

## Contract Terms & Conditions.

**In consideration of Local Rental Solutions Ltd. the Lessor "LRS" granting the credit requested, the Customer agrees to the following terms and conditions.**

This Agreement is between the person/entity listed on the Credit Application, Rental or Sales Contract, or reverse side as the customer ("Customer") and Local Rental Solutions Ltd. ("LRS") the "Lessor".

**1. Nature of this Agreement.** This rental transaction (and the purchase of related goods and services), which allows Customer to use all of the goods identified on the Front ("Equipment") as permitted by this Agreement. Customer acknowledges that the Equipment is owned by LRS and that no one other than LRS may transfer or assign the Equipment or any rights or obligations under this Agreement. Any attempted transfer by other than LRS is void. Neither Customer nor any Authorized Operators are agents of LRS. No one may repair, alter or modify the Equipment without the consent of LRS. Customer will not permit any liens to attach to the Equipment and will defend, indemnify and hold LRS harmless from all loss, liability and expense by reason thereof.

**2. Who May Operate the Equipment.** Only the following ("Authorized Operators") may operate the Equipment: Customer and Customer's employer or employees (in the course of such employee's regular employment). Customer and all Authorized Operators must: (i) be at least 21 years old (25 years old if the Equipment is a motor vehicle), (ii) be properly qualified to operate the Equipment, (iii) have a valid operator's license with respect to the Equipment where required by law; and (iv) be instructed in the safe operation of the Equipment.

**3. Rental Charges.** Customer will pay LRS all rental, time, mileage, service, transportation, refueling service, and other charges in accordance with this Agreement, all direct and indirect sales, use, value-added, environmental taxes, levies or surcharges ("tax") imposed with respect to the Equipment and this Agreement, and all expenses, including related legal expenses. Time is of the essence thus the basic daily, weekly and the 4- week rental will entitle the Customer to a maximum of one-shift use (i.e., a maximum of 10 hours per day, 50 hours per week, and 200 hours per 4 weeks). Rental rates are based on 8 hour shifts, for use in excess of one shift, for double shift add 50% (rate x 1.5) or for triple shift add 100% (rate x 2). Daily overtime charges are prorated at 1/6<sup>th</sup> the day rent per hour. LRS will have a lien as allowed by law for charges incurred hereunder upon the premises and improvements upon which the Equipment is employed. Rentals are F.O.B. LRS branch ("Branch") designated on the Front. Customer is responsible for shipping charges from the Branch to the Customer's work site and return and all loading, unloading, assembling and dismantling charges. All rates for rentals in excess of 4 weeks are subject to change on 30 days notice in writing to the Customer with respect to any portion of the rental period then remaining. Customer and any person to whom, with the consent of Lessor, Customer expressly directs the charges incurred under this Agreement to be billed, are jointly and severally responsible for payment of all such charges. Customer represents having the authority to direct such charges to be billed to that person. If the Equipment includes motor vehicles, Customer's use of such Equipment (which shall only take place in the United States and Canada) shall be limited to the number of miles set forth on the Front.

**4. Customer's Responsibilities.** Customer must return the Equipment to LRS in the same good and clean condition it was in when Customer received it, ordinary wear excepted. Equipment must be returned to Lessor at the Branch by the due date specified on the Front, or sooner if demanded by LRS. Customer acknowledges that it must confirm return receipt of the Equipment by Lessor. Until such time as Lessor receives actual possession of the Equipment, Customer agrees to hold said Equipment in a safe and secure manner. The Equipment will be kept only at Customer's place of business or the job site at which the Equipment is used. The Equipment will be used at all times only in accordance with the manufacturer's instructions and within its rated capacity. Customer will perform or cause to be performed and pay for all normal periodic and other basic service, adjustments and lubrication of the Equipment. IF THE EQUIPMENT FAILS TO OPERATE PROPERLY OR NEEDS REPAIR, CUSTOMER WILL IMMEDIATELY CEASE USING IT AND WILL IMMEDIATELY NOTIFY LRS. Customer further agrees, at Customer's sole cost and expense, to secure and maintain in force during the entire term of this Agreement insurance satisfactory to LRS, for the benefit of LRS as Lessor of the Equipment. IF THE EQUIPMENT IS USED IN ANY MANNER THAT WOULD VIOLATE THIS AGREEMENT, OR IS OBTAINED FROM LRS BY FRAUD OR MISREPRESENTATION, OR IS USED IN ANY ILLEGAL PURPOSE, ALL SUCH USE OF THE EQUIPMENT IS WITHOUT THE PERMISSION OF LRS.

**5. Risk of Loss.** All loss of or damage to the Equipment while on rental or in Customer's care, custody or control, whether exclusive or not, and whether or not due to the fault of the Customer will be the sole responsibility of Customer and will be paid to Lessor promptly upon Customer's receipt of an invoice. Such responsibility is limited to the full value of the Equipment at the time it is lost or damaged, less its salvage value plus an administrative fee and related expenses of Lessor. THE COST OF LABOR FOR SUCH REPAIRS WILL BE EITHER THE THEN PREVAILING HOURLY RATE FOR LABOR OF LESSOR, WHICH INCLUDES LOSS OF USE, POSTED AT THE LESSOR BRANCH WHERE THE EQUIPMENT IS TO BE REPAIRED, OR THE REPAIRER'S HOURLY RATE FOR LABOR CHARGED TO LESSOR FOR SUCH REPAIRS AS THE CASE MAY BE. PARTS WILL BE CHARGED AT THE COST OF LESSOR PLUS A RETAIL MARKUP. Customer will also be responsible for the full rental rate as set forth in this Agreement until the equipment is repaired or replaced.

**6. Events of Default.** Customer shall be in default of this Agreement if Customer: (a) fails to pay any amount when due, or (b) breaches any other terms of this Agreement, or (c) becomes insolvent or ceases to do business as a going concern, or (d) has a petition in bankruptcy filed by or against it,

or (e) is in default pursuant to the provisions of any other agreement by and between Customer and LRS. Customer will be deemed to be in default if the Equipment is used: (i) to carry persons for hire, (ii) to carry persons other than Authorized Operators or helpers employed by Customer, all of whom will ride only within the cab of the Equipment, and then only if such carriage is lawful, (iii) to transport property for hire unless Customer obtains all necessary permits and licenses, (iv) in violation of any law or ordinance, (v) in any race, test or contest, (vi) in a reckless, negligent or abusive manner, or is intentionally damaged by Customer or with Customer's permission, (vii) for the carrying or hauling of explosives or other hazardous material in violation of applicable laws, rules or regulations, or (viii) in any fashion or manner for which the Equipment was not designed or beyond the manufacturer's rated capacity for the Equipment.

**7. Remedies of Lessor.** In case of default by Customer, or if LRS deems itself insecure, LRS may peaceably enter the property where the Equipment is located and render it inoperative or remove same with or without process of law and without any notice or liability to Customer. Customer hereby waives any right to any hearing or to receive any notice of legal process as a pre-condition for LRS recovering the Equipment. Customer agrees to admit such entry and action by LRS. In such case, LRS may also terminate this Agreement without notice to Customer or prejudice to any remedies or claims which LRS might otherwise have. Customer will pay to LRS a sum equal to the balance of the rent and other payments called for hereunder for the remainder of the rental term as liquidated damages. Customer will remain liable for the Equipment or for any loss or injury to the Equipment, notwithstanding such termination. LRS shall have the right to take such steps which LRS reasonably deems necessary to recover the Equipment, if the Equipment is not returned on the date specified on the Front or sooner as permitted by the terms of this Agreement. LRS's remedies are not exclusive.

**8. Rental Protection Plan.** Only Charge Account Customers will have the option not to select the "RPP" "Rental Protection Plan", if the Equipment is used in compliance with this Agreement and if Customer accepts the "RPP" as (contained in the credit application), which is NOT INSURANCE, and pays the additional charges for the RPP when due, then LRS agrees to waive, to the extent specified herein, Customer's responsibility to LRS for the loss of or damage to the Equipment, to a maximum coverage limit of \$100,000, without regard to the rental period. A 15% deductible up to a maximum of \$1000 is required to be paid for all claims over \$2000 in overall repair or replacement value. LRS reserves the right to deny RPP to Customers. If such charges for the RPP are not paid as specified in this Agreement, then, at the sole option of LRS, LRS may either terminate this Agreement or continue this Agreement; however IF THE AGREEMENT IS CONTINUED IN EFFECT, THE RPP WILL NOT BE IN EFFECT, regardless of not initialing of the Decline RPP Box, and Customer will remain fully responsible for the Equipment. RPP does not cover negligence, abuse, improper or illegal use, fuel, cleaning, tire or track repairs, glass, resale items, or excessive wear, see "RPP Addendum to Contract" for full details.

Should charge account client wish to decline RPP the applicant will provide necessary insurance adding Local Rental Solutions Ltd to their insurance policy as a "loss payee" as specified in RPP plan. The Certificate Holder shall read, "Local Rental Solutions Ltd. and its' Subsidiaries" and shall be named as Additional Insured on the General Liability, provided on an insurance policy endorsement ISO CG 20 10, and named as First Loss Payee on the Inland Marine policy. Written notice of cancellation is required. General Liability occurrence form minimum coverage Limit: \$5,000,000, Auto Liability: \$5,000,000, Contractor's Equipment Inland Marine All Risk/Special Form – Replacement Cost with Maximum Deductible: \$500.00

**9. Assumption of Risk and Indemnity.** REGARDLESS OF SECTION 8, CUSTOMER WILL BE LIABLE FOR ALL RESULTING LOSS OR DAMAGE AND EXPENSE OF LRS IF IT RESULTS FROM ANY INTENTIONAL ACT, IMPROPER OR ILLEGAL USE, ABUSE, OR NEGLIGENCE OF THE CUSTOMER. Customer and any Authorized Operators hereby assume all risk of loss or damage and waive all claims against LRS by reason of any property left, stored, loaded or transported by Customer or any other person in or upon the Equipment, and further agree to indemnify and hold harmless LRS, their respective officers, directors, agents and employees (collectively, "Indemnities"), from and against all loss, liability, claim, action or expense, arising out of such loss or damage.

**10. Customer's Insurance Obligations.** (a) Commercial General Liability and Automobile Liability Insurance. Customer will, at its own expense and at all times during the term of this Agreement, maintain in force separate Commercial General Liability and Automobile Liability insurance policies with a combined single limit per occurrence for bodily injury, including death, personal injury and/or property damage of \$5,000,000 for each policy on a primary and not excess or contributory basis, for Customer's liability for damages sustained by any person as a result of the maintenance, use, operation, possession, storage, erection, dismantling, servicing or transportation of the Equipment. Customer, its agents and employees will cooperate fully with Lessor and Customer's Insurer in any claim or suit arising there from and will do nothing to impair or invalidate the applicable insurance coverage. Such policies will name Lessor as an Additional Insured. The acceptance by LRS of Customer's Certificate of Insurance will not be deemed a waiver or modification of Customer's insurance, indemnity or any other obligation under this Agreement. Such Customer insurance obligation will not in any way limit the ultimate liability of Customer hereunder. (b) Property Insurance (Equipment). If LRPP or CRPP is not accepted by Customer, then Customer will, at its own expense and at all times during the term of this Agreement, maintain in force Property Insurance in an amount adequate to cover any damage to, or loss of, the Equipment. Customer's policy must expressly cover non-owned equipment while in Customer's care, custody and control. Such insurance shall name LRS as Loss Payee and shall include a waiver of subrogation or rights of recovery in favor of LRS. Customer will furnish LRS a Certificate of Insurance evidencing the foregoing insurance requirement and endorsed to provide that such insurance may not be

canceled or materially modified except on thirty days prior written notice to LRS. The amount, terms and conditions of the insurance required must be acceptable to LRS. Customer agrees to abide by all of the terms and conditions of all such insurance.

**11. Customer's Compliance with Laws.** Customer will, at its expense, comply with all laws and regulations affecting the Equipment and its uses, operation, erection, design and transportation and will defend, indemnify and hold Indemnities harmless from all loss, liability or expense resulting from actual or alleged violations of any such laws, regulations or requirements.

**12. Notice of Loss or Accident.** In the event of an accident, loss of, theft of or damage to the Equipment, Customer agrees to notify LRS immediately by telephone, and thereafter to immediately report in writing to LRS and the public authorities (where required by law or by Lessor) all information deemed relevant thereto by LRS. Customer will cause its agents and employees to give LRS and the public authorities all relevant information and assistance in any matter resulting from said accident, loss, theft or damage.

**13. Force Majeure.** Any failure of performance by LRS due to causes beyond the reasonable control of LRS will not be deemed to be a default by LRS.

**14. Late Payment Fee and Interest Service Fees on Overdue Amounts.** All payments due under this Agreement will bear a interest service fee after the due date and until paid in full at the rate of 2% per month (24% per year) for all overdue balances, both before and after default. The acceptance of any payment will not be interpreted as a waiver or compromise by the LRS of its right to require payment in full of the amount due, plus interest service fee and costs. Customer also agrees to pay an administrative fee of \$25 for each overdue payment, and \$75 for each payment that is returned unpaid for any reason.

**15. Refuelling Service Charge.** Customer agrees to return the Equipment with full fuel tank(s). If Customer fails to do so, Customer will pay to LRS a sum equal to the then applicable refueling service charge of LRS, for the number of Litres required to refill the tank(s) at the time of return.

**16. Privacy.** By signing this Agreement, Customer acknowledges that LRS may collect, use, store and disclose personal information that is reasonable and necessary to complete the transaction referenced herein and that such information is provided voluntarily. The collection, use, storage and disclosure of any such personal information is performed generally in accordance with the LRS Privacy Policy. A copy of this Policy is available upon request.

**17. Legal Expenses.** The Customer will pay to the LRS all of the damages, costs and expenses, including the full amount of all legal fees, accountants and expert witness fees, disbursements, and costs of investigation whether legal proceedings are commenced or not, incurred by the LRS in enforcement of this Agreement.

**18. Merger/Modification/Severability.** This Agreement (including the front) expresses the entire agreement between the parties with respect to the subject matter hereof. No change, modification or alteration of the terms hereof will be effective as against LRS unless it is in writing and signed by a duly authorized officer of LRS. Customer's execution of this instrument and/or acceptance of delivery of any part of the Equipment shall constitute Customer's acceptance of all of the terms and conditions contained herein, and the exclusion of any terms and conditions otherwise stated by Customer or contained in any of Customer's documents that conflict with or limit the terms contained herein. This Agreement shall be governed and construed by the laws of the state/province in which the Branch is located. Customer consents to jurisdiction in the state and federal courts of such state/province. If any provision is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and to this end the provisions of this Agreement are declared to be severable.

**19. Obligations to LRS's Assignee.** Customer acknowledges that LRS's interest in the Equipment and its rights under this Agreement have been assigned to a third party ("Assignee") to secure obligations of LRS to Assignee. Upon receipt of written notice from Assignee, Customer agrees to make all payments due hereunder to the order of Assignee as directed in such written notice. Upon receipt of such notice Customer will recognize Assignee as the owner of all right, title, and interest in, to and under this Agreement and the Equipment. Customer also acknowledges and agrees that Customer has no purchase option under this Agreement and that in order for Customer to acquire any ownership interest in or title to the Equipment, Assignee must be paid in full. Customer agrees that any service or warranty agreements or obligations executed, assigned, or issued with regard to the Equipment are unaffected by the assignment and that Customer will have no recourse against Assignee with respect thereto. Customer authorizes Assignee to file financing statements as Assignee may require.

**20. Condition of Equipment.** Customer acknowledges having examined the Equipment upon its delivery to Customer. CUSTOMER'S ACCEPTANCE OR USE OF THE EQUIPMENT WITHOUT PROMPT NOTICE TO LESSOR THAT THE EQUIPMENT IS NOT IN GOOD MECHANICAL CONDITION CONSTITUTES CUSTOMER'S ACKNOWLEDGEMENT THAT THE EQUIPMENT IS IN GOOD MECHANICAL CONDITION AT THAT TIME. If, during Customer's possession of the Equipment, it is found by Customer not to be in good mechanical condition, as a result of conditions not the responsibility



of the Customer, nor caused by the fault or negligence of Customer or Customer's employees or agents, Customer will so notify LRS, whereupon LRS will then, at its option and without any other liability or responsibility by LRS to Customer: (i) repair or suitably replace the Equipment within a reasonable time during the normal working hours of LRS, with the commencement or running of the terms of the Agreement to be tolled for the period the Equipment is "down", or (ii) remove the Equipment and terminate this Agreement and refund payments of rental charges, if any, for the unexpired term of the Agreement, less whatever is due LRS for damage to or maintenance of Equipment which is the responsibility of Customer. Customer agrees to provide full access to the Equipment to representatives of LRS so as to enable LRS to meet its responsibilities hereunder.

**21. LIMITED WARRANTY.** THE FOREGOING PROVISIONS OF SECTION 20 ARE IN LIEU OF (I) ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND OF (II) ALL OBLIGATIONS OR LIABILITY ON THE PART OF LESSOR TO CUSTOMER FOR DAMAGES OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH THE RENTING, MAINTENANCE, USE OPERATION, STORAGE, ERECTION, DISMANTLING OR TRANSPORTATION OF THE EQUIPMENT.

**22. ASSUMPTION OF RISK: DEATH OR INJURY.** The Equipment is, by virtue of its size and nature, potentially dangerous. Operation of the Equipment will expose the Customer, Authorized Operators and those in proximity to the Equipment to risk ("Persons at Risk"). These risks, including serious bodily injury or death, cannot be completely identified, quantified, minimized, prevented or eliminated. Customer, on behalf of itself and all Persons at Risk, accepts and fully assumes any and all risks and the possibility of personal injury, death, disability, property damage or loss resulting from operation of the Equipment.

**23. RELEASE OF LIABILITY, WAIVER OF CLAIMS AND INDEMNITY.** The Customer agrees to release Indemnities from, and Indemnities disclaim, any and all liability for any loss, damage, injury or expense that Customer may suffer or incur as a result of this Agreement or its use of the Equipment. The Customer waives all claims that the Customer has or may in the future have against Indemnities arising out of or related to this Agreement or use of the Equipment. Customer will defend, indemnify and hold harmless Indemnities, from and against all loss, liability, claim, action or expense, including legal expenses, by reason of bodily injury, including death and property damage, sustained by any person as a result of the maintenance, use possession, operation, erection, dismantling, servicing or transportation of the Equipment, or Customer's failure to comply with the terms of this Agreement.

**ACCOUNT TERMS.** Terms cannot be varied except in writing by a duly authorized officer of Local Rental Solutions Ltd.

ALL pages requiring a signature must be returned fully signed before a rental can be delivered.

Please note that by filling out this application it does not guarantee an account with us but does ensure that the billing information is correctly entered in the system so that any invoicing which may occur is mailed correctly. All customers applying for a credit account may have to supply a credit card to ship their order while application is in for approval.

**PERSONAL & CASH ACCOUNTS** (Will require a copy of your Driver's License & Credit Card) For all personal & cash accounts by signing below you are giving permission for us to keep a copy of your credit card number and driver's license on file and agree that LRS can take any payments that are required to clear all balances. Please note that for all personal & cash accounts a credit card deposit will be taken for the full amount of the rental before the machine is shipped.

Payments should be submitted to the address listed on your invoice.

All LRS products are sold FOB shipping point. Payment terms are calculated from invoice date and are deemed correct unless questioned within 21 days from that date. LRS has the right to change terms of sale at any time. A service charge of 2% per month will be charged on all past due invoices. This is an annual percentage rate of 24%. Any dishonoured cheques will be subjected to a \$75 charge. If the Applicant fails to abide by the TERMS OF SALE contained herein, LRS reserves the right to discontinue and eliminate any price discounts or sales incentives offered to or in place with the Applicant, both retroactively and for future sales unless otherwise negotiated by the parties. Deductions from payments for any reason will not be allowed unless LRS has issued a credit memo. All incentive and credits issued by LRS are personal to the account holder and are not transferable or assignable. An account must employ qualified personnel who have been certified to properly service and fit the equipment (where necessary). LRS may refuse to ship any confirmed order in whole or in part for any reason it deems sufficient. Upon default all accounts with the customer become immediately due and payable, including stopping goods in transit.

Applicant agrees to supply LRS any financial information it feels would help determine invoicing terms now and in the future. The applicant also agrees that LRS may now and in the future request any credit reports, bank reports to third parties and government agencies.

Applicant agrees to be governed by provincial and federal laws.

**COSTS AND ATTORNEY FEES:** Applicant will pay such costs, collection agency commissions, expenses and reasonable attorney fees (including without limitation, at trial and on appeal) as Local Rental Solutions Ltd. may incur in any manner of collection of any sums past due.