

EQUIPMENT RENTAL AGREEMENT

THIS EQUIPMENT RENTAL AGREEMENT (this "Agreement") dated this _____ day of _____, _____

BETWEEN:

(the "Lessor")

OF THE FIRST PART

- AND -

(collectively and individually the "Lessee")

OF THE SECOND PART

(the Lessor and Lessee are collectively the "Parties")

IN CONSIDERATION OF the mutual covenants and promises in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Lessor leases the Equipment to the Lessee, and the Lessee leases the Equipment from the Lessor on the following terms:

Definitions

1. The following definitions are used but not otherwise defined in this Agreement:

a. "Casualty Value" means the market value of the Equipment at the end of the Term or when in relation to a Total Loss, the market value the Equipment would have had at the end of the Term but for the Total Loss. The Casualty Value may be less than but will not be more than the original purchase price of the Equipment.

b. "Equipment" means

which has an approximate value of \$_____.

- c. "Total Loss" means any loss or damage that is not repairable or that would cost more to repair than the market value of the Equipment.

Lease

2. The Lessor agrees to lease the Equipment to the Lessee, and the Lessee agrees to lease the Equipment from the Lessor in accordance with the terms set out in this Agreement.

Term

3. The Agreement commences on _____ **day of** _____, _____ and will continue until _____ **day of** _____, _____ (the "Term").

Rent and Deposit

4. The rent for the Equipment, inclusive of sales tax, will be \$_____ per _____ (the "Rent") and the Rent will be paid prior to the Lessee taking possession of the Equipment.
5. The Lessee will pay a deposit of \$_____ (the "Deposit") before taking possession of the Equipment. The Lessor will refund the Deposit to the Lessee at the end of the Term provided that the Lessee has performed all of the Lessee's obligations under this Agreement.

Use of Equipment

6. The Lessee will use the Equipment in a good and careful manner and will comply with all of the manufacturer's requirements and recommendations respecting the Equipment and with any applicable law, whether local, state or federal respecting the use of the Equipment, including, but not limited to, environmental and copyright law.
7. The Lessee will use the Equipment for the purpose for which it was designed and not for any other purpose.
8. Unless the Lessee obtains the prior written consent of the Lessor, the Lessee will not alter, modify or attach anything to the Equipment unless the alteration, modification or attachment is easily removable without damaging the functional capabilities or economic value of the Equipment.

Warranties

9. The Equipment will be in good working order and good condition upon delivery.
10. The Equipment is of merchantable quality and is fit for the following purpose:
_____.

Loss and Damage

11. To the extent permitted by law, the Lessee will be responsible for risk of loss, theft, damage or destruction to the Equipment from any and every cause.
12. If the Equipment is lost or damaged, the Lessee will continue paying Rent, will provide the Lessor with prompt written notice of such loss or damage and will, if the Equipment is repairable, put or cause the Equipment to be put in a state of good repair, appearance and condition.
13. In the event of Total Loss of the Equipment, the Lessee will provide the Lessor with prompt written notice of such loss and will pay to the Lessor all unpaid Rent for the Term plus the Casualty Value of the Equipment, at which point ownership of the Equipment passes to the Lessee.

Ownership, Right to Lease and Quiet Enjoyment

14. The Equipment is the property of the Lessor and will remain the property of the Lessor.
15. The Lessee will not encumber the Equipment or allow the Equipment to be encumbered or pledge the Equipment as security in any manner.
16. The Lessor warrants that the Lessor has the right to lease the Equipment according to the terms in this Agreement.
17. The Lessor warrants that as long as no Event of Default has occurred, the Lessor will not disturb the Lessee's quiet and peaceful possession of the Equipment or the Lessee's unrestricted use of the Equipment for the purpose for which the Equipment was designed.

Insurance

18. No insurance coverage for the Equipment is required under this Agreement.

Indemnity

19. The Lessee will indemnify and hold harmless the Lessor against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees and costs, arising out of or related to the Lessee's use of the Equipment.

Default

20. The occurrence of any one or more of the following events will constitute an event of default ("Event of Default") under this Agreement:
- a. The Lessee fails to pay any amount provided for in this Agreement when such amount is due or otherwise breaches the Lessee's obligations under this Agreement.
 - b. The Lessee becomes insolvent or makes an assignment of rights or property for the benefit of creditors or files for or has bankruptcy proceedings instituted against it under the Federal bankruptcy law of the United States or another competent jurisdiction.
 - c. A writ of attachment or execution is levied on the Equipment and is not released or satisfied within 10 days.

Remedies

21. On the occurrence of an Event of Default, the Lessor will be entitled to pursue any one or more of the following remedies (the "Remedies"):
- a. Declare the entire amount of the Rent for the Term immediately due and payable without notice or demand to the Lessee.
 - b. Apply the Deposit toward any amount owing to the Lessor.
 - c. Commence legal proceedings to recover the Rent and other obligations accrued before and after the Event of Default.
 - d. Take possession of the Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. The Lessee waives any and all damage occasioned by such taking of possession.

e. Terminate this Agreement immediately upon written notice to the Lessee.

f. Pursue any other remedy available in law or equity.

Additional Clauses

22. _____

Entire Agreement

23. This Agreement will constitute the entire agreement between the Parties. Any prior understanding or representation of any kind preceding the date of this Agreement will not be binding on either Party except to the extent incorporated in this Agreement.

Address for Notice

24. Service of all notices under this Agreement will be delivered personally or sent by registered mail or courier to the following addresses:

Lessor: _____, _____

Lessee: _____, _____

Governing Law

25. It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the _____ without regard to the jurisdiction in which any action or special proceeding may be instituted.

General Terms

26. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

27. Time is of the essence in this Agreement.

29. Neither Party will be liable in damages or have the right to terminate this Agreement for any delay or default in performance if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions, wars, insurrections, natural disasters, such as earthquakes, hurricanes or floods and/or any other cause beyond the reasonable control of the Party whose performance is affected.

30. **NOTICE TO THE LESSEE:** This is a lease. You are not buying the Equipment. Do not sign this Agreement before you read it. You are entitled to a completed copy of this Agreement when you sign it.

____ (Lessee)