
TERMS & CONDITIONS - PRECISION CAMP SERVICES, A DIVISION OF PRECISION LIMITED PARTNERSHIP

THIS AGREEMENT CONTAINS INDEMNIFICATION PROVISIONS, RELEASE OF LIABILITY AND ALLOCATION OF RISK. BY ISSUING A PRUCHASE ORDER OR BY DELIVER OF PRECISION'S EQUIPMENT, PRECISION AND CUSTOMER AGREE TO BE BOUND BY ALL OF THESE PROVISIONS.

All Equipment provided by Precision Camp Services, a division of Precision Limited Partnership ("PCS") is expressly subject to the following Terms & Conditions (this "**Agreement**").

1. Application of Agreement

- 1.1 This Agreement constitutes the agreement made between PCS and customer or its agent (the "**Customer**") to provide camp and/or catering services ("**Services**") and/or personnel or equipment ("**Equipment**") required by the Customer upon the terms stated herein, regardless of whether Customer's request for Services and/or Equipment is made orally or in writing under a work order, delivery ticket, or other written instrument. Subject to Section 9.7, if any provision of this Agreement is inconsistent with any other document related to or issued in relation to the Services or Equipment, this Agreement shall exclusively prevail. No variation of this Agreement shall be of effect unless expressly agreed to in writing by a duly authorized officer of PCS. Both parties acknowledge and understand that there are no terms implied by virtue of statute or otherwise incorporated into this Agreement.

2. Representations, Warranties or Guarantees

- 2.1 PCS disclaims all warranties, whether express or implied, that may arise or be made with respect to any Equipment or Services. Such disclaimer of warranties includes, but is not limited to, any implied warranties of merchantability and fitness for a particular purpose. All Equipment is provided on an "as is, where is" basis.

3. Locations, Methods and Practices

- 3.1 The Customer shall, at its sole cost, ensure: (a) the Equipment is not used for any illegal or improper purpose; (b) the Equipment is not altered or disfigured; (c) the Equipment is not subject to careless or rough usage; (d) PCS is immediately notified of any accidents, damage or losses to the Equipment; (e) the Equipment is transported or moved using suitably insured and licensed transportation companies experienced and knowledgeable in transporting such Equipment; (f) the Equipment is acceptable for Customer's intended purpose; (g) be held responsible from time of delivery until time of return for any damage or theft to the Equipment that occurs; and (h) ensure any damaged Equipment is only repaired by PCS or a party authorized by PCS.
- 3.2 The Customer shall be responsible, at its sole cost, for: (a) mobilizing and demobilizing the Equipment from point of origin and returning including any required assembly and disassembly and any damages resulting therefrom; (b) maintaining the roof, vents, windows and chimneys of any Equipment free of excess snow, ice and other impairments; (c) supplying and transporting of propane, potable water and diesel fuel required for the Equipment or Services; (d) providing any approved effluent treatment and/or garbage disposal system, including any regulatory permits for the use thereof, required for the Equipment or Services; (e) any emergency communication required in addition to the cellular communication provided by PCS; if agreed, PCS may provide such emergency communication at cost plus 15%; (f) additional labour required in excess of the standard 12-hour catering staff shifts; (g) camp light plant maintenance, including oil filter and air filter changes, every 300 hours of light plant operation; (h) any "off-road" transportation of the Equipment, including tolls and permits; and (i) any cleaning supplies, bedding and staples for the rig camp and the Customer representative and Rig Manager facilities; if agreed, PCS may provide additional stocks at cost plus 15%. The Customer shall pay to PCS the lesser of the cost (plus applicable shipping and handling charges) to repair any damaged Equipment which PCS deems repairable, or the full replacement cost (plus applicable shipping and handling charges) to replace any Equipment which PCS deems is damaged beyond repair.
- 3.3 The Customer shall at all times keep PCS informed of the exact location of the Equipment and give PCS immediate notice of: (a) all changes in the location of the Equipment and information required to facilitate invoicing; (b) any seizure or judicial process affecting or purporting to affect the Equipment; and (c) when Equipment is ready to be moved. If, in the sole discretion of PCS, the Equipment is being subject to damage or loss by reason of the Customer's use of the Equipment, or the Equipment is in danger of being seized, detained or otherwise being subject to a legal process or extra-judicial process, then and in every such instance, PCS, at its option, shall have the right to remove the Equipment from the possession of the Customer without notice, and may in its sole discretion terminate this Agreement. The Customer shall pay PCS for all Equipment and Services provided prior to termination of this agreement and for any damage to, or loss of, Equipment in accordance with Section 3 of this Agreement. PCS shall have the right to enter upon the premises where the Equipment is located and to inspect the Equipment and shall have the right to access the Equipment and may direct or cause to be done at the expense of the Customer any repairs or maintenance which are the responsibility of the Customer. No action by PCS pursuant to this section shall constitute a waiver of any other rights that PCS may have in law or equity against the Customer.

4. Title

- 4.1 Title remains vested with PCS at all times with respect to: (a) the Equipment; (b) the Services, until paid in full by the Customer; and (c) any remaining food product upon completion of the Services. PCS may exercise any or all of the rights, remedies and powers of a lessor under the Personal Property Security Act, R.S.A. 2000, c. P-7, of Alberta or the Personal Property Security Act, R.S.B.C. 1996, c.359, of British Columbia, or the Personal Property Security Act, 1993, Saskatchewan, as the case may be, each as amended from time to time, or any other applicable legislation, whether under this Agreement or under any other agreement or at law or in equity.

5. Allocation of Risk and Liability

- 5.1 For the purposes of this section:
- (a) "**Claims**" shall mean all awards, causes of action, claims, costs, expenses, damages, demands, judgments, liabilities and losses of every character, kind and nature including, without limitation, reasonable legal fees, court costs, fines, penalties and remedial obligations which arise out of or are related to, directly or indirectly, the subject matter or performance of this Agreement, the Equipment, the Services or anything ancillary thereto;

- (b) **"PCS Group"** shall mean PCS, its affiliates, subsidiaries, partners, joint owners, joint venturers and subcontractors and the directors, agents, representatives, employees, insurers, invitees and consultants of all of the foregoing; and
- (c) **"Customer Group"** shall mean Customer, its affiliates, subsidiaries, partners, joint owners, joint venturers and contractors (not including any member of PCS Group) and the directors, agents, representatives, employees, insurers, invitees, consultants and contractors of all of the foregoing.
- 5.2 Subject to all other indemnity provisions herein, PCS acknowledges and agrees that it shall release and that it shall defend, indemnify and hold harmless Customer from and against any and all Claims of every kind and character arising out of any personal injury, illness or death of any member of PCS Group.
- 5.3 Customer acknowledges and agrees that it shall release and that it shall defend, indemnify and hold harmless PCS Group from and against any and all Claims of every kind and character arising out of any personal injury, illness or death of any member of Customer Group.
- 5.4 Customer and PCS agree that, notwithstanding any other provision hereof to the contrary, Customer shall be liable and shall release, defend and indemnify and hold PCS Group harmless in respect of Claims arising from:
- (a) A negligent act or omission of Customer Group;
 - (b) Any and all third party claims;
 - (c) Any loss of or damage resulting from use of or failure of Customer's equipment;
 - (d) Any loss or damage to Customer Group's property and equipment;
 - (e) Any loss or damage to Equipment;
 - (f) Any surface or subsurface pollution or contamination whatsoever, whether originating from the Equipment, the Services or otherwise; and
 - (g) Damage to or loss of any reservoir, production formation, well or borehole, or any injury to, destruction of, or loss or impairment of any property right in or to oil, gas or other mineral substance or water.
- 5.5 Each party's release and its defense, indemnity and hold harmless obligations under this section 5 will apply even if the liability and Claims are caused by the sole, concurrent, active or passive negligence, gross negligence, breach of warranty, strict liability or any other fault of the other party or of any member of such other party's group or any other cause.
- 6. Insurance**
- 6.1 Customer shall maintain at, at its own expense, general liability and other insurance in adequate amounts to cover its indemnity obligations. Customer's insurance will support the indemnities herein, but in no way limit the liabilities or obligations assumed by Customer.
- 7. Limitation of Damages and Remedies**
- 7.1 IN NO EVENT SHALL PCS BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS OR REVENUES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, USE OF THE EQUIPMENT OR FROM ANY OTHER CAUSE HOWSOEVER OCCURRING IN OR BASED UPON WARRANTY, CONTRACT OR TORT, INCLUDING NEGLIGENCE) FOR ANY BREACH OF PCS' OBLIGATIONS OR WARRANTIES OF ANY SORT, EXPRESS OR IMPLIED RESULTING FROM THIS AGREEMENT. Further, PCS shall have no liability for any claims for damages or expenses of any kind whatsoever founded upon negligence, strict liability or any other theory in tort. If the Equipment is determined to be defective, Customer's sole, exclusive remedy shall be repair or replacement of the defective Equipment, at PCS' option. No claim shall be brought against PCS more than two (2) years after the accrual of the cause of action.
- 7.2 The aggregate liability of PCS hereunder for, and the entire remedy for the Customer for any damages or loss it may suffer from any cause whatsoever, whether the action is based on a warranty cause of action or in contractor or tort (including negligence) if any, shall be limited to the amount paid to PCS by the Customer pursuant to this Agreement for utilization of the Services and Equipment, which the Customers agrees is a reasonable estimate of damages.
- 8. Pricing and Payment**
- 8.1 The terms of payment are net thirty (30) days from date of invoice or upon request for payment by Precision, whichever is earlier. Customer agrees that any past due amounts shall bear interest from the date due until paid at the rate of 2% per month (24% per annum) or the maximum rate permitted by applicable law. No discounts for the provision of Services or Equipment should be taken above that which is stated on PCS' invoice. The invoices rendered by PCS hereunder shall together constitute one on-going contract, or convenient arrangement between, PCS and Customer.
- 8.2 If any proceeding or suit is instituted against Customer to recover any past due amounts, then PCS is entitled to recover all of its costs and expenses related thereto, including its legal fees (on a solicitor and client basis). Each invoice creates an independent payment obligation and is not subject to any setoff, defense, demand, or claim Customer may have against PCS, or any third party.
- 8.3 The price for all orders is F.O.B. PCS' facility, unless otherwise agreed in writing by both parties. Customer agrees to pay PCS for any Services and Equipment in accordance with prices as supplied to Customer by PCS, orally or in writing, or if no prices have been supplied, those prices in effect at the time the Services and Equipment are furnished. All prices shown on any document are subject to verification by PCS' main office. Prices are exclusive of all taxes (federal, provincial, or local), some transportation charges, drayage, demurrage, import duties, transfer fees, or documentations charges, all of which shall be paid by Customer in addition to the prices shown on the invoice, unless otherwise noted. Without limiting the foregoing, all permits, road tolls, communication systems and camp stocks shall be invoiced to Customer at cost plus 15%. If such amounts are not included in the invoice, they may be invoiced separately. Prices, rates or terms are subject to change without notice.
- 9. General**
- 9.1 Unless a master camp services agreement is in place between the parties, this Agreement contains the entire and exclusive agreement between PCS and Customer and supersedes any previous written or oral statements related to the Services and Equipment and may only be modified by a written amendment signed by an authorized representative of PCS which specifically refers to and waives specific provisions of this Agreement. This Agreement shall govern, supersede and prevail over all conflicting terms and conditions of any and all work orders, quotes, purchase orders, order confirmations, job tickets, invoices, work requests, delivery tickets and other communications and documents, even if such other documents expressly provide in writing that any or all of their terms or conditions shall prevail over

those of this Agreement. All terms, conditions and stipulations in any such documents used by Customer not in conformity with and/or conflicting with the terms and provisions of this Agreement shall be null and void and this Agreement shall exclusively prevail.

- 9.2 The entire liability of PCS, including express and implied warranties, in connection with its products, Services or Equipment is set forth above. This Agreement may only be waived in writing by PCS.
- 9.3 This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and legal personal representatives of the Customer and the successors and assigns of PCS. Customer may not assign its rights or obligations under this Agreement without the prior written consent of PCS. PCS may assign its rights and obligations under this Agreement without the consent of Customer.
- 9.4 If any provision or term of this Agreement is held by a court or agency of competent jurisdiction to be inconsistent with or contrary to any applicable federal, state, provincial or local law, rule or regulation, said term or provision shall be deemed to be modified to the extent, but only to the extent, required to comply with said law, rule or regulation, and as so modified said provision and this Agreement shall continue in full force and effect.
- 9.5 The validity, interpretation and construction of this Agreement will be governed by the laws of the Province of Alberta without reference to conflicts of law provisions that would require application of any other law. Any action or proceeding arising out of or relating to this Agreement must be brought in a court sitting in Alberta, and each of the parties hereby agrees to irrevocably submit itself to the exclusive jurisdiction of each such court in any such action or proceeding and waives any objection it may now or hereafter have to venue or convenience of forum.
- 9.6 All provisions that by their nature are intended to survive, including, without limitation, Sections 2, 4, 5, 6, 7, 8 and 9, shall survive any termination or expiration of this Agreement.
- 9.7 If there is a master camp services agreement in place between PCS and Customer, this Agreement shall not apply and the terms of the master camp services agreement shall govern.