

SAGA Geophysics, Inc.

2121 Geoscience Dr.
Austin, Texas 78726-1009

Tel: (512) 258-7599
Fax: (512) 258-9958

RENTAL TERMS AND CONDITIONS CONTRACT

TITLE: The Property described on SAGA Geophysics, Inc.'s packing list shall at all times be and remain the property of SAGA Geophysics, Inc. (hereinafter called SAGA) Lessee shall have only the right to use the property under the terms and conditions herein contained.

RENTAL TIME PERIOD CHARGED: Lessee is responsible for rent of the property portal to portal. This means from the day the property leaves SAGA's office until the day the property arrives in return to our office in Austin, TX. (The local airport would not be considered arrived at our facility.) The rental period shall run from the time of the Property being picked up by the carrier (i.e. FEDEX, freight forwarder etc.) to the Lessee, or picked up by the Lessee himself, to the time designated for return. Please notice that we have a **FIVE DAY MINIMUM** charge even if you have the equipment for only one day. We do not have a mobilization or demobilization charge. SAGA may charge Lessee for all additional time periods not shown on the agreement, verbal or purchase order, and shall be fully binding upon Lessee, his heirs, executors, assigns, or successors in interest, the same as the original hereof.

PAYMENT: Lessee agrees to pay the charges for this rental 15 days NET, when requested, or monthly, or immediately upon return of the Property or on receiving billing for the same. All sums are due and payable at the office of SAGA in Austin, Texas.

Late payment charge: A late payment charge which Lessee hereby agrees to pay, will be made on the total past due balance shown on your statement when the past due amount includes any amount remaining unpaid after fifteen (15) days. Such charge will be computed at a periodic rate of 1.5% per month, which is an annual percentage rate of 18%.

LIMITATION OF USAGE: Lessee agrees that the Property will be used solely by him, and solely for the purpose for which the Property was manufactured and intended. Lessee shall not sub-let or sub-lease the Property in whole or in part. Lessee shall at all times and at his own expense keep the leased Property in good, safe and good condition. Lessee further agrees to erect maintain and/or use the Property in a safe or proper manner in conformity with all laws, ordinances, and safety rules and regulations pertaining thereto. Lessee agrees that SAGA shall have no responsibility, direction, or control over the manner of loading, unloading setup, maintenance, use or operation of the Property. If the equipment becomes unsafe or in a state of disrepair as a result of normal use, Lessee agrees to discontinue use and notify SAGA immediately, and SAGA will replace the Property with similar property, if available.

THEFT OR LOSS: If the Property is lost, stolen, or damaged beyond repair, in the sole determination of SAGA, while in the possession of Lessee, then Lessee shall give verbal/written notice thereof to SAGA, Lessee shall be liable to SAGA for the value of the lost, stolen or damaged Property in an amount equal to SAGA's List price for such equipment. In addition, Lessee shall be liable to SAGA for ordinary rental fees from the date of delivery of the Property until payment.

REPAIR AND CLEANING: If Lessee returns the Property in a damaged or unclean condition, normal wear and tear excepted, which is SAGA's sole determination, then Lessee agrees to pay reasonable charges for cleaning and or repairing. SAGA may repair at Lessee's expense using its own laborers and bill Lessee for their usual making said repairs should said repairs be approved by SAGA.

WAIVER OF DEFECTS: Lessee acknowledges that when receiving the Property he has examined the Property, seen it in operation, that the Property was then in good operating condition, and Lessee represented to SAGA that he was familiar with the proper and safe manner of using the Property. Under no conditions shall SAGA be liable to Lessee or others for any direct or indirect or consequential damages caused by failure of the equipment. Lessee assumes all risk inherent in the operation and use of the Property or equipment and does hereby agree to indemnify, protect, save and keep harmless SAGA from any claim for bodily injury (including death) resulting there from or damage to Lessee's property resulting from or arising in connection with the Lessee's use or possession of the Property (including but without limitation latent and other defects whether or not discoverable by SAGA, including claims based upon strict liability imposed by law). Additionally, Lessee does hereby covenant and agree to save, protect, hold harmless, and indemnify SAGA from any claim for liability by any third party or agent of Lessee arising from Lessee's use of the Property.

DISCLAIMER of WARRANTIES: SAGA makes no express or implied warranties or representations as to any matter whatsoever, including without limitation, the condition of any of the Property, its merchantability or fitness for any particular purpose, or that it is free of defects.

AGENTS AND PRINCIPALS: The party to whom the Property is delivered represents that he is the Lessee or an agent of the Lessee and has the right to charge this rental, nevertheless he or the principal remain liable for such rental and both are responsible under the terms and conditions of this agreement.

DEFAULT: SAGA shall have the right without notice to immediately terminate this lease in the event of failure of Lessee to pay when due the rents provided herein or breach of any of its terms or conditions, or if Lessee becomes insolvent; or if any proceedings in bankruptcy, or receivership be instituted by or against Lessee; or if any execution, levy or restraint or attachment be levied or threatened to be levied upon the leased equipment. All remedies set out herein are to be cumulative, and the exercise of any one remedy shall not be to the exclusion of other remedies contained herein or provided by law.

ATTORNEY'S FEES: If collection of any amount due, or enforcement of any provision of this agreement is placed in the hands of an attorney, or suit brought on this agreement, then situs shall be Travis County, Texas, and Lessee agrees to pay a reasonable amount as attorney's fees.

Please initial here: _____

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NOTICE OF NON-WAIVER: The failure of SAGA at any one or more times to insist upon strict performance by the Lessee of the conditions and terms of this agreement shall not be construed as a waiver of SAGA's right to demand strict compliance, Time is expressly made the essence of this lease.

DAMAGE: SAGA reserves the right to charge the Lessee for damage or loss of the leased property.

REQUIRED NOTIFACATIONS: In the event of a loss, theft or damage to equipment, Lessee agrees to notify SAGA immediately by telephone, fax, email and thereafter to promptly report in writing to SAGA and the public authorities (where required by law or by SAGA) all information relating thereto. Lessee shall cause its agents and employees to give SAGA and the public authorities proper and full information and assistance in the investigation and prosecution of any matter resulting from said loss, theft, or damage.

SUBROGATION: In the event of any loss or damage to the rented equipment. SAGA will be subrogated to Lessee's rights of recovery against any person, firm or corporation. Lessee will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. It will cooperate fully with SAGA or its insurers in the prosecution of those rights and will not take any action to prejudice SAGA's rights.

SEVERABILITY: If any provision of this rental agreement or the application thereof shall be held to be invalid or unenforceable to any extent, the remainder of this rental agreement shall not be affected thereby.

INTEGRATION: This agreement comprises the entire lease and contract between the parties and it is acknowledged that there are no understandings, representations, warranties, promises, verbal or otherwise, pertaining to this lease or to the equipment, which are not incorporated herein expressly, or by reference, or by Rider attached hereto.

REPOSSESSION: Upon failure to pay rent or other breach of this contract, SAGA may terminate this contract and take possession of and remove the Property from wherever said Property may be located. SAGA and its' agents, are expressly granted the right to enter upon any location where said property may be located for the purpose of taking possession of the Property, Lessee hereby releases SAGA and its agents from any claims for damage or trespass arising out of the retaking of possession of the Property.

SIGNED..... DATE:.....

Printed Name and Title.....

Company Name:.....

Address:.....

City:.....State:.....Zip:.....

Telephone: (.....)..... Fax:(.....).....

Email address:.....

FEDEX Account No.....

Other special instructions for shipping or billing:.....