

1. THE RENTAL PERIOD:

The rental period shall commence on and include the date of actual delivery of the Equipment to the Lessees or The Lessee's agent, including any public carrier taking same for transit to the Lessee.

The rental period shall end on and include the date of actual delivery of the Equipment to the Lessor (All Choice Rentals Ltd.) another Lessee or an agent if either including any public carrier taking same for transit to the Lessor or such other Lessee.

2. CALCULATION OF RENTAL CHARGES:

The Lessee shall pay rental for the entire period at the rate for each piece of Equipment described on the face of this Agreement as follows:

- a) Rental rates are for a minimum rental period of (one) 1 day. The rental rate shall not be subject to any deduction on account of non-working time during such minimum rental period.
- b) Time Basis of Rates – The rental rate herein is based upon the general industry practice of one shift of 8 hours per day, 40 hours per week, and 160 hours per a 4-week period and if the Equipment is used for periods in excess of general practises, overtime will be charged. If the equipment is rented by the day, the rate for overtime is 1/8th of the daily rate for each hour more than eight. If it is rented by the week, the rate for overtime is 1/40th of the weekly rate for each hour more than 40. If it is rented by 4 weeks, overtime is 1/160th of the monthly rate for each hour more than the 160 hours in any one 28-day consecutive day period.
- c) Lessee shall advise Lessor when Equipment is used more than a single shift. All charge will be calculate using the best combination of daily, weekly, and monthly to find the lowest possible charge.

3. PAYMENT:

- a) The rentals due under this Agreement shall be paid upon receipt of invoice to the office of the Lessor at 5513 – 50th Ave., Drayton Valley, AB, T7A 1S2.
- b) All overdue payments shall bear interest at the rate of 24% per annum, without prejudice to the Lessor's right to termination of this Agreement for non-payment of rental.

4. LOADING, UNLOADING AND TRANSPORTATION:

The Lessor shall at its own expense load the Equipment for transit to the Lessee and unload it upon its return and shall pay any demurrage accruing at its own shipping and receiving points.

The Lessee shall at their own expense do all other loading, unloading, installing, dismantling, and hauling, and shall pay any demurrage charges accruing at his (its) own shipping or receiving point.

The Lessee shall pay all transportation charges from and to the Lessor's shipping and receiving points, provided however, that unless otherwise agree, the Lessee shall not pay return transportation charges greater than those necessary to return the Equipment to the point from which it was originally shipped to the Lessee.

The Lessor may ship the Equipment in accordance with its own judgement if shipping instructions are not furnished on the signing of this Agreement.

5. MAINTENANCE, OPERATION AND REPAIR:

The Lessee shall not remove, alter, disfigure, or cover up any numbering, lettering or insignia displayed upon the Equipment, and shall see that the Equipment is not subjected to careless or needless rough usage, and shall at the Lessee's own expense, maintain and ultimately return to the Lessor the Equipment and its appurtenances together with any tools and accessories pertaining thereto, the whole in good repair and running order.

Without limiting the generality of the foregoing, the Lessee shall at the Lessee's own expense, during the term of this Agreement, pay the cost of:

- a) All Fuel and lubricants require to operate the Equipment
- b) All repairs required to be made to the Equipment to keep it in good repair and running order.
- c) Replacing broken or worn-out parts

6. DAMAGES TO EQUIPMENT:

The Lessee shall indemnify the Lessor against all loss and damages to the Equipment during the rental period and appraisal of any such loss or damage shall be based on the value slated in the Details of Equipment. Any shortage or damage claimed by either part must be made known in writing to the other part within two weeks after receipt by claimant of the Equipment, otherwise such claim shall be extinguished.

7. LIABILITY OF LESSEE:

The Lessee shall indemnify the Lessor, and in the event of subleased equipment, the owner of the equipment against all claims, demands, actions, loss expenses, penalties, damages, condemnations, and law costs which the Lessor may suffer or may be required or compelled to pay for personal injuries (including death) and/or property damage suffered by any person by reason of the Equipment of the operation, handling, transportation or use thereof or while the hands of the Lessee of the latter's employees, agents, or carriers.

The Lessee shall not hold the Lessor financially or legally accountable for any environmental impacts or clean up costs associated with the usage, deployment, transport, repair, or maintenance of the Equipment.

The Lessee hereby renounces all claims which he/she (it) may have against the Lessor for any loss or damages he/she (it) may suffer, either directly or indirectly, by reason of the condition of the Equipment or its suitability for the work it may be required to perform.

Manufacturer's performance, stress, and endurance specifications only shall apply, and there are no rights, warranties, or conditions, expressed or implied statutory or otherwise other than those herein contained.

Deviations in whole or in part from the use or installation, specifications or engineering date supplied by the Lessor shall relieve it absolutely from any liability or claim where the damage sustained is in any way attributable to such deviation.

Parties agree that this Agreement will be governed by the laws of Alberta and that the courts of the Province of Alberta will have sole jurisdiction over all disputes arising under this Agreement.

8. INSPECTION

Before the Equipment is loaded for transit to the Lessee, the latter may have an inspection thereof made by a competent authority and if the Equipment is proven to be substantially in the condition required by this Lessee, then the cost of such inspection shall be paid by the Lessor.

If the Lessee fails to have such inspection made, the Equipment shall be presumed for all purposes to be complete and in good running condition. The Lessor does not make any warranties or guarantee whatsoever as to the Equipment or its performance.

The Lessor shall have the right at any time to enter upon the premises occupied by the Equipment and shall be given free access thereto and afforded all necessary facilities for the purpose of inspecting the Equipment.

The Lessor shall have the right to inspect the Equipment at the Lessee's shipping point prior to re-shipment and shall be notified prior to such re-shipment and given ample opportunity to make such inspection.

9. TITLE:

Title to the Equipment shall at all times be and remain rested in the Lessor and nothing contained in the Lease shall be deemed to have effect of conferring upon the Lessee and rights or title whatsoever in or to the Equipment, other than that of a Lessee.

The Lessee shall give the Lessor immediate notice in case any of the Equipment is levied upon or from any cause becomes liable to seizure.

10. TERMINATION OF LEASE:

Should the Lessee fail to make any payment for more than thirty (30) days after it becomes due, or become bankrupt and/or suffers an act of insolvency, or fail to maintain and operate or to return the Equipment as provided by the Agreement, or violate any other provision hereof, the Lessor ay, after giving the Lessee three (3) days notice in writing terminate this Agreement, re-take possession of the Equipment without becoming liable for trespass and recover all rentals due and full damages for any injury to and all expenses, including, legal costs, incurred in obtaining the return of the Equipment

Should the Lessor fail to ship the Equipment in substantially the condition stipulated in the Agreement, the Lessee may, upon giving the Lessor three (3) days notice in writing, terminate the Agreement and recover any amount paid by him (it) to the Lessor hereunder.

11. INSURANCE:

The Lessee shall, at his own expense, maintain liability insurance and ensure the Equipment to the value stated in the Details of Equipment of physical loss or damage, however caused, and shall name the Lessor as an additional insured on such policy or policies. At the request of the Lessor the Lessee shall furnish certificates of insurance evidencing that such coverage are in effect.

12. BOND:

If requested by the Lessor the Lessee, at the latter's own expense, shall furnish a bond satisfactory to the Lessor, in an amount equal to the value of the Equipment, and ensure fulfillment of the Lessee's obligations under this Agreement.

13. SUBLETTING:

None of the Equipment shall be sublet by the Lessee, nor shall he/she (it) assign or transfer any interest in the Agreement without the previous consent of the Lessor.

14. NOTICE:

Wherever giving of a notice is required by this Agreement, such notice shall be given in writing to the address on the face of this document and shall be considered for all purposes thereof to have been received on the next business day after that on which the notice is mailed by signed registered mail.

15. CHANGING LOCATION OF EQUIPMENT

The Lessee shall notify the Lessor, in writing, as to the location of the Equipment in the event that he same has been removed from its original location.