

EQUIPMENT LEASE (NORTH DAKOTA)

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF LESSOR]
[address of Lessor]
(the "Lessor")

- and -

[NAME OF LESSEE]
[address of Lessee]
(the "Lessee")

NOW THEREFORE Lessor hereby agrees to lease to and Lessee hereby agrees to lease from Lessor the personal property described in the attached Schedule "A" (the "Equipment"), which is incorporated herein by reference, upon the following terms and conditions:

NO WARRANTIES BY LESSOR

Lessee has selected both the Equipment and the Vendor from whom the Equipment was purchased (the "Vendor"). LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, and as to Lessor, Lessee leases the Equipment "AS IS".

NO CANCELLATION OF LEASE; RENT ADJUSTMENT

2.1 This Lease cannot be cancelled or terminated except as expressly provided by its terms or as otherwise agreed to by the parties in writing. Lessee acknowledges that Monthly Rent and other calculations set forth on Schedule "A" are estimates only. Lessee agrees that if the actual cost to Lessor of leasing the Equipment, including transportation, installation, taxes, and other expenses (including reasonable legal fees associated with the preparation of documents necessary to consummate this transaction), differs from the total equipment cost shown in Schedule "A", then the Rent and other calculations set forth on Schedule "A" shall be adjusted proportionately as appropriate, and the Lessor shall prepare and deliver to Lessee an amended Schedule "A" setting forth the same. Lessee agrees to execute any such Amended Schedule "A" tendered by Lessor which reasonably sets forth the respective changes.

2.2 If the Lessor's actual cost of leasing the equipment, or any part of that cost, differs from the total equipment cost initially shown on Schedule "A" by more than [NUMBER IN WRITING] percent ([##]%), Lessor or Lessee, at its option, may terminate this Lease. The option to terminate shall be exercised by giving written notice to the other party within [NUMBER IN WRITING] days ([##]) of the date of notice of the final purchase price by Vendor.

RIGHT TO LEASE

LESSOR WARRANTS THAT LESSOR HAS THE RIGHT TO LEASE THE EQUIPMENT, AS PROVIDED IN THIS LEASE

DELIVERY

Lessee shall arrange for the delivery of the Equipment, at Lessee's expense, within [NUMBER IN WRITING] ([##]) days after the date of this Lease Agreement. If delivery of the Equipment cannot be obtained within [NUMBER IN WRITING] ([##]) days of the date of the Lease Agreement, either Lessor or Lessee may terminate this Lease Agreement upon [NUMBER IN WRITING] ([##]) days written notice. If

required, Lessee authorizes Lessor to insert into Schedule "A" the serial numbers and other identification marks of Equipment when they are determined by Lessor.

ACCEPTANCE

5.1 On Lessor's request, Lessee shall give Lessor a written statement:

- (a) acknowledging receipt of the Equipment in good condition and repair; and
- (b) accepting it as satisfactory in all respects for the purposes of this Lease.

5.2 The date of receipt and acceptance of the Equipment by Lessee shall be the Delivery Date as described herein and in Schedule "A". Notwithstanding whether or not Lessee has given Lessor a written statement as described above, Lessee shall, by making the first Rent payment after delivery of the Equipment, be deemed to have acknowledged receipt and acceptance of the Equipment. The Rent Commencement Date shall be that date which is [NUMBER IN WRITING] ([##]) days after the Delivery Date. Lessor is authorized to enter the Delivery Date and Rent Commencement Date on Schedule "A".

TERM

The term of this Lease shall commence on the date of this Lease and continue for the period set forth in Schedule "A" unless otherwise sooner terminated by the provisions of this Lease or as otherwise agreed to in writing by the parties hereto.

RENT AND DEPOSIT

7.1 Lessee shall make the Rent payments described in Schedule "A", without demand, beginning on the Rent Commencement Date (as set forth in Schedule "A"); all subsequent payments shall be due on the same day of each month thereafter. All Rent shall be paid to Lessor at its address set forth above or as otherwise directed by Lessor in writing.

7.2 Lessee shall pay a deposit of [NUMBER IN WRITING] Dollars (\$[#,###.##]) prior to taking possession of the Equipment. The deposit will be refunded to Lessor within [NUMBER IN WRITING] ([##]) days following Lessee's performance of all obligations in this Lease.

RENEWAL

Lessee shall have the option to renew this Lease (the "Renewal Option") on the same terms and conditions from year to year for a maximum additional period as set forth in Schedule "A". Lessee must give Lessor written notice of its intention to exercise this option at least [NUMBER IN WRITING] ([##]) days before expiration of the initial Lease term.

MONTH TO MONTH LEASE

Should Lessee fail to notify Lessor of its intent to exercise the Renewal Option, or fail to return the Equipment in accordance with the provisions hereof, the term shall be extended on a month-to-month basis until either:

- (a) Lessee provides [NUMBER IN WRITING] ([##]) days notice of and returns the Equipment to Lessor;
or
- (b) Lessor terminates the Lease on [NUMBER IN WRITING] ([##]) days' written notice to Lessee. If this Lease is extended on a month-to-month basis, Lessee shall continue to pay Lessor Monthly Rent as shown in Schedule "A" and each and every obligation hereunder shall continue fully in effect vis-a-vis the parties hereto.

THIS IS A 9-PAGE DOCUMENT.

