prior or subsequent to this Lease, the Terms in this Lease shall govern. This Lease represents the entire agreement between the parties with respect to the Equipment. No modification of this Lease may be made except in writing, signed by both Lessor and Lessee. Should any Term herein be held to be illegal or unenforceable, it will be considered separate and severable, and the remaining Terms will remain in force to the fullest extent permitted by law. Any failure of Lessor to insist upon strict performance by Lessee of any Term herein is not a waiver of Lessor's right to demand strict compliance. This Lease is binding upon the parties hereto, their respective heirs, successors and permitted assigns and is governed by and construed in accordance with the laws of the province in which Lessee takes initial possession of the Equipment and the federal laws of Canada applicable therein.

2. RENTAL PERIOD. "Rental Period" with respect to each piece of Equipment means the period commencing on and including the day of actual delivery of the Equipment to Lessee or its agent, including any public carrier taking same for transit to Lessee ("Delivery") and ending on and including the day of actual delivery of the Equipment to Lessor, including any public carrier taking same for transit to Lessor. At the end of the Rental Period, Lessee shall obtain an "Off Rent" number from Lessor. Lessee is responsible for the Equipment until it has been returned to Lessor's yard.

3. RENT; DEPOSIT. Lessee shall pay Rentals at the applicable Rental Rates and Additional Rent. "Rental" means all sums of money, other than Additional Rent, payable by Lessee pursuant to the Lease for rental of the Equipment plus taxes thereon. "Rental Rates" are rates determined by Lessor. The standard daily Rental Rate is based on up to 8 hours of usage. More than 8 hours but up to 16 hours of usage are charged at 2 times the standard Daily Rental Rate. Transportation charges to and from Lessor's yard are Lessee's responsibility and are not included in Rental Rates. Lessor reserves the right to charge and collect a monthly environmental fee as Additional Rent to be paid in the same manner and at the same time as Rental. "Additional Rent" means all sums of money, other than Rental, payable by Lessee pursuant to the Lease. "Rent" means all Rentals, Additional Rent and applicable taxes and interest due thereon pursuant to this Lease. In addition to securing payment of all Rent, Lessee agrees that any deposit or down payment ("Deposit") is a guarantee by Lessee of the full and complete performance of all of Lessee's obligations hereunder and in the event of any breach by Lessee thereof, the Deposit will be entirely forfeited and non-refundable without proof of damages and may be credited against Lessor's Losses without prejudice to or waiver of any of Lessor's other rights or remedies.

4. PAYMENT. Rental is billed in accordance with the applicable Rental Rates and based on monthly (28 day), weekly (7 day) or daily (24 hour) period(s), as the case may be. Unless otherwise stated herein or expressly agreed to by Lessor in writing, Lessee shall pay Lessor all Rentals before Delivery and all Additional Rent, taxes and interest due hereunder on demand, without offsets, deductions or claims whatsoever. Overdue Rental and Additional Rent will bear interest at 2% per month calculated monthly for a nominal annual interest rate of 24%. Lessee shall pay all costs in connection with any third party retained by or acting on behalf of Lessee for payment processing, fleet management or any other similar service and Lessee shall indemnify and hold Lessor harmless therefrom. Lessor may set-off monies it owes Lessee against any monies Lessee owes to Lessor.

5. INSPECTION; TITLE. Lessee may inspect the Equipment before Delivery. If the Equipment is not in satisfactory condition, Lessor shall pay the cost of inspection. If Lessee does not inspect the Equipment before its Delivery, then Lessee is deemed to have accepted that the Equipment is in good, clean and unmarred condition and running order, without broken or worn-out parts. Lessor may inspect the Equipment at any time during the Rental Period. Title to the Equipment will be and remain vested in Lessor. Lessee shall not incur or permit to exist any liens, hypothecs and other encumbrances ("Liens") on or with respect to the Equipment. Lessee shall give the Lessor immediate notice in case any of the Equipment is levied upon or from any cause becomes liable to seizure.

6. LESSEE'S OBLIGATIONS. In addition to timely payment of Rent, Lessee's obligations under this Lease include, but are not limited to, the following: (a) Maintenance; Repairs; Operation. Lessee shall not remove, alter, disfigure or cover up any identification or insignia displayed upon any Equipment. Lessee shall ensure that Equipment is not subjected to careless or needlessly rough usage and is operated only by properly trained personnel. Lessee, at its own expense, shall maintain and return the Equipment to Lessor in clean condition, good repair and running order. During the Rental Period, Lessee, at its own expense, shall pay the cost of: (a) all fuel and lubricants required to operate the Equipment; (b) all repairs required to be made to the Equipment in order to keep it in good and proper operating condition in accordance with the operator's manual; (c) replacement of broken or worn out parts (all replacement parts used must be original equipment manufacturer's parts); and (d) maintenance of all tires and tubes on the Equipment. Any repairs necessary to fix any damage or otherwise to restore the Equipment to good operating condition, including any catch-up maintenance and cleaning, will be made upon return of the Equipment at the Lessee's expense including, without limitation, repairs to and/or replacement of tires and tubes. Service calls to the location of the Equipment will be charged to Lessee if the Equipment is not brought into Lessor's yard. No allowance will be made for any downtime or inconvenience caused to Lessee by failure of any tires, tubes, wheels and/or associated Equipment. (b) Subletting; Location. Lessee shall not transfer or assign any interest, rights or liabilities hereunder or rent or sublet the Equipment to any other party or allow another party to use or possess the Equipment without the prior written consent of the Lessor, which consent may be withheld by the Lessor at its sole discretion. Lessee shall not remove the Equipment from the location noted on the face of the Lease or the specific site, area, city and province in which it was contracted to work ("Authorized

Location”) without prior written consent of the Lessor, which consent may be withheld by the Lessor at its sole discretion. Lessee shall promptly advise Lessor of any change of location of the Equipment outside the Authorized Location. (c) Insurance; Subrogation. During the Rental Period, Lessee shall obtain and maintain, at its own expense, insurance covering property damage, theft and casualty and public liability and all risk property insurance, each in adequate amounts to fully cover its liability and indemnification obligations under this Lease and the LDW (if applicable). Upon Lessor’s request, Lessee will promptly provide Lessor with certificates of insurance satisfactory to Lessor evidencing such insurance coverage with Lessor added as loss payee and additional insured on each policy. In the event of any loss or damage to the Equipment, Lessor will have the right of subrogation with respect to any right of the Lessee to recover against any person, firm or corporation. Lessee will execute and deliver whatever instruments are required and do whatever else is necessary to secure such rights. Lessee will cooperate fully with Lessor and/or its insurer(s) in the prosecution of those rights and will neither take or permit nor suffer any action to prejudice Lessor’s rights with respect thereto. Lessee hereby assigns to Lessor the benefit of and proceeds from any and all insurance policies held by the Lessee covering the Equipment. Notwithstanding Lessee’s failure to obtain or maintain insurance in accordance with this Lease or to otherwise comply with the insurance requirements hereof or the insufficiency of Lessee’s insurance coverage, Lessee’s liability and indemnification obligations under this Lease will not be voided, limited or reduced and Lessor may claim against Lessee for recovery of any Losses.

7. INDEMNIFICATION; LIABILITY. Lessee shall indemnify and hold Lessor harmless from and against all damages, claims, liability, losses, lost profits, penalties, fines, Liens, costs and expenses, including, without limitation, all reasonable costs of collection, legal and court costs and other expenses incurred by Lessor in the collection of any Rent or in connection with the enforcement of the Terms hereof (collectively, “Losses”) which Lessor may suffer or may be required or condemned to pay by reason of Lessee’s breach of any one or more Terms hereunder or for personal injuries (including death) or for property damages of any kind (including, without limitation damages to the Equipment) suffered by any person by reason of the Equipment or the operation, handling, transportation or use thereof during the Rental Period or by or while in the hands of the Lessee or the latter’s employees, agents or carriers. Losses become due and payable immediately by Lessee and are collectible by Lessor as Additional Rent without proof of damages. The use of false identification to obtain the Equipment or the failure to return the Equipment by the due date may be considered a theft subject to criminal prosecution pursuant to applicable provisions of the Criminal Code or any other applicable law. The appraisal for any loss or damage to the Equipment will be based on the replacement cost of the Equipment without deduction for depreciation. The aggregate liability of Lessor, if any, shall be limited to the amounts paid to Lessor by Lessee under this Lease. In no event will Lessor be liable for special, consequential, punitive, incidental or indirect damages (including without limitation, damages for loss of profit, loss of business opportunity and other economic loss) arising from any reason whatsoever, whether or not loss is based on contract, warranty, negligence, indemnity or otherwise.

8. TERMINATION. Should Lessee fail to make timely payment of Rent, become bankrupt, insolvent or make an assignment for the benefit of its creditors, have a receiver or other person with similar powers appointed, or in the event of any actual or anticipated breach of this Agreement by Lessee, Lessor may terminate this Lease, re-take possession of the Equipment without becoming liable for trespass, and recover all Rent (including, without limitation, Losses) without prejudice to or waiver of any other rights or remedies. Should Lessor fail to ship the Equipment in good and running order, Lessee may, upon giving Lessor notice, terminate the Lease and recover any amount paid to Lessor hereunder. All outstanding obligations shall survive termination of the Lease.

9. LOSS DAMAGE WAIVER. Lessee is deemed to accept the Loss Damage Waiver ("LDW") unless it declines where indicated on the front of this Agreement. If Lessee accepts the LDW and pays the additional fee specified thereon ("LDW Fee"), Lessor will waive its claim against the Lessee for loss of or damage to the Equipment under paragraph 7 hereof (except as set out in paragraph 10 below) for any amount in excess of the following: (a) for theft: 10% of the retail purchase price of new Equipment; and (b) for damage: 10% of the cost of the repairs to the Equipment. The LDW Fee constitutes Additional Rent and will be paid in the same manner and at the same time as Rental.

10. WAIVER EXCEPTIONS. Notwithstanding Lessee's acceptance of the LDW, Lessee will be liable for all resulting loss or damage to the Equipment and expense of Lessor, to the extent it: (i) results from the gross negligence of Lessee which includes, but is not limited to, the use or operation of the Equipment in a reckless or abusive manner, or intentional damage to the Equipment by the Lessee or by Lessee's permission, or use of the Equipment in violation of any Terms of this Agreement or for an illicit purpose by the Lessee or by Lessee's permission, or (ii) occurs under any of the following circumstances: (a) Loss, damage or failure of tires and tubes and/or hydraulic cylinders under any circumstances; (b) Loss, damage or failure associated with vandalism, malicious mischief, theft or conversion of the Equipment, not documented by Lessee's prompt filing with the applicable public authorities, (with an immediate written copy to the Lessor); (c) Theft of accessories, such as, but not limited to, air hoses, electric cords, blades, welding cable, liquid fuel tanks, harnesses and lanyards and other similar items; (d) Loss, damage or failure associated with Equipment rolling over, being overloaded, operated above rated capacity or by unqualified personnel or if operating instructions are not followed; (e) Loss, damage or failure of motors, generators, drills or other electrical appliances or devices caused by portable electric current, unless the source is a generator supplied by Lessor; (f) Failure of Lessee to perform necessary Equipment maintenance as outlined in paragraph 6(a); and (g) Lessee's failure to properly secure the Equipment by, among other things, leaving keys readily available to any unauthorized operator or not reasonably restricting access to the Equipment.

11. WARRANTIES; CONDITIONS. Lessor makes no warranties or conditions, either express or implied, as to any matter whatsoever, including, without limitation, the condition or quality of the Equipment, its merchantability or fitness for a particular purpose, or that it is suited for the Lessee's intended use. Lessee hereby waives all claims against Lessor for any Losses which Lessee may have against Lessor, either directly or indirectly, by reason of the condition of the Equipment or its suitability for any particular purpose.

12. LANGUAGE. The parties hereto expressly declare that they require this Agreement, and all documents and notices relating thereto, to be drafted and written solely in the English language. Les parties déclarent expressément qu'elles exigent que ce contrat, ainsi que tous les documents et avis s'y rapportant, soient rédigés et écrits exclusivement en anglais.