

EQUIPMENT RENTAL – LEASE TERMS/PROVISIONS

By this lease and in consideration of the statements in the Equipment Rental Agreement attached hereto and forming part of this Agreement and the following agreements, limitations and conditions, the Lessor leases unto the person, firm or corporation signing this lease as Lessee (hereinafter called "Lessee or Customer"), that certain personal property, hereinafter called equipment, described in the Equipment Rental Agreement.

() 1. TERM. Unless otherwise provided in the Equipment Rental Agreement , the term of this lease regarding each item of equipment commences on the date of pick up by the Lessee or Lessee's agent, or, if shipped, 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, or pick-up by the lessor. 1 day equals 24 hours with maximum 8 hours operation. 7 days equals 1 week which equals 168 hours with maximum 40 hours operation. 28 days equals 1 month which equals 672 hours with maximum 160 hours operation.

() 2. RENT. The rent for any and every item of equipment shall be the amount designated in the Equipment Rental Agreement.

() 3. PAYMENT. All rentals due under this agreement shall be paid monthly, weekly or daily, as the case may be depending upon whether the equipment has been rented by the month, by the week, or by the day, in advance to the office of the Lessor. All overdue payments shall bear interest at the rate of 2% per month (24% per annum) on the unpaid balance without prejudice to the Lessor's rights, and in particular without prejudice to the Lessor's right hereinafter stipulated to terminate this agreement for non payment of rental.

() 4. LOCATION. The equipment shall be located only at the address designated by the Lessee at the time of execution of this agreement and shall not be removed from the designated address therein without the Lessor's prior written consent, which consent may be withheld for whatever reason.

() 5. USE. Lessor shall comply with all laws in any way directly or indirectly relating to the use, operation or maintenance of the equipment. Operator must be qualified to operate or use the equipment and Lessee hereby warrants the same at all times. Lessor does not make any representations or warranties that the equipment shall be appropriate or correct for the intended use of the Lessee and the Lessor shall in no way be liable for any losses, damages, claims or costs in that regard.

() 6. ACCEPTANCE. Lessee acknowledges and warrants, the Lessee is familiar with such equipment and the operation thereof and has inspected and accepted said equipment in good operating condition.

() 7. INSPECTION. Lessor shall at any and all times during business hours have the right to enter into and upon the premises where the equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall give Lessor immediate notice of any legal proceedings or other matters which may affect the equipment and shall whenever requested by Lessor advise Lessor the exact location of the equipment.

() 8. LOSS, DAMAGE AND REPAIRS. Lessee hereby assumes and shall bear the 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 any 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 item of equipment, Lessee at the option of Lessor, shall place the same in good repair, condition and working order or alternatively, replace damaged or lost equipment at today's new market value or repair the damaged equipment, the cost of such repairs or replacement to be borne by the Lessee together with interest on the outstanding balance at the rate of 2% per month (24% per annum) from date of invoice to the date of payment.

() 9. ALTERATIONS. Without the prior written consent of Lessor, which consent may be withheld for whatever reason, Lessee shall not make any alterations, additions or improvements to the equipment. All additions and improvements of any kind or nature whatsoever 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 way change any insignia or lettering upon any of the said equipment. The

Lessee shall not tamper with: Odometers, Speedometers or Hour meters on units equipped with same. If these meters show signs of tampering or disconnecting the customer agrees to the following charges at the option of the Lessor. Odometers/Speedometers - a charge of 50 KM or 30 miles for each hour the equipment was in the customer's possession. Hour meters - a charge of 1 hour for each hour the equipment was in the customer's possession.

() 10. DOWN TIME. Should the Lessor suffer lost rentals or incur expenses as a result of the unavailability of leased equipment being repaired by the Lessee or Lessor due to damage or loss of the said leased equipment arising during the term of this lease, then such lost rentals and expenses shall be the sole responsibility of the Lessee and the Lessee shall forthwith pay and/or reimburse the Lessor for the same.

() 11. EXPENSE. During the term of this lease, the Lessee shall at the Lessee's own expense, pay the cost of: (a) all fuel, oil and lubricants required to operate and maintain the equipment, (b) all repairs and replacement parts including labor charges, required to be made to the equipment in order to keep it in good repair and running order.

() 12. 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 excepted.

() 13. INSURANCE. The Lessee shall at the Lessee's 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 new replacement value at date of replacement or cash equivalent, such insurance to cover the insurable interest of the Lessor in said equipment. This insurance shall be kept in full force and effect from the time the equipment is leased out by the Lessee or is shipped by the Lessor until it is returned by the Lessee to the Lessor during the Lessor's normal business hours with Lessor's acknowledgement. Customer will, on demand, furnish Lessor with a Certificate of Insurance evidencing the applicable coverages. Such certificate(s) shall include liability limits of not less than \$2,000,000.00 per occurrence and shall be endorsed to provide that the applicable insurance policies may not be cancelled or materially modified except on thirty (30) days prior written notice to the Lessor at the address of the Lessor on the front of this document. The Lessee agrees to immediately inform the Lessor in writing of all losses or damages to the equipment and provide the Lessor the name of the Lessee's insurance company, name and address of the Lessee's insurance agent, a copy of the police report and complete information concerning insurance coverage for said loss or damage. The Lessee further hereby assigns and grants a security interest to the Lessor to any and all proceeds payable from any claims or otherwise generated from insurance coverage over any and all of the personal property covered by this Agreement.

() 14. FORCE MAJEURE. Lessor shall incur no liability whatsoever for any delay or failure to deliver the equipment or for any delay or failure to perform any of its obligations hereunder by reason of any causes beyond the control of Lessor whether or not such causes of delay or failure are in existence and/or whether or not known to the Lessor at the time of completion of this agreement.

() 15. 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 costs, on a solicitor-client basis, 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.

() 16. SECURITY. As security for the prompt and full payment of the rent, and faithful and timely performance of all provisions of this lease, and any extension or renewal thereof, on its part to be performed, Lessee has provided the Lessor with its credit card, which is hereby pledged and deposited with Lessor. In the event any default shall be made in the performance of any of the covenants on the part of Lessee herein contained with respect to any item or items of equipment, Lessor shall have the right, but shall not be obligated, to process the said credit card as payment of all amounts due and owing at the time and the Lessee hereby irrevocably authorizes the Lessor to do so. Any such application shall not be a defense to any action by Lessor arising out of said default. The Lessee hereby further confirms that this Agreement and any extension or renewal or replacement hereof constitutes a security interest. The Lessee agrees and consents to the Lessor filing any and all documentation required by any governmental authority whatsoever in any jurisdiction requiring registration of any such security interest or interests, as created by this Agreement and agrees to reimburse and indemnify the Lessor for any expenditure that might be incurred in registering any documentation required by any jurisdiction or governmental authority in that regard. The Lessee acknowledges receipt of a duplicate copy of this Agreement and waives its right to receive a copy of any document verifying registration of this Agreement.

() 17. DEFAULT - If Lessee with regard to any item or items of equipment fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if Lessee with regard to any item or items of equipment fails to observe, keep or perform any other provision of this lease required to be observed, kept or performed by Lessee, Lessor shall have the right at its sole discretion to exercise any one or more of the following remedies: (a) To declare the entire amount of rent hereunder immediately due and payable as to any or all items of equipment; (b) To sue for and recover all rents, and other payments then accrued or thereafter accruing, with respect to any or all items of equipment; (c) To take possession of any or all items of equipment without demand or notice, wherever same may be located without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this lease as to any or all items or equipment unless Lessor expressly so notifies Lessee in writing; (d) To terminate this lease as to any and all items or equipment; or (e) To pursue any other remedy at law or inequity. Notwithstanding any said repossession, or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of the Lessee to be performed under this lease. All such remedies are cumulative, and may be exercised concurrently or separately.

() 18. BANKRUPTCY - Neither this lease nor any interest therein is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if the Lessee makes any assignment for the benefit of its creditors, or if a writ of attachment or execution is levied on any item or items of the equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action and given authority to take possession or control of any item or items of the equipment, Lessor shall in its sole discretion have and may exercise any one or more of the remedies set forth in this agreement; and this lease shall, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee from the date of the exercise of said option.

() 19. LESSOR'S EXPENSE - 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 or enforcing any of the terms, conditions, or provisions hereof including any costs of removal of the said equipment.

() 20. ASSIGNMENT - Without the prior written consent of Lessor, which consent may be withheld for whatever reason, 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 the equipment or any part thereof to be used by anyone other than Lessee. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, without notice to Lessee.

() 21. OWNERSHIP - The equipment is, and shall at all times be and 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.

() 22. PERSONAL PROPERTY - The equipment is, and shall at all times be and remain, personal property notwithstanding that the equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereof, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise. The Lessee acknowledges that any property of the Lessor that is affixed or attached to any other property is solely for the better use of the Lessors property.

() 23. OFFSET - Lessee hereby waives any and all existing and future claims, and offsets, against any rent or other payments due hereunder, and agrees to pay the rent and other amounts hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

() 24. NON WAIVER - No covenants or conditions of this lease can be waived except by the written consent of Lessor, which consent may be withheld for whatever reason. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be performed by Lessee to which the same may apply, and, until complete performance by Lessee of said covenants or conditions. Lessor shall be entitled to invoke any remedy available to Lessor under this lease or by law or in

equity despite said forbearance or indulgence.

() 25. TIME BASIS OF RATES. The rental rates herein are based upon the general practice industry 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 the general practice, 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 in excess of eight. If it is rented by the week, the rate for overtime is 1/40th of the weekly rate for each hour in excess of 40. If it is rented by 4 weeks the overtime rate is 1/160th of the monthly rate for each hour in excess of 160 hours in any one 28 consecutive day period. Lessee shall advise Lessor when equipment is used more than a single shift. Rental rates shall not be subject to any deduction for any non-working time during the rental period. All charges will be calculated using the best combination of daily, weekly, and monthly to give the lowest possible charges.

() 26. LOADING, UNLOADING AND TRANSPORTATION. The Lessor only, unless otherwise agreed by the Lessor, shall load the equipment for transit and shall unload the said equipment upon its return. The Lessee shall pay all shipping expenses from the original point of shipment to its receiving point and all return shipping expenses to the Lessor's yard.

() 27. LIEN. The Lessee acknowledges that the Lessor has a right to file a lien, under the appropriate legislation against the owner of the land where the equipment was used should rental payments not be forthcoming.

() 28. SEVERABILITY. If any part of this agreement be declared or held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity and enforceability of the remainder which shall continue in force and effect and be construed as if this agreement had been executed without the invalid or unenforceable portion and it is hereby declared the intention of the parties hereto that this agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid or unenforceable.

() 30. ACKNOWLEDGEMENT. Lessee acknowledges and understands that the Agreement contained herein is and shall become part of every Rental Agreement, oral or written, between the Lessee and Lessor and will be retained by the Lessor as evidence of such Agreement for all other rentals by the Lessee.

() 31. PROPER LAW. This agreement shall be governed by and construed in accordance with the laws of the province of Ontario and all actions or legal proceedings may only be commenced in the City of Sarnia, Ontario. The Lessee agrees to this Court Jurisdiction regarding of any statute or law to the contrary.

() 32. ENTIRE AGREEMENT. This instrument constitutes the entire agreement between Lessor and Lessee; and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto.

() 33. TIME. Time is of the essence of this lease and each and all of its provisions.

() 34. INTEREST. Any amounts arising under the terms of the contract shall bear interest of 2% per month (24% per annum) both before and after maturity, default and/or judgement.

() 35. WHO MAY OPERATE THE EQUIPMENT. Only the Lessee/Customer and the following persons with Customer's permission ("Authorized Operators") may operate the Equipment: Customer's employer, employees, fellow employees in the course of such employee's regular employment, or persons approved by the Lessor in writing. Customer and all Authorized Operators must: be at least 25 years old to operate a motor vehicle, 21 years old for all other Equipment; be properly qualified to operate the Equipment; and have a valid Operator's license with respect to the Equipment where required by law.

BY MY SIGNATURE I ACKNOWLEDGE I HAVE READ AND I UNDERSTAND AND AGREE TO THE PARTICULARS SET OUT ON THIS PAGE, AND EACH AND ALL OF THE PROVISIONS APPEARING OR REFERRED TO IN THE EQUIPMENT RENTAL AGREEMENT AND ALL PRECEDING PAGES HEREIN AS IF THEY WERE PRINTED ABOVE MY SIGNATURE, AND I ACKNOWLEDGE THAT THE EQUIPMENT RENTAL AGREEMENT AND ALL OF THE PAGES OF THIS EQUIPMENT RENTAL – LEASE TERMS/PROVISIONS COMPRISE 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. PURSUANT TO THE REQUIREMENTS OF THE LESSOR, OAK EQUIPMENT RENTALS, BY MY SIGNATURE, I ACKNOWLEDGE I HAVE SPECIFICALLY READ AND I UNDERSTAND AND AGREE TO THE SECTIONS OF THIS RENTAL AGREEMENT WITH RESPECT TO INSURANCE AND INDEMNITY. _____