Company, herein after called lessor to the lessee named in above rental contract – upon the following terms and conditions:

1. This is a contract of rental and is not to be considered a sale, conditional or otherwise.

2. Lessee acknowledges receipt of equipment in good condition. In case of mechanical failure or accident with said equipment, Lessee shall IMMEDIATELY notify Lessor. Lessee shall not incur on Lessor's account any expense to repair the equipment. Lessee is responsible for all costs of operation including gas, oil, cost of operator and any repairs resulting from improper use. The machine must be returned clean, free of excess mud or dirt. Clean up fee will be assessed @ $95.00/hour if cleaning is required. Return full of fuel or incur a $8.00/gallon fee.

3. Lessee understands and expressly agrees that no offsets or back charges to Lessor will be allowed for any loss to Lessee or third persons due to downtime of equipment due to mechanical failure or for any other reason.

4. Lessee shall be responsible for any loss or damage to equipment including fire, theft, collision, upset, vandalism, improper use or maintenance or loss or damage from any cause whatsoever while under Lessee's care, custody or control. Lessee is responsible for a $2,500 deductible for any damage incurred. Lessee further agrees to provide, in advance of delivery and at Lessee's expense, insurance for the foregoing perils. Lessee agrees to provide General Liability Insurance for $1,000,000 per occurrence; Auto Liability Insurance for $1,000,000 per accident and workers' compensation for statutory limits. Lessee will name Lessor as additional insured on a primary and noncontributory basis under both Auto and General Liability Insurance. Lessee will provide Lessor with a waiver of subrogation on general liability, auto liability and workers' compensation insurance. Lessees who are unable to provide General Liability Insurance equal to the minimum requirements will be assessed an additional 15% on each equipment rental.

5. Lessee shall return equipment to Lessor's place of business between the hours of 8:00 AM and 4:30 PM Monday through Friday except holidays. If the Lessor agrees to pick up the equipment, Lessee agrees to notify Lessor of the time he wants the equipment picked up and notify Lessor enough ahead of the time of pickup of equipment to allow Lessor reasonable time to return said equipment to Lessor's place of business prior to 4:30 PM on a regular business day. If Lessee notifies Lessor of the pickup too late to accomplish the foregoing, then Lessee agrees he shall be considered to have care, custody, and control of said equipment and be fully responsible for said equipment until noon of Lessor's next business day.

6. This agreement is for the period listed on the rental contract.

7. This equipment shall be used only at the location designated on the rental contract and will not be removed from this site without written permission of the lessor.

8. Lessee agrees to employ only competent operators for the said equipment and will not sublet equipment nor allow any person other than himself or his agents to operate the equipment.

9. Neither this agreement nor the right of possession of the equipment is assignable by Lessee.

10. The parties agree that this contract cannot be modified except by written agreement.

11. PAYMENT: Rental, damage charges, delivery, State and City sales tax and other charges relating to this rental are payable in cash in advance or net cash 15th of the month following date of invoice upon written approval of credit. 3% per month (36% annual) finance charge will be added to delinquent accounts.

12. In the event of improper use or abuse of equipment, or in event of default by Lessee in any of the terms of this lease, the Lessor may, at his election and without notice, take possession of said equipment. Furthermore, Lessee expressly agrees that he would not be entitled to compensation of any kind for any loss resulting from Lessor taking possession of equipment.

13. In the event of accident or damage to leased equipment by Lessee, Lessee agrees to pay full rental fees for the duration of time the damaged equipment is out of service while being repaired.

14. If Lessor has to contact an attorney to collect from Lessee, Lessor shall be entitled to collect from Lessee reasonable attorney fees and costs. The venue for any proceedings will be in Deadwood SD and jurisdiction will be in the district court of Deadwood SD.

15. Lessee shall defend, indemnify, and hold harmless Lessor, its officers, employees, affiliates, subsidiaries, and agents from every claim, risk, loss, damage, demand, suit, judgment and attorney's fee, and any other kind of expense arising from, resulting from, or in any manner directly or indirectly connected with the use, custody, presence, or possession of said equipment under this Lease agreement by Lessee or Lessee's agents, employees, affiliates or suppliers, to the fullest extent permitted by law and subject to the following limitations: Lessee's indemnity obligations hereunder do not extend to liability resulting from the sole negligence of Lessor, its agents or employees.

RECEIPT OF ABOVE EQUIPMENT IS HEREBY ACKNOWLEDGED BY:

Lessee/Renter:_____ Date:_____

Lessor: Black Hills Equipment Rental