

savant

STEERING TECHNOLOGIES

MASTER EQUIPMENT RENTAL AGREEMENT

This Master Equipment Rental Agreement, dated as of _____, 20____, is made by and between Savant (as defined in Section 1 on page 2 hereof) and _____ ("Customer"). Savant agrees to rent to Customer the Savant Equipment and Guidance Equipment (together, the "Equipment") identified below, subject to the terms and conditions set forth in this Master Equipment Rental Agreement provided herewith (the "Rental Agreement").

Savant Equipment Identification Number and description (Kit Number) (the "Savant Equipment"): _____

GUIDANCE EQUIPMENT. Savant agrees to provide to Customer proprietary guidance equipment (the "Guidance Equipment"), along with an operator of such Equipment, at the rates set forth below.

Custom Service (5 Days and 50 hour operating minimum; includes operator)	Price
• Deposit to mobilize	\$10,000
• Usage & Setup Rate per day (up to 10 hrs. w/operator; including travel to/from hotel)	\$2,500
• Overtime (Over 10hrs. including travel to/from hotel)	\$300/hour
• Technology & Support Fee (in addition to Usage Rate above)	\$45/hour operating
• Standby rate per day, not operating (weekends, breakdowns, stoppage)	\$1,250
• Invoiced; pay 30 days from invoice date; substantial Late Fee	Per Rental Agreement
• Travel (Max Travel Day 10hrs. per DOT regs)	\$1,500/day, 2-ways
• Per Diem	\$325/night, as used
• Batteries, as used	At cost
• Down-hole insurance and specialized tooling by Lessee (send section 19 to your insurance agent)	Paid by Lessee
• Gap Sub charge per bore	\$1,500
• Miscellaneous small parts and supplies (applies only to operational days)	\$85 per day

Job Information (name, address, phone number, and contact for job site owner. If work contract is not with the owner of the job site, include same information for the subcontractor with which Customer has contract.): _____

Detailed Job Location: _____

Name of Person in Charge of Site: _____

Billing E-mail Address: _____

Cell Phone Number: _____ Office Phone Number: _____

Date Out: _____ Date Returned: _____

DEPOSIT: (must be received before mobilization) \$10,000 RETURN OF DEPOSIT WILL BE SUBJECT TO RETURN OF SAVANT EQUIPMENT IN GOOD CONDITION, AFTER INSPECTION BY SAVANT. WITH DEDUCTION FOR ANY REPAIRS, OR OTHER CHARGES WHICH ARE CUSTOMER'S RESPONSIBILITY.

RENTAL PAYMENTS: Due according to this Rental Agreement within 30 days of invoice date.

AUTHORIZED SIGNATURES. The signatures herein are made by authorized agents of the respective parties for pages 1-3 of this agreement.

SAVANT: _____ CUSTOMER NAME: _____

Name _____ Title _____

Authorized Representative Name _____ Title _____

Signature

Date

Signature

Date

MASTER EQUIPMENT RENTAL AGREEMENT

1. DEFINITIONS. "Rental Agreement" means this Master Equipment Rental Agreement, including the Schedule(s) on the front, as well as any Addendum attached hereto. "Savant" means Boring Rentals, LLC doing business as Savant Steering Technology and Savant Technology LLC. "Equipment" means any one or more of the items identified as such in any schedule that incorporates this Rental Agreement by reference (each, a "Schedule"), and any accessories, attachments or other similar items related to the Equipment and delivered to Customer, including, but not limited to electric cords, wires, tooling, and Savant's patented guidance equipment and system (the "Guidance Equipment"). "Customer" means the person or entity identified as such on the first page of this Rental Agreement or any representative, agent, officer or employee of Customer. "Rental Period" means the period of time between the "Date Out" and "Date Due In," set forth on the first page of this Rental Agreement, except that the Rental Period may terminate earlier as provided below or extend forward.

2. AGREEMENT. Savant agrees to lease to Customer and Customer agrees to lease from Savant the Equipment subject to the terms and conditions of the Rental Agreement.

3. INDEMNITY / HOLD - HARMLESS. TO THE FULLEST EXTENT PERMITTED BY LAW, CUSTOMER AGREES TO INDEMNIFY, DEFEND AND HOLD SAVANT, ITS AFFILIATES, PARENTS AND SUBSIDIARIES, AND THEIR RESPECTIVE MEMBERS, MANAGERS, DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, LOSS, DAMAGE OR COSTS (INCLUDING, BUT NOT LIMITED TO, ATTORNEYS FEES, LOSS OF PROFIT, BUSINESS INTERRUPTION OR OTHER SPECIAL OR CONSEQUENTIAL DAMAGES, DAMAGES RELATING TO PROPERTY DAMAGE, BODILY INJURY, OR DAMAGES RELATING TO WRONGFUL DEATH) ARISING OUT OF OR RELATED TO CUSTOMER'S TRANSPORTATION, OPERATION, USE, POSSESSION OR RENTAL OF THE EQUIPMENT. THIS INDEMNITY PROVISION ALSO APPLIES TO ANY CLAIMS ASSERTED AGAINST SAVANT BASED UPON STRICT OR PRODUCT LIABILITY CAUSES OF ACTION. HOWEVER, CUSTOMER SHALL NOT BE OBLIGATED TO INDEMNIFY SAVANT FOR THAT PART OF ANY LOSS, DAMAGE OR LIABILITY CAUSED SOLELY BY THE INTENTIONAL MISCONDUCT OR SOLE NEGLIGENCE OF SAVANT. IN FURTHERANCE OF, BUT NOT IN LIMITATION OF THE INDEMNITY PROVISIONS IN THIS RENTAL AGREEMENT, CUSTOMER EXPRESSLY AND SPECIFICALLY AGREES THAT THE FOREGOING OBLIGATION TO INDEMNIFY SHALL NOT IN ANY WAY BE AFFECTED OR DIMINISHED BY ANY STATUTORY OR CONSTITUTIONAL LIMITATION OF LIABILITY OR IMMUNITY CUSTOMER ENJOYS FROM SUITS BY ITS OWN EMPLOYEES. THE DUTY TO INDEMNIFY WILL CONTINUE IN FULL FORCE AND EFFECT NOTWITHSTANDING THE EXPIRATION OR EARLY TERMINATION OF THE CONTRACT.

4. LIMITATION OF LIABILITY. To the fullest extent permitted by law, in no event shall Savant be responsible to Customer or any other party for any loss, damage or injury caused by, resulting from or in any way connected with the Equipment, its transport, operation or its use (including any failure or defectiveness of the Equipment), Savant's failure to deliver the Equipment as required hereunder, or Savant's failure to repair or replace non-working Equipment. In no event shall Savant be liable for any incidental, indirect, consequential, punitive or special damages including loss of use, lost revenues, profits or penalties. Customer acknowledges and assumes all risks inherent in the transport, operation, use and possession of the Equipment from the time the Equipment is delivered to Customer until the Equipment is returned to Savant during regular business hours and will take all necessary precautions to protect all persons and property from injury or damage from or to the Equipment.

5. PATENTS. Customer acknowledges that some of the Guidance Equipment, is protected by United States patents owned by Savant Technology LLC. The rental includes a revocable, non-transferable, limited sublicense under the patents to use the Guidance Equipment, in accordance with this Rental Agreement.

6. USE OF EQUIPMENT.

A. Only Savant and its qualified personnel will operate the Equipment. Customer shall not attempt to modify, disassemble, reverse engineer or repair any of the Equipment, including the Guidance Equipment. Customer will be solely responsible for its choice of Equipment for its project and for any and all decisions regarding Customer's project and the use of the Equipment on the project. Savant will have no responsibility or liability whatsoever for any decisions with respect to Customer's project and no employees or other representatives of Savant are authorized to provide recommendations, opinions, advice or consulting with regard to Customer's project. Any conditions which prevent satisfactory operation of the Equipment do not relieve Customer of its responsibility to pay Savant for rental or other applicable charges. Customer shall comply, at its sole expense, with industry best practices, as well as federal, state, and local laws, rules, ordinances and regulations applicable or related to Customer's use and operation of the Equipment, including timely performing all underground utility and other "locates" and compliance with OSHA, the EPA and IRS rules and regulations. Customer is responsible for assisting Savant at the project location with the assembly and disassembly of the Equipment, as well as cleaning and unloading and loading to/from the Equipment vehicle. Customer is responsible for (i) all wire, stakes, stakeout, land clearing, and pulling wire, (ii) safely getting Savant personnel and vehicle(s) related to the Equipment on and off the job site, including with respect to aquatic environments where transportation by boat is necessary, and (iii) supplying an appropriate DC power source to energize the ground coil (i.e. a welder). Customer expressly assumes full responsibility and all liability for

the use, operation, damage or loss of the Equipment, and will not use or allow anyone to use the Equipment: (a) for an illegal purpose or in an illegal manner; (b) without a license, if required under any applicable law; (c) in a manner that could potentially breach any term, condition or covenant set forth herein, or (d) who is not qualified to operate it.

B. IN CALIFORNIA ONLY. Customer agrees to follow the requirements of the regional notification center law pursuant to Article 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code. By signing this Rental Agreement, Customer accepts all liabilities and responsibilities contained in the California regional notification center law.

7. REPAIRS; MALFUNCTIONING EQUIPMENT. Should the Equipment be involved in an accident, become unsafe, malfunction or require repair, Customer shall immediately cease using the Equipment and immediately notify Savant. Customer is solely responsible at all times for the full costs (including labor charges) of any and all repairs needed as a result of damage caused by Customer's use of the Equipment (as determined by Savant), including but not limited to repairs of worn, defective or damaged components and parts. Savant will have the right and opportunity to perform all repairs, and Customer will not perform or have performed any repairs without Savant's prior written approval. Savant may perform the work itself or have it done by a third party, in either case at Customer's expense. Customer will provide Savant, its representatives and contractors, with access to the Equipment and time to complete all repairs. Neither Savant nor any contractor it engages will have any liability to Customer or any third party for any delay in performing maintenance or repairs, regardless of cause or duration. Once any repairs have been completed, Savant will invoice Customer for the work, and payment in full will be due within 14 days. If in Savant's sole judgement the Equipment is not properly repaired by Customer, Savant may declare a default and repossess Equipment as in Section 17. Nothing in this section shall be construed as requiring Savant to repair Equipment damaged by Customer; instead, Savant may elect to suspend or terminate this Rental Agreement. If Savant exercises its right to suspend or terminate the Rental Agreement, Customer shall pay Savant for all Equipment and services through the time the Equipment is returned to Savant's inventory.

8. DISCLAIMER OF WARRANTIES. SAVANT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. THERE IS NO WARRANTY THAT THE EQUIPMENT IS SUITED FOR CUSTOMER'S INTENDED USE, OR THAT IT IS FREE FROM DEFECTS. EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS RENTAL AGREEMENT, SAVANT DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, MADE IN CONNECTION WITH THIS RENTAL TRANSACTION. Customer's sole remedy for any failure or defect in Equipment shall be the termination of any rental charges accruing after the time of Customer's report of failure to Savant. Customer must return the Equipment to Savant within 24 hours from the time of defect in order to terminate rental charges.

9. MISUSE OF EQUIPMENT. In the event of misuse, abuse or neglect of the Equipment by Customer, Customer shall be in default of this Rental Agreement, and Savant may immediately terminate the rental and exercise its remedies under Section 17.

10. DAMAGES TO EQUIPMENT. Customer shall be solely responsible to reimburse Savant for any physical damage or loss of the Equipment damaged or lost during Customer's rental term, regardless of cause, even if Savant elects to repair the Equipment under Section 7 above; provided, that, Customer shall not be liable for damage due to a defect or malfunction in the Equipment's electronic circuitry or software unless caused by Customer's operation. Such damage or loss includes the cost of repair or replacement (if necessary) of the Equipment pursuant to Section 7 or otherwise, as well as any economic losses to Savant due to its Equipment being out of service for repair or replacement.

11. LATE RETURN. Customer agrees that if the Equipment is not returned by the end of the Rental Period, Savant, in its sole discretion, may require Customer to do any or all of the following: (a) pay rent at a rate equal to 150 percent of the applicable to the Equipment as specified on the front page of this Rental Agreement; (b) for periods less than 24 hours, pay the full daily rental rate applicable to the Equipment; (c) pay any increased rental rate(s) in effect at the time of, or after, the expiration of the Rental Period; or (d) pay all repossession costs for Savant to hire a person or persons to retrieve the equipment plus 50% as in Section 17. No charge for increased rent will prevent Savant from demanding the immediate return of any Equipment not returned when due or prevent Savant from exercising other remedies.

12. RENTAL PERIOD / CALCULATION OF CHARGES; TAXES. Rental charges commence when the Equipment leaves Savant's rental yard and end when the Equipment is returned to Savant's rental yard during Savant's regular business hours. All travel costs and Per Diem for Operators will be paid by Savant and billed to Customer per the Price List in this Rental Agreement. Rental charges do not include the cost of any applicable taxes, cost of delivery and pick-up of the Equipment, transportation surcharges, environmental charges or other miscellaneous charges. Customer shall be responsible for paying any and all taxes on the rental or use of the Equipment including sales, use and rental taxes. Customer shall notify Savant in writing that the Equipment is "off rent" and obtain an "off rent" confirmation number from Savant, at which time rental charges shall no longer be assessed, unless otherwise provided herein. Rental charges accrue

Customer Initials: _____

during Saturdays, Sundays and Holidays. Rental rates are for normal usage based on the pricing schedule on page 1. Customer will truthfully and accurately certify to Savant the number of shifts the Equipment was operated. Customer's right to possess the Equipment terminates on the expiration of the Rental Period and retention of possession after such time is a material breach of this Rental Agreement. TIME IS OF THE ESSENCE.

13. DEPOSIT. In addition to securing the payment of rental charges hereunder, Customer agrees that any rental deposit shall be deemed to be a guarantee by Customer of the full and complete performance of each and all of the terms, covenants, and agreements to be performed by Customer hereunder, and in the event of any breach by Customer, the deposit will be credited against any damages, cost or expense incurred by Savant as a result of the breach.

14. PAYMENT. All amounts due hereunder shall be payable within 30 days from invoice date. Customer acknowledges that timely payment of rental charges is essential to Savant's business operations and it would be impractical and extremely difficult to fix the actual damages caused by late payment. Customer and Savant agree that there shall be added to all past due rental charges a late payment fee equal to the lesser of 5% per month or the maximum amount allowed by applicable law. Such late payment fee will be due if the rental charges are not received on the date due and shall continue to be charged and accrue every two weeks until all charges are paid in full. Savant has the right to declare a default and pick up the Equipment at Customer's expense as in Section 17 below if payments are past due or any time after the end of the Rental Period.

15. LIEN RIGHTS; BOND AND INSURANCE ASSIGNMENT. Savant shall be entitled to any and all mechanic's and materialman's lien rights against any property where the Equipment is used as provided by law. Customer hereby assigns to Savant any and all right and entitlement to proceeds under any payment and performance bonds which may be issued to any general contractor or subcontractor in connection with work performed where the Equipment is used. Customer further assigns to Savant any and all casualty and/or general liability insurance benefits, including lost profits insurance, which may exist in connection with any loss or damage to the Equipment.

16. TITLE/NO PURCHASE OPTION/NO LIENS. This Rental Agreement is not a contract of sale, and title to the Equipment shall at all times remain with Savant. Customer has no option or right to purchase the Equipment. Customer shall keep the Equipment rent free and clear of all mechanic's and other liens and encumbrances. Customer is responsible for providing any and all specialized tooling if needed; such specialized tooling will remain the property of Customer.

17. DEFAULT. Customer shall be deemed to be in default should Customer in any way fail to pay any amount when due hereunder, or to perform, observe or keep any provision of this Rental Agreement, or should Customer become "Insolvent" (as defined herein), or should Savant anticipate that Customer may become Insolvent or that Customer may otherwise become in default. If Customer is in default, Savant may do any one or more of the following: (a) terminate the Rental Period; (b) declare the entire amounts due hereunder immediately due and payable and commence legal action therefor; (c) cause Savant's employees or agents, with notice but without legal process, to enter upon Customer's property and take all action necessary to retake and repossess the Equipment, and Customer hereby consents to such entry, re-taking and re-possession and hereby waives all claims for damages and losses, physical and pecuniary, caused thereby and shall pay all costs and expenses incurred by Savant in retaking and repossessing plus an administrative charge equal to an additional 50 percent of such total costs and expenses; or (d) pursue any other remedies available by law. Customer shall be considered "Insolvent" if Customer (i) shall generally not pay, or shall be unable to pay, or shall admit its inability or anticipated inability to pay its debts as such debts become due; or (ii) shall make an assignment for the benefit of creditors, or petition or apply to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; or (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (iv) shall have had any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made; or (v) shall take any action indicating its consent to, approval of, or acquiescence in any such petition, application, proceeding, or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties.

18. SAVANT'S RIGHT TO TERMINATE. In the event Savant determines that its Equipment is not safe during Customer's project activities, Savant reserves the right to suspend rental and services and either terminate the Rental Agreement or otherwise lift the suspension only upon reasonable assurances satisfactory to Savant that the safety issues have been resolved. In particular, Customer expressly acknowledges that Savant has the immediate suspension and termination rights described above. Furthermore, Savant has the right to trip out the Guidance Equipment to avoid damage. if the Radius of Curvature of the borehole exceeds the Minimum Bend Radius of the selected Down Hole Assembly ("DHA"). If Savant exercises its right to suspend or terminate the Rental Agreement under this paragraph, Customer shall pay Savant for all Equipment and services through the time the Equipment is returned to Savant's inventory.

19. CUSTOMER'S INSURANCE COVERAGE. Customer agrees to maintain and carry at Customer's sole cost, the following insurance: (a) property insurance for the full replacement cost of the Equipment, including coverage for all risks of loss or damage to the Equipment, with "downhole" and underground coverage exclusion deleted. Such coverage will include, but not be limited to, risk of loss arising out of the maintenance, operation, possession or use of the Equipment; (b) commercial auto liability insurance with at least a per occurrence limit of \$1 million; and (c) commercial general liability insurance ("CGL") (providing coverage equal to or greater than

the standard ISO CG 00 01 12 04 form) for any property damage, bodily injury or personal and advertising injury arising out of the maintenance, operation, possession or use of the Equipment with combined single limits of insurance not less than \$2 million per occurrence and \$4 million in the aggregate. Customer shall obtain insurance policies that provide, or are endorsed to provide, that all insurance required hereunder is primary and non-contributory to any other insurance maintained by Savant. Savant shall be named as an additional insured for liability insurance and additional loss payee evidencing for property insurance coverage. Any deductibles or self-insured retentions shall be the sole responsibility of the Customer. All insurance required by this Rental Agreement shall include a waiver of rights of recovery against Savant or its insurers by the Customer and its insurers, as well as a waiver of subrogation against Savant or its insurers. The policies required hereunder shall provide that Savant must receive not less than 90 days' notice prior to any cancellation. Customer shall provide a current certificate of insurance meeting all the requirements above prior to commencement of any rental.

20. NO ASSIGNMENT, LENDING OR SUBLETTING. Customer shall not sublease, subrent, assign or loan all or any part of the Equipment without first obtaining the written consent of Savant, and any such action by Customer, without Savant's written consent, shall be void. Customer agrees to use and keep the Equipment at the job site set forth on the first page of this Rental Agreement unless Savant approves otherwise in writing. Savant may at any time, without notice to Customer, transfer or assign this Rental Agreement or any Equipment or any moneys or other benefits due or to become due hereunder.

21. ENTIRE AGREEMENT / ONLY AGREEMENT. The Rental Agreement, including the Schedule(s), and any Addendum attached hereto, represent the entire agreement between Customer and Savant with respect to the Equipment and the rental of the Equipment. There are no oral or other representations or agreements not included herein. None of Savant's rights or Customer's rights may be changed and no amendment or extension of the terms of this Rental Agreement may be made except in writing, signed by both Savant and Customer. Any use of Customer's purchase order number on this Rental Agreement is for Customer's convenience only and terms and conditions, whether oral or written, that are different or inconsistent with the terms contained herein are hereby rejected by Savant.

22. ORDER OF PRECEDENCE. The terms and conditions of this Rental Agreement shall control over any conflicting preprinted terms and conditions contained in Customer's purchase order or similar documents.

23. OTHER PROVISIONS.

A. Any failure of Savant to insist upon strict performance by Customer of any terms and conditions of this Rental Agreement shall not be construed as a waiver of Savant's right to demand strict compliance. Customer has carefully reviewed this Rental Agreement and waives any principle of law which would construe any provision hereof against Savant as the draftsman of this Rental Agreement.

B. Customer agrees to pay all reasonable costs of collection, court, attorneys' fees and other expenses, including those incurred in bankruptcy and appellate proceedings, incurred by Savant in the collection of any charges due under this Rental Agreement or in connection with the enforcement of its terms.

C. Customer shall pay the rental charge(s) without any offsets, deductions or claims.

D. The federal and state courts in Multnomah County, Oregon shall have exclusive jurisdiction over all matters relating to this Rental Agreement. TRIAL BY JURY IS WAIVED BY BOTH PARTIES.

Savant shall be entitled to decrees of specific performance (without posting bond or other security) in addition to such other remedies as may be available.

E. Class Action Waiver. Customer agrees that any claims or proceedings brought by Customer relating to this Rental Agreement will be conducted on an individual basis, and not on a class-wide, collective, or representative basis, and that any one person's claims or proceedings may not be consolidated with any other claims or proceedings. Customer will not sue Savant as a class plaintiff or class representative, join as a class member, or participate as an adverse party in any way in a class-action lawsuit against Savant. Nothing in this paragraph, however, limits Customer's right to bring a lawsuit as an individual plaintiff.

F. If any provision of this Rental Agreement, or the application of this Rental Agreement to any person or circumstance, is found by a court of competent jurisdiction to be illegal, void, or unenforceable, then (a) the unenforceable provision will be modified so as to render it enforceable and effective to the maximum extent possible in order to effect the intention of the provision, and (b) the remainder of this Rental Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

G. Savant shall have the right to immediately repossess the Equipment, without any liability to Customer, in the event of (i) permanent closure of Savant's rental business or (ii) declaration of any emergency, disaster or similar situation by any federal, state or local government or (iii) as otherwise set forth in this Rental Agreement.

CRIMINAL WARNING: The use of false identification to obtain Equipment or the failure to return the Equipment by the end of the Rental Period may be considered a theft subject to criminal prosecution pursuant to applicable criminal or penal code provisions.

Customer Initials: _____