



EQUIPMENT RENTAL AGREEMENT

Ditch Witch JT28 Directional Drill | Two (2) Month Minimum Term | Bare Drill Only

This Equipment Rental Agreement ("Agreement") is made on _____ (the "Effective Date") between the Owner and Renter named below.

	OWNER	RENTER
Company	DrillSky Heavy Equipment Rental	_____
Contact		_____
Address		_____
Phone / Email		_____
Contractor License #	—	CSLB # _____
Driver's License #	—	_____

1. Equipment

Owner rents to Renter one (1) **Ditch Witch JT28 horizontal directional drill**, Serial # _____, together with _____ **drill rods** (quantity counted and recorded on Exhibit A at pickup) (together, the "Equipment").

Not included: no locator/tracking system, no trailer, no mud/fluid system, no operator, and no transport. Drill housing and paddle/bit are not included unless listed on Exhibit A (see Section 9). Renter is responsible for loading, hauling and unloading the Equipment at its own risk and expense.

2. Rental Term – Two (2) Month Minimum

The rental term is **two (2) months**, beginning on the pickup date of _____ and ending on _____ (the "Term"). Each rental month runs 30 days from the pickup date.

The Term is a firm two-month commitment. If Renter returns the Equipment early or ends the rental for any reason, the rent for the **entire two-month Term (\$50,000.00)** remains due and payable in full. No refunds or credits are given for early return, weather, job delays, cancellation, or time the Equipment is not in use.

3. Rent and Payment

Payment	Amount	Due Date	Method
Month 1 rent	\$25,000.00	Before the Equipment leaves Owner's yard	Cashier's check
Month 2 rent	\$25,000.00	Last day of Month 1 (day 30)	Cashier's check
Total Term rent	\$50,000.00		

Cashier's checks are payable to **DrillSky Heavy Equipment Rental**. No personal or company checks, cards or financing. The Equipment will not be released until Month 1 rent and the insurance certificates required in Section 6 are received. If Month 2 rent is not received on the last day of Month 1, Renter is in default and Owner may immediately recover the Equipment under Section 14; the Month 2 rent remains due.

Owner initials: _____ Renter initials: _____

4. Hour Meter and Usage Allowance

The engine hour meter will be read and photographed at pickup, at the end of Month 1, and at return, and recorded on Exhibit A. Rent includes **160 engine hours per rental month** (based on 40 hours per week). Hours over 160 in a rental month are billed at **\$75.00 per hour** and are due with the next rent payment, or within 5 days of return for Month 2. Unused hours do not carry over and are not refunded. Disconnecting, altering or tampering with the hour meter is a default, and usage will then be billed at 24 hours per day for the affected period.

5. Fuel and Daily Care

Renter supplies all fuel, DEF (if applicable) and fluids and must return the Equipment with a full fuel tank or pay Owner's refueling cost plus \$100.00. Renter will perform the daily walk-around, greasing and fluid checks in the Ditch Witch operator's manual, keep the Equipment clean, and stop operating it immediately if any warning, leak or malfunction appears.

6. Insurance – Required Before Pickup

Before pickup, Renter must deliver certificates of insurance, with endorsements, showing the following coverage in force for the entire Term and until the Equipment is returned and checked in:

(a) Inland Marine / Contractor's Equipment (Rented Equipment) policy covering the Equipment for its agreed replacement value of **\$250,000.00** against all risks of direct physical loss, including theft, vandalism, collision, overturn, fire, flood, collapse, mysterious disappearance, and loss while in transit, in storage, or on any job site. **Owner (DrillSky Heavy Equipment Rental) must be named Loss Payee.** The deductible is Renter's responsibility.

(b) Commercial General Liability of not less than \$1,000,000 per occurrence / \$2,000,000 aggregate, including coverage for underground resources and utility damage and completed operations, naming Owner as **Additional Insured** on a primary and non-contributory basis with waiver of subrogation.

(c) Commercial Auto Liability of at least \$1,000,000 for the vehicle(s) hauling the Equipment, and **(d) Workers' Compensation** as required by California law, with waiver of subrogation in favor of Owner.

Policies may not be cancelled or reduced without 30 days' written notice to Owner. Insurance does not limit Renter's responsibility under this Agreement. If coverage lapses, Owner may immediately recover the Equipment and the full Term rent remains due.

7. Renter's Sole Responsibility for All Work and Utility Strikes

Renter has exclusive control of the Equipment during the Term. **All work performed with the Equipment is Renter's work and Renter's sole liability.** Owner is not a contractor, subcontractor or party to any of Renter's projects and makes no representation about the suitability of the Equipment for any job, soil or rock condition.

Renter is solely responsible for calling USA North 811 and obtaining valid tickets, potholing and locating all utilities, permits, traffic control, frac-out and drilling-fluid containment and disposal, and site safety. Renter is solely liable for **any strike of or damage to gas, electric, water, sewer, telecommunications or other underground facilities**, any resulting injury, death, fire, explosion, environmental release, service outage, repair cost, fine or claim, and any property damage or bodily injury arising from use, transport or storage of the Equipment.

Only trained, qualified operators employed by Renter may operate the Equipment. Renter may not sublease, lend or move the Equipment outside California without Owner's written consent, and will give Owner each job-site address where the Equipment is used. Owner may inspect the Equipment on reasonable notice.

8. Damage, Defects and Repairs – Rent Continues

Renter must notify Owner within 24 hours of any damage, defect or malfunction. **All repairs must be performed by an authorized Ditch Witch dealer**, approved in advance by Owner, at Renter's expense. No field repairs or non-Ditch Witch parts without Owner's written approval.

Rent does not stop while the Equipment is down or in the shop. Repair time does not extend the Term or reduce rent. If repairs are not complete when the Term ends, rent continues at the holdover rate in Section 11 until the Equipment is repaired and returned to Owner. Renter also pays transport to and from the dealer.

9. Drill Rods, Tooling and Wear Items

Drill rods are counted, inspected and photographed at pickup and at return (Exhibit A). Renter will be billed at current Ditch Witch replacement cost for any drill rod that is lost, stolen, bent, cracked, has damaged or galled threads, or is worn beyond Ditch Witch service limits, and for any other tooling damaged, worn or lost during the Term.

Renter may supply its **own drill housing (sonde housing) and paddle/bit** to avoid wear charges on those items. If Owner's housing, bit, subs, pullback devices or other tooling are supplied (listed on Exhibit A), their wear, damage or loss is billed to Renter.

Owner initials: _____ Renter initials: _____

10. Theft and Loss

If the Equipment or any part is stolen, lost or destroyed, Renter must notify Owner and file a police report within 24 hours. Renter is responsible for the full replacement value stated in Section 6(a), and rent continues until Owner receives full payment (from Renter or Renter's insurer).

11. Return and Holdover

Renter will return the Equipment to Owner's yard at the end of the Term, clean, fueled, and in the same condition as at pickup. Cleaning will be billed at \$150.00 per hour if needed. If the Equipment is not returned on time, rent continues at **\$835.00 per day** (holdover) plus hours over the allowance, until returned. Holdover does not extend the Term or waive any default.

12. Charges, Late Payment and Collection

All charges other than rent (overtime hours, rods/tooling, repairs, cleaning, fuel, holdover) are due within 5 days of invoice. Unpaid amounts accrue interest at 1.5% per month (or the maximum allowed by law, if less). Renter authorizes Owner to recover unpaid amounts from any available insurance proceeds.

13. No Warranty; Limitation of Owner's Liability

Renter has inspected the Equipment and accepts it AS IS. Owner makes no warranty of merchantability or fitness for a particular purpose. Owner is not liable for any lost profits, job delays, liquidated damages, downtime, or consequential damages arising from the Equipment, its breakdown, or this Agreement.

14. Indemnity

To the fullest extent allowed by law, Renter will defend, indemnify and hold harmless Owner, its officers, employees and agents from all claims, losses, damages, fines, penalties, attorneys' fees and costs arising from the possession, use, operation, transport, storage or condition of the Equipment during the Term, including utility strikes and any work performed by Renter, except to the extent caused by Owner's sole negligence or willful misconduct.

15. Default and Recovery

Renter is in default if it fails to pay any amount when due, lets required insurance lapse, misuses or sublets the Equipment, tampers with the hour meter, or breaches this Agreement. On default Owner may, without notice and without liability, enter any site where the Equipment is located and recover it, and Renter remains liable for the full Term rent, all charges, and Owner's recovery and transport costs.

16. General

This Agreement is governed by California law; venue is Santa Clara County. The prevailing party in any dispute is entitled to reasonable attorneys' fees and costs. This Agreement and Exhibit A are the entire agreement and may be changed only in a writing signed by both parties. Signatures by email/PDF are binding.

Signatures

OWNER: DrillSky Heavy Equipment Rental

RENTER: _____

Signature: _____

Signature: _____

Name: David Lara

Name: _____

Title: Owner

Title: _____

Date: _____

Date: _____

EXHIBIT A – Equipment Check-Out / Check-In Record

Item	At Pickup	End of Month 1	At Return
Date			
Engine hour meter reading			
Hours used this period	—		
Hours over 160 (billed at \$75/hr)	—		
Fuel level			
Drill rods – count			
Drill rods – damaged/missing			
Photos taken (Y/N)			
Owner initials			
Renter initials			

Tooling supplied by Owner (if any)

Item	Qty	Condition at Pickup	Condition at Return

☐ Renter is supplying its own drill housing and paddle/bit (no Owner tooling).

Condition notes / existing damage at pickup

Checklist before release

- ☐ Month 1 rent – \$25,000.00 cashier's check payable to DrillSky Heavy Equipment Rental received
- ☐ Inland marine certificate received – \$250,000.00 coverage, Owner named Loss Payee
- ☐ CGL certificate + Additional Insured endorsement received
- ☐ Auto liability and Workers' Comp certificates received
- ☐ Renter driver's license and CSLB license copied
- ☐ Signed Agreement and Exhibit A completed

Owner initials: _____ Renter initials: _____