

Toran Power and Equipment Ltd.
Schedule A – Standard Rental Agreement Terms and Conditions

Article I. Introduction

Section 1.01 The following terms and conditions apply to the rental of Asset(s) by Toran Power & Equipment Ltd. ("TORAN") to its customers ("Customer"). No provisions of any purchase order submitted by the Customer and no waiver, alteration or modification of any of the following conditions shall be binding on TORAN unless the deviation is in writing and signed by an authorized signing officer of TORAN. Acceptance of delivery of the Asset(s) by Customer constitutes an Agreement by Customer to be bound by these terms and conditions.

Article II. Term

Section 2.01 The rental term shall commence on and include the date of delivery of the Asset(s) at TORAN's Point of Delivery to Customer, its agent or carrier, or if TORAN is providing transportation services to Customer, at the time Asset(s) are loaded onto the transport vehicle. The rental term shall end on and include the date of the actual delivery of the Asset(s) to the Point of Delivery from which the Asset(s) were first shipped. Unless otherwise specified in writing, the Point of Delivery shall be TORAN's yard in Leduc, AB. In calculating the rental period, twenty-four hours or any part thereof constitutes one full day. TORAN reserves the right to impose a minimum rental period which, if applicable, shall be stated in the quotation letter ("Quotation") attached to the face of this document.

Section 2.02 Customer agrees to provide TORAN prior to the commencement of the services and/or Asset(s) to be provided, all information material to the performance of the work. TORAN reserves the right to terminate its services at any time if it, in its sole discretion, considers that conditions pertaining to the work to be performed make termination advisable.

Section 2.03 Customer accepts that TORAN reserves the right exercisable on 48 hours notice at any time to require the return of Asset(s) by Customer. Customer hereby agrees to return the Asset(s) to TORAN on or before the time stipulated in the notice provided for in this clause. In the event that Customer fails to return the Asset(s) by that time, Customer shall be deemed to be in default hereunder.

Article III. Rent/Charges

Section 3.01 Customer agrees to pay for services and Asset(s) in accordance with the price stated in the Quotation. TORAN shall invoice Customer upon return of the Asset(s), or if the rental period extends beyond the end of any month, at the end of each month thereafter, or, at the request of Customer, any shorter period therein. Payments shall be made in Canadian dollars to TORAN's offices located in Calgary, Alberta, within (30) thirty days after the date of the invoice. If payment is not made on the due date, interest upon the unpaid balance, including interest, it shall accrue at the rate of one and one half percent (1 ½ %) per month until paid. Customer shall be liable for all legal fees incurred by TORAN in the collection of any unpaid account.

Section 3.02 In addition to charges for personnel and Asset(s), TORAN shall, if applicable, make charges for mileage, shipping and transportation, stand-by rentals, taxes (sales, use, or occupation), and other special items. Where there are abnormal conditions, for example, excessive wear, or un-recommended operating conditions, prices charged may be in excess of standard published prices. Where it is necessary for TORAN to utilize third-party suppliers, Customer shall pay TORAN the supplier's list price plus a handling charge of twenty-five (25%) percent. TORAN makes no warranty with respect to Asset(s) furnished by a third-party supplier.

Section 3.03 Any Asset(s) that are damaged by Customer and must be repaired, shall be charged to Customer at one half of the Rental Charge until it is ready for service and any Asset(s) that are lost and/or damage beyond repair by Customer shall be charged to Customer at the full Rental Charge until the same is replaced.

Section 3.04 All rental periods include Sundays and Holidays. Rental Charges shall not be subject to any deduction while the Asset(s) are idle during the rental term unless it is agreed to in advance by TORAN in writing. Late payment may result in immediate seizure and return of Asset(s) at the expense of Customer.

Section 3.05 A security deposit shall be paid in advance by Customer unless credit is established prior to the release of Asset(s). By signing the face of this document, Customer accepts responsibility for payment to TORAN of the full current replacement value of the Asset(s) in the event of total loss.

Article IV. Transportation/Point of Delivery

Section 4.01 The Point of Delivery shall be at either of TORAN's operations facility located in Leduc, AB as agreed in writing, or at another location if otherwise specified in writing by TORAN.

Section 4.02 Customer agrees to pay for all freight and handling charges relating to transporting and handling of the Asset(s) unless otherwise agreed to in writing by TORAN.

Section 4.03 Upon termination of this Agreement by action of TORAN or by Customer, Customer shall at its sole expense promptly return the Asset(s) to the Point of Delivery.

Article V. Use and Risk

Section 5.01 Customer shall not use, operate, maintain or store the Asset(s) rented hereunder improperly, carelessly or in violation of this Agreement, good oilfield practice or any applicable regulatory laws and bodies whatsoever, or in violation of the instructions thereof furnished by TORAN; nor use or operate the Asset(s) other than in the manner and for the use contemplated by TORAN; or permit without the prior written consent of TORAN, assignment of this Agreement or let the Asset(s) or permit anyone other than its authorized agents or employees to operate the same or permit the Asset(s) to be subject to any lien, charge or encumbrance whatsoever.

Section 5.02 Customer has been offered the opportunity to make a thorough and complete examination of the Asset(s) and hereby accepts the Asset(s) in an "as-is" condition. Customer is aware that there is no warranty of any kind expressed or implied or statutory as to the safety, fitness for a particular purpose or any other matter with respect to the Asset(s), whether used alone or with other equipment and/or substances while under the care and control of Customer. Customer shall at its own expense defend TORAN, its employees, directors, agents, officers, and stockholders from any claim or litigation in connection with Customer's use or operation of the Asset(s) leased hereunder. In no event, shall TORAN be made liable for any direct or indirect loss or damages (whether incidental, special, consequential, or otherwise) or for any claims directly or indirectly attributable to the Asset(s).

Section 5.03 Customer by signing the Quotation does hereby indemnify and hold TORAN, its subsidiaries, and affiliates, and any of its (their) employees, officers, stockholders, directors, or agents harmless from any and all liens, encumbrances, fines, penalties, claims, liabilities, and causes of action, to, or by any person including Customer, or government entity, including those for injury to, disease or death of any person and for damage to or destruction of any property, resulting directly or indirectly from any and all acts or omissions of Customer or of anyone directly or indirectly employed by, or associated with Customer in connection with the performance of any activity contemplated hereby. It is the responsibility of Customer to undertake necessary precautions as well as to provide adequate supervision of the Asset(s) while in possession of Asset(s). It is Customer's responsibility to provide proper devices, personnel and Asset(s) to conform to applicable safety and environmental standards of Asset(s).

Section 5.04 Customer assumes all risks of loss, theft or destruction of and damage to the Asset(s) and will hold TORAN harmless from any thereof and from all claims and liens for storage, labour and materials incurred by Customer in connection with the Asset(s).

Section 5.05 Customer, by signing this Agreement, does hereby indemnify and save harmless TORAN against all such loss that may arise from the rental of these Asset(s), including any and all costs that TORAN may incur on a solicitor and his own client basis, in defending any action commenced in relation to the loss.

Section 5.06 Customer acknowledges that the Asset(s) may bear, contain, or produce hazards which may become (by chemical reaction or otherwise) hazardous to life, health or property not limited to: Hazardous Chemicals and other Hazards; Electrical power, flammable vapours or liquids, Rotating parts, hot surfaces & hot gases, Poisonous exhaust gases, high noise levels. After the time the Asset(s) leaves the possession and control of TORAN including, but not limited to, during use, Customer shall be responsible to whom each person to whom becomes exposed to such items (including but not limited to, Customer's employees, subcontractors and Customers) of the hazards associated therewith, and Customer shall take all actions necessary to protect such persons from such hazards.

Section 5.07 Customer shall not sublet the Asset(s). Customer shall not assign or transfer any interest under this Agreement without the prior written consent of TORAN.

Section 5.08 The installation and/or use of the Asset(s), whether at Customer's premises or elsewhere, shall be the sole responsibility of Customer and shall be at Customer's expense. Customer shall bear all costs and responsibility for (i) the safe and proper maintenance and operation of the Asset(s) (ii) training all of Customer's personnel assigned to operate or maintain such Asset(s) and (iii) the installation and maintenance of any safety guards and other safety apparatus beyond what is included with the Asset(s) or which may be required or affixed at any time during rental period.

Article VI. Maintenance/Damage to Asset(s)

Section 6.01 Customer agrees to exercise proper care in the use and servicing of the Asset(s) and to keep and maintain the same in good working order, condition and repair at its own expense, replacing all damaged or broken parts with new parts of original manufacture. TORAN or its representative shall have the right at any time during usual business hours to inspect the Asset(s) and make any repairs that Customer has failed to make and for that purpose to have access to the place where the Asset(s) then is and Customer shall on the request of TORAN, furnish such supplemental information as may be reasonably necessary to determine whether or not Customer is performing the terms and conditions of this Agreement on its part to be observed and performed. The cost

Toran Power and Equipment Ltd.
Schedule A – Standard Rental Agreement Terms and Conditions

of any repairs made by TORAN shall be payable by Customer. If the Asset(s) when returned to TORAN are not in good condition and repair, TORAN may make all repairs and replacement necessary to return it to the original integrity as it was at the date of commencement of the term hereof, and Customer shall pay the costs of such repairs and/or replacement forthwith upon demand by TORAN. Customer agrees to pay to TORAN the current new replacement cost of any rental Asset(s) that are lost, destroyed or damaged beyond repair. Customer will pay rent at one-half the current rental rate from the date of loss or damage until repair or replacement is completed. Certain leased Asset(s) will require inspection upon its return to TORAN, which inspection shall be done at the expense of Customer. Customer further covenants and agrees that it shall not remove, modify, alter or in any way deface TORAN's trade name, marking or serial numbers that appear on, or are located upon the leased Asset(s).

Section 6.02 Prior to the loading of the Asset(s) for shipment, it is the responsibility of Customer to make an inspection of the Asset(s). Any damage or shortage to the Asset(s) must be made known in writing to TORAN. Once Customer accepts the Asset(s) for shipment, the Asset(s) shall be deemed to have been delivered to Customer in acceptable condition and working order. Customer's right of inspection shall be in lieu of any warranties or guarantees, expressed or implied. Customer accepts the Asset(s) on the basis that TORAN makes no warranties or guarantees whatsoever, expressed or implied, as to the Asset(s) or their condition, performance or fitness for any purpose of Customer, Customer accepts the Asset(s) on an as-is where-is basis, and the rental charges and other charges payable under this Agreement shall be due. TORAN shall have the right at any time without notice, during the rental period to enter upon the premises or place where the Asset(s) is located and shall be given free access for the purpose of inspecting the Asset(s) without any trespass being occasioned thereby.

Section 6.03 The Asset(s) shall be used solely in the conduct of Customer's business and within Customer's possession and control. The Asset(s) shall not be operated or repaired by anyone other than Customer's duly qualified and authorized employees, and/or contractors approved by TORAN.

Section 6.04 Change of site location must be reported to TORAN prior to relocating Asset(s). Customer agrees that if it fails to do so, TORAN is authorized to make immediate seizure and return of Asset(s) at the expense of Customer.

Article VII. Warranty

Section 7.01 Customer acknowledges and agrees (i) that the Asset(s) is of a size, design, capacity and manufacture selected by Customer, (ii) that Customer has inspected the Asset(s) and is satisfied that the same is suitable for Customer's purposes; and (iii) that TORAN has not made and does not hereby make any representation or warranty or covenant with respect to the merchantability, condition, quality, durability or suitability of the Asset(s) in any respect to or in connection with or for the purposes and uses of Customer; any other representation or warranty or covenant of any kind or character express or implied, with respect thereto other than as set forth in Section 7.02. Customer agrees that TORAN shall not be liable to Customer for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the Asset(s) or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the care or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide any thereof, or any damage whatsoever and however caused.

Section 7.02 The sole and exclusive remedy for any breach of warranty express or implied, including without limitation, any warranties of merchantability or fitness, and the sole remedy for Customer's liability of any kind, including liability for negligence, with respect to the Asset(s) and any substitute Asset(s) made available through TORAN, and all other performance by TORAN under and pursuant to this Agreement shall be limited to the repair and replacement of any defective Asset(s) and shall not include any incidental or consequential damages.

Article VIII. Insurance

Section 8.01 Customer shall maintain for the mutual benefit of Customer and TORAN liability insurance against claims for personal injury, deeds or property damage arising from or incident to the use of the Asset(s), such insurance to afford protection to the limit of not less than TWO MILLION DOLLARS (\$2,000,000) in respect to injury or death to a single person, to a limit of not less than TWO MILLION DOLLARS (\$2,000,000) in respect of any one accident and Customer will maintain insurance on the Asset(s) for the new replacement value thereof and will maintain public liability and property damage insurance with respect to the same. Customer will provide in possession of Asset(s). It is Customer's responsibility to provide proper devices, personnel and Asset(s) to conform to applicable safety and environmental standards of Asset(s).

Section 8.02 Customer assumes all risks of loss, theft or destruction of and damage to the Asset(s) and will hold TORAN harmless from any thereof and from all claims and liens for storage, labour and materials incurred by Customer in connection with the Asset(s).

Section 8.03 Customer, by signing this Agreement, does hereby indemnify and save harmless TORAN against all such loss that may arise from the rental of these Asset(s), including any and all costs that TORAN may incur on a solicitor and his own client basis, in defending any action commenced in relation to the loss.

Section 8.04 Customer acknowledges that the Asset(s) may bear, contain, or produce hazards which may become (by chemical reaction or otherwise) hazardous to life, health or property not limited to: Hazardous Chemicals and other Hazards; Electrical power, flammable vapours or liquids, Rotating parts, hot surfaces & hot gases, Poisonous exhaust gases, high noise levels. After the time the Asset(s) leaves the possession and control of TORAN including, but not limited to, during use, Customer shall be responsible to whom each person to whom becomes exposed to such items (including but not limited to, Customer's employees, subcontractors and Customers) of the hazards associated therewith, and Customer shall take all actions necessary to protect such persons from such hazards.

Section 8.05 Customer shall not sublet the Asset(s). Customer shall not assign or transfer any interest under this Agreement without the prior written consent of TORAN.

Section 8.06 The installation and/or use of the Asset(s), whether at Customer's premises or elsewhere, shall be the sole responsibility of Customer and shall be at Customer's expense. Customer shall bear all costs and responsibility for (i) the safe and proper maintenance and operation of the Asset(s) (ii) training all of Customer's personnel assigned to operate or maintain such Asset(s) and (iii) the installation and maintenance of any safety guards and other safety apparatus beyond what is included with the Asset(s) or which may be required or affixed at any time during rental period.

Article IX. Maintenance/Damage to Asset(s)

Section 9.01 Customer agrees to exercise proper care in the use and servicing of the Asset(s) and to keep and maintain the same in good working order, condition and repair at its own expense, replacing all damaged or broken parts with new parts of original manufacture. TORAN or its representative shall have the right at any time during usual business hours to inspect the Asset(s) and make any repairs that Customer has failed to make and for that purpose to have access to the place where the Asset(s) then is and Customer shall on the request of TORAN, furnish such supplemental information as may be reasonably necessary to determine whether or not Customer is performing the terms and conditions of this Agreement on its part to be observed and performed. The cost of any repairs made by TORAN shall be payable by Customer. If the Asset(s) when returned to TORAN are not in good condition and repair, TORAN may make all repairs and replacement necessary to return it to the original integrity as it was at the date of commencement of the term hereof, and Customer shall pay the costs of such repairs and/or replacement forthwith upon demand by TORAN. Customer agrees to pay to TORAN the current new replacement cost of any rental Asset(s) that are lost, destroyed or damaged beyond repair. Customer will pay rent at one-half the current rental rate from the date of loss or damage until repair or replacement is completed. Certain leased Asset(s) will require inspection upon its return to TORAN, which inspection shall be done at the expense of Customer. Customer further covenants and agrees that it shall not remove, modify, alter or in any way deface TORAN's trade name, marking or serial numbers that appear on, or are located upon the leased Asset(s).

Section 9.02 Prior to the loading of the Asset(s) for shipment, it is the responsibility of Customer to make an inspection of the Asset(s). Any damage or shortage to the Asset(s) must be made known in writing to TORAN. Once Customer accepts the Asset(s) for shipment, the Asset(s) shall be deemed to have been delivered to Customer in acceptable condition and working order. Customer's right of inspection shall be in lieu of any warranties or guarantees, expressed or implied. Customer accepts the Asset(s) on the basis that TORAN makes no warranties or guarantees whatsoever, expressed or implied, as to the Asset(s) or their condition, performance or fitness for any purpose of Customer, Customer accepts the Asset(s) on an as-is where-is basis, and the rental charges and other charges payable under this Agreement shall be due. TORAN shall have the right at any time without notice, during the rental period to enter upon the premises or place where the Asset(s) is located and shall be given free access for the purpose of inspecting the Asset(s) without any trespass being occasioned thereby.

Section 9.03 The Asset(s) shall be used solely in the conduct of Customer's business and within Customer's possession and control. The Asset(s) shall not be operated or repaired by anyone other than Customer's duly qualified and authorized employees, and/or contractors approved by TORAN.

Section 9.04 Change of site location must be reported to TORAN prior to relocating Asset(s). Customer agrees that if it fails to do so, TORAN is authorized to make immediate seizure and return of Asset(s) at the expense of Customer.

Section 9.05 The Customer shall return the Machine in good working order and repair to Toran. All damage to the Machine over and above Normal Wear (Extra-ordinary Wear and Tear) and/or damage to the Machine caused by negligence, malice, misuse, vandalism, etc., shall be charged back to Customer within forty-five (45) days of the completion of the project. The Customer shall be responsible for all costs associated with restoring the Machine to its original working condition upon delivery to the job site. This shall include specifically:

- i. Excessive wear on electrical systems;
- ii. Excessive wear on the engine and/or cooling systems;
- iii. Overloading or excessive idling;
- iv. Damaged circuit breakers and transformers;

Toran Power and Equipment Ltd.
Schedule A – Standard Rental Agreement Terms and Conditions

- v. Improper electrical connections;
- vi. Damage caused by poor power quality and unbalanced loads;
- vii. Failure on the part of the Customer to properly maintain or service the machine;
- viii. Careless or improper maintenance;
- ix. Careless or improper use of the machine by the Customer;
- x. Failure to use the machine as specified in the Quotation;
- xi. Failure to use proper spare parts;
- xii. Vandalism;
- xiii. Failure to ensure that the equipment is stored in a safe location when not in use;
 - xiv. Any and all extra-ordinary wear on the machine.

Article X. Warranty

Section 10.01 Customer acknowledges and agrees (i) that the Asset(s) is of a size, design, capacity and manufacture selected by Customer, (ii) that Customer has inspected the Asset(s) and is satisfied that the same is suitable for Customer's purposes; and (iii) that TORAN has not made and does not hereby make any representation or warranty or covenant with respect to the merchantability, condition, quality, durability or suitability of the Asset(s) in any respect to or in connection with or for the purposes and uses of Customer; any other representation or warranty or covenant of any kind or character express or implied, with respect thereto other than as set forth in Section 7.02. Customer agrees that TORAN shall not be liable to Customer for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the Asset(s) or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the care or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide any thereof, or any damage whatsoever and however caused.

Section 10.02 The sole and exclusive remedy for any breach of warranty express or implied, including without limitation, any warranties of merchantability or fitness, and the sole remedy for Customer's liability of any kind, including liability for negligence, with respect to the Asset(s) and any substitute Asset(s) made available through TORAN, and all other performance by TORAN under and pursuant to this Agreement shall be limited to the repair and replacement of any defective Asset(s) and shall not include any incidental or consequential damages.

Article XI. Insurance

Section 11.01 Customer shall maintain for the mutual benefit of Customer and TORAN liability insurance against claims for personal injury, deeds or property damage arising from or incident to the use of the Asset(s), such insurance to afford protection to the limit of not less than TWO MILLION DOLLARS (\$2,000,000) in respect to injury or death to a single person, to a limit of not less than TWO MILLION DOLLARS (\$2,000,000) in respect of any one accident and Customer will maintain insurance on the Asset(s) for the new replacement value thereof and will maintain public liability and property damage insurance with respect to the same. Customer will provide