

## **FRONT SIDE OF CONTRACT**

*SEE REVERSE SIDE WHICH PROVIDES OTHER IMPORTANT PROVISIONS - PLEASE READ IT*

By my signature I acknowledge I have read and I understand and agree to the particulars set forth on this page and each and all of the conditions referred to on the reverse side or back of this rental agreement as if they were printed above my signature and I acknowledge the front and back compromise the entire agreement affecting this rental and no other agreement or understanding of any nature concerning this rental agreement has been made or entered into.

### **SIGNATURE LINE**

Employee/Agent/Person Collecting Equipment hereby guarantees payment to Axis Torque Ltd. of the total liability which said company has incurred to Axis Torque Ltd. for the lease of equipment, goods and services.

## **BACK SIDE OF CONTRACT**

By this lease and in consideration of the statements on the reverse side hereof and the following agreements, limitations and conditions, Axis Torque Ltd., hereinafter called the "Lessor", leases unto the person, firm or corporation signing this lease as Lessee, hereinafter called "Lessee" that certain personal property hereinafter called equipment, described on the reverse side hereof.

- 1) **TERMS** – Payment terms include cash, Visa, Mastercard or company cheque. A 30 day account may be set up O.A.C. A late payment service fee of 2% per month (24% per annum) will be charged on all balances 30 days or over. The term of this lease respecting each item of equipment commences on the date of shipment by the Lessor to the Lessee and ends on the date of return by the Lessee of the equipment to the Lessor's premises
- 2) **RENT** – The rent for any and every item of equipment shall be the amount designated on the reverse side hereof.
- 3) **LOCATION** – The equipment shall be located in the Province where rented and shall not be removed therefrom without the Lessor's prior written consent.
- 4) **USE** – Lessee shall comply with all laws relating to the use, operation or maintenance of the equipment. If Lessor supplies Lessee with labels stating the equipment is owned by the Lessor, Lessee shall affix and keep the same upon a prominent place on the equipment. The equipment shall be operated in a careful and prudent manner by competent individuals.
- 5) **ACCEPTANCE** – Lessee acknowledges that he has fully inspected and accepted said equipment in good condition and repair and that the equipment is of size, design and capacity selected by the Lessee and the Lessee is satisfied that the equipment is suitable for his purposes and acknowledges that the Lessor make no warranties or representations of any kind, expressed or implied as to the durability, condition, or suitability of the equipment for the Lessee's purposes.
- 6) **INSPECTION** – At all times during business hours, Lessor shall have the right to inspect the equipment or observe its use.
- 7) **ALTERATIONS** – All additions or improvements of whatsoever kind or nature made to the equipment shall belong to and become the property of Lessor upon the expiration, or earlier termination of this lease. The Lessee will not alter, remove, disfigure or in any manner change any insignia or lettering upon any of the said equipment.

- 8) **LOSS, DAMAGE AND REPAIRS** – Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever and shall keep and maintain the equipment in good repair, condition and working order. No loss or damage to the equipment or any part thereof shall impair obligation of Lessee under this lease which shall continue in full force and effect. In the event of loss or damage of any kind whatsoever to any of the equipment, Lessee at the option of the Lessor, shall place the same in good repair, condition and working order or alternatively, the Lessor may replace or the repair the lost or damaged equipment, the cost to borne by the Lessee, and the Lessee hereby authorizes such cost to be charged against such credit card as may have been imprinted as security for such damage and return and for payment of the rental charges hereunder.
- 9) **EXPENSE** – Without limiting the generality of the forgoing, the Lessee shall, at the Lessor's own expense during the term of this lease pay the cost of (a) all fuel, oil and lubricants required to operate the equipment (b) all repairs, replacement parts including labor charges, required to be made to the equipment in order to keep in good repair and running order.
- 10) **SURRENDER** – Upon the expiration or earlier termination of this lease, Lessee shall return the equipment to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone expected.
- 11) **WARRANTIES** – Lessor makes no warranties, either express or implied, as to any matter whatsoever including without limitation, the condition of the equipment, its merchantability or fitness for any particular purpose
- 12) **INDEMNITY** – Lessee shall indemnify Lessor against and hold Lessor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including solicitor's fees arising out of, connected with, or resulting from the equipment, including without limitation, the manufacture, selection, delivery, possession, use, operation or return of the equipment.
- 13) **INSURANCE** - The Lessee shall at his own expense maintain liability, theft, fire and any other insurance required to indemnify the Lessor against any loss to or of the equipment to the extent of the current replacement value, such insurance to cover the insurable interest of the Lessor in said equipment. This insurance shall be kept in effect from the time the equipment is shipped by the Lessor until it is returned by the Lessee to the Lessor.
- 14) **RETAKING** – For the breach by Lessee of any agreement or condition set forth herein, or, should this lease terminate, the Lessor may retake the equipment and it shall be permissible for the Lessor with or without notice and with or without legal process to retake said equipment, using all necessary force so to do and Lessee hereby expressly waives for itself and its employees all damages or loss, if any, suffered or caused by the reason of said taking. The Lessee hereby authorizes the Lessor, or the Lessor's agent, to enter upon any lands upon which the equipment may be located and any such entry shall not be considered a trespass upon such lands.
- 15) **LESSOR'S EXPENSES** – Lessee shall pay Lessor all costs and expenses, including solicitor's fees on a solicitor client basis, incurred by Lessor in exercising any of its rights or remedies hereunder of enforcing any of the terms, conditions, or provisions hereof including any costs of removal of said equipment.
- 16) **ASSIGNMENT** – Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge or hypothecate this lease, the equipment or any part thereof, or any interest therein or (b) sublet or lend equipment or any part thereof, or permit the equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees.
- 17) **OWNERSHIP** - The equipment is, and at all times shall remain, the sole and exclusive personal property of Lessor, and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this lease.

- 18) **CALCULATION OF RENTAL** – The rental rates herein are based upon the general industry practise of one 10hr shift per day, 50 hours per week, and 200 hours per a four week (28 day) period. If the equipment is used for periods in excess of general practice, overtime will be charged. If the equipment is rented by the day, the rate of overtime is 1/10 daily rate for each hour in excess of 10. If it is rented by the week, the rate for overtime is 1/50<sup>th</sup> of the weekly rate for each hour in excess of 50. If it is rented by four weeks, overtime is 1/200<sup>th</sup> of the monthly rate for each hour in excess of 200 hours in any one 28 consecutive day period.
- 19) **TIME OF RETURN** – Lessee's right to possession of the equipment terminates on the expiration of the rental period and retention of possession after this time constitutes a material breach of this contract. Time is of the essence of this contract. Any extension must be mutually agreed upon in writing.
- 20) **LATE RETURN** – Lessee agrees to return the rented equipment during Lessee's regular store hours, upon termination of the rental period. If not timely returned, Lessee shall pay an additional charge of 1/6 of the daily rate for each hour the equipment is retained beyond the expiration of the rental period.
- 21) **DAMAGE AND LOSS PROVISION** – Lessee assumes the entire risk of loss with respect to the equipment from damage, theft or mysterious disappearance, whether or not due to fault of Lessee and shall pay the Lessor for said loss immediately upon receipt of invoice. The Lessor may, and the Lessee expressly authorizes the charging against the Lessee's credit card of an amount approximated to be the value of the lost equipment or the value of the cost to repair damaged equipment, pending the determination of the actual value of the equipment or any cost to repair it.

If the Lessor offers a damage waiver and the Lessee accepts such damage waiver on the face of this agreement and if the Lessee is in compliance with the damage waiver requirements and if the equipment is used for its specified purposes and was not misused in any fashion, then the Lessor agrees to wave claims for damage excluding vandalism, or malicious mischief, subject to the following terms and conditions:

- A) The Lessor shall apply as a deductible 15% of the repair or replacement costs, whichever is less, for each item of the equipment claimed for damage.
- B) The damage waiver shall not apply for the loss to any and all accessories, such as, but not limited to, \_\_\_\_\_ and other similar items or accessories.
- C) The damage waiver shall not apply to damage to any equipment arising from the Lessee's negligence or willful neglect. There shall not be waiver of claim for damage to:
  - i. Any equipment such as overloading or exceeding the rated capacity of the said equipment.
  - ii. To motors, generators, drills or other electrical appliances or devices caused by portable electric current, whether or not said portable electric current is supplied by Lessor.
  - iii. Any equipment damaged caused by overturning.
  - iv. Any equipment from dirtying by mud, paint, plaster, concrete, resin or other material. Lessee is responsible for cleaning and repainting if required.
  - v. The altering or overriding of any manufactures safety switches and/or devices.
  - vi. Due to mysterious disappearance or shortage disclosed in inventory.
  - vii. Resulting from a lack of, or negligent lubrication or other proper servicing of equipment.

22) NOTICE – Whenever giving of notice as 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 third business day after that on which the notice was mailed by registered mail.

23) This contract shall be construed in accordance with the laws of the Province of Alberta.