

# Rental Service Terms

By this lease and in consideration of the statements on the reverse side hereof and the following agreements, limitations and conditions, Ant Rentals Ltd., a business registered under the Laws of The Province of British Columbia and Alberta, hereinafter called Lessor leases unto the person, firm or corporation signing this lease as Lessee, (hereinafter called Lessee), that contain personal property hereinafter called equipment, described here.

1. TERM- The term of this lease respecting each item of equipment commences on the date of shipment by the Lessor to the Lessee and ends on the date of return by the Lessee of the equipment to the Lessor's premises.
2. RENT- The rent for any and every item of equipment shall be the amount designated on the reverse side hereof.
3. LOCATION- The equipment shall be located in the province where rented and shall not be removed there from without Lessor's prior written consent. Lessee shall advise Lessor on a continual basis the exact location of the equipment.
4. USE- Lessor shall comply with all laws in any way relating to the use operation or maintenance of the equipment. If Lessor supplies Lessee with labels stating that the equipment is owned by Lessor, Lessee shall affix and keep the same upon a prominent place on the equipment.
5. ACCEPTANCE- Lessee acknowledges that he has fully inspected and accepted said equipment in good condition and repair.
6. INSPECTION- At all times, during business hours, Lessor shall have the right to inspect the equipment or observe its use.
7. ALTERATIONS- The Lessee shall not make any modifications or alterations to the equipment without the prior written consent of the Lessor. All additions and improvements of whatsoever kind or nature made to the equipment shall belong to and become the property of Lessor upon the expiration, or earlier termination, of this lease. The lessee will not alter, remove, disfigure or in any way change any insignia or lettering upon any of the said equipment.
8. LOSS, DAMAGE&REPAIRS- Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever and shall keep and maintain the equipment in good repair, condition and working order. No loss or damage to the equipment or any part. Thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. In the event of loss or damage of any kind whatsoever to any item of equipment, Lessee at option of Lessor, shall place the same in good repair, condition and working order or alternatively, the Lessor may replace or repair the lost or damaged equipment the cost to be borne by the Lessee. In addition to the foregoing, the Lessee shall compensate the Lessor for all loss of rental income incurred due to the Lessee's damage or destruction to the equipment.
9. EXPENSE – Without limiting the generality of the foregoing, the Lessee shall, at the Lessee's own expense, during the terms of this lease pay the cost of: (a) all fuel, oil and lubricants required to operate the equipment; (b) all repairs, replacement parts including labor charges required be made to the equipment in order to keep it in good repair and running order.

10. SURRENDER – Upon the expiration or earlier termination of this lease, Lessee shall return the equipment to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone expected.
11. TAXES – Lessee shall keep the equipment free and clear of all levies, liens, security interest, and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, provincial and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment. If Lessee fails to pay any said fees, assignments, charges and taxes; Lessor shall have the right, but shall not be obligation, to pay the same. In that event, the cost thereof shall be repayable to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequence, including interest at twenty-four (24%) percent per annum, as failure to pay any instalment of rent.
12. WARRANTIES – the Lessee agrees that the Lessor is not the manufacturer of the equipment, nor the agent of the manufacturer, and that no representations or warranties are given, expressed or implied, as to the design, quality, condition, capacity, fitness or suitability of the equipment, whether for any particular purpose, requirement or otherwise of the Lessee.
13. LIABILITIES – The Lessee shall be liable for any losses, expenses, penalties, damages, costs or personal injuries, including death suffered by anyone by reason of the operation, handling, transportation or use of the equipment by or while in the possession of the Lessee or his agent, and the Lessee agrees to indemnify and save harmless the Lessor against all such liability.
14. INDEMNITY – Lessee shall indemnify Lessor against, and hold Lessor harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including solicitor's fees, arising out of, connected with, or resulting from the equipment, including limitation, the manufacture, selection, delivery, possession, use, operation or return of the equipment.
15. INSURANCE – The Lessee shall at his (its) own expense maintain liability, theft, fire and other insurance required to indemnify the Lessor against such loss to or of the equipment to the extent of the replacement value, such insurance to cover the insurable interest of the Lessor in said equipment. This insurance shall be kept in effect from the time the equipment is shipped by the Lessor until it is returned by the Lessee to the Lessor.
16. LOSS DAMAGE WAIVER - LDW is mandatory if Lessee lacks physical damage insurance, covering theft and damages with specified responsibilities.
17. ENVIRONMENTAL FEE – The environmental recovery fee indicated above is a recovery by Ant Rentals Ltd. of its expenses and costs for handling, managing, and/or disposing of waste materials associated with the rented equipment that contain hazardous substances, such as motor oil, grease, and/or hydraulic fluid, as well as related administrative costs. THIS IS NOT A GOVERNMENT MANDATED CHARGE.
18. EVENTS OF DEFAULT- The occurrence or happening of any one or more of the following events shall constitute an Event of Default: (a) default in continuance thereof for 2 days in the payment of rent or other charge payable by the Lessee under the lease; by (b) default in the observation or performance of any other term, covenant or condition of this lease or any other lease or other agreement between the lessor and the Lessee whether before or hereafter made; (c) any representation or warranty make by the Lessee, or any report, notice or other writing furnished by the Lessee to the Lessor in connection therewith, being untrue in any material respect; (d) the Lessee suspending business; (e) if all or any part of the equipment is, or may be in imminent danger of being confiscated, sequestered or seized under process of law; (f) any act by the

Lessee reducing the value or usefulness of the equipment, including failure to maintain or repair the equipment as required; (g) a subjection of the equipment to any lien, levy, charge, security interest or encumbrance; (h) the Lessee making a sale in bulk of its assets or becoming insolvent or bankrupt or unable to pay its debts as they fall due or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding being instituted by or against the Lessee and, if instituted against the Lessee and defended by the Lessee, remaining undismissed for 10 days, (i) the private or court appointment of a receiver or a receiver manager or officer of similar powers over any part of the Lessee's property, (j) if any insurance placed or maintained pursuant to the terms of the lease shall lapse or be cancelled and shall not be replaced by another policy within 2 days after notice from the Lessor to the Lessee; or (k) the Lessee parting with the equipment; then upon the happening of an Event of Default, the Lessor may at its sole option; (a) enter upon the premises on which the equipment is located and take immediate possession thereof, whether it is affixed to realty or not, and remove the same, without order of the court and without liability to the Lessor or by reason of such entry in taking possession, whether for damage to property or otherwise, sell, lease or otherwise dispose of the same for such consideration upon such terms and conditions as the Lessor may reasonably deem fit; (b) in the name of and as an irrevocably appointed agent and attorney for the Lessee and without terminating or being deemed to have terminated the lease take possession of the equipment and proceed to lease the equipment to any other person, firm or corporation on such terms and conditions, for such rental and for such period of time as the Lessor may deem fit and receive such rental on all the same and apply the same against any monies expressed to be payable from time to time by the Lessee; (c) terminate the lease and by writing notice to the Lessee specifying a payment date not earlier than 2 days from the date of such notice or require the Lessee to pay the Lessor on the date specified in such notice arrears of rental payments as of the date of the lease termination; (d) the genuine pre-estimate of liquidated damages for loss as a bargain and not as penalty, the present worth of the aggregate involuntary amounts yet to become due as rentals or otherwise to the expiration of the term calculated by discounting such amounts at 5% per annum; and (e) the interest charges provided for in Section 11 hereof. All rights and remedies provided are cumulative and are not intended to be exclusive in addition to any other right or remedy previously referred to or otherwise available to the lessor at law or at equity and any one or more of the Lessor's right and remedies made from time to time be exercised independently or in combination without prejudice to any other right or remedy the Lessor may have or may have yet to exercise. The Lessee acknowledges that seizure or repossession of the equipment shall not, by implication of law, extinguish the Lessee's indebtedness to the Lessor.

19. BANKRUPTCY – Neither this lease nor any interest therein is assignable or transferable by operation of law. If any proceeding under the BANKRUPTCY ACT, as amended, is commenced by or against the Lessee, or if the Lessee is adjusted insolvent, or if the Lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on any item or items of the equipment and is not released or satisfied within the ten(10) days thereafter, or if a receiver is appointed in any proceeding or action and given authority to take possession or control of any item or items of the equipment Lessor shall have and any exercise any one or more of the remedies set forth in paragraph 16 hereof, and this lease shall, at the

option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of the Lessee after the exercise of said option.

20. LESSOR'S EXPENSE – Lessee shall pay Lessor all costs and expenses, including solicitor's fee, incurred by Lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions, or provisions hereof including any costs of removal of the said equipment.
21. ASSIGNMENT – Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge, or hypothecate this lease, the equipment or any part thereof, or permit the equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees.
22. OWNERSHIP – The equipment is, and shall at all times be and remain, the sole and exclusive personal property of Lessor; and the Lessee shall have no right, title or interest herein or thereto except as expressly set forth in this lease. In order to secure the Lessee's performance of its obligations hereunder, the Lessor and Lessee agree that a security interest in the equipment shall be attached to each item of equipment on its delivery. The Lessee agrees to sign and execute at anytime alone or with the Lessor any financing statements or other documents which the Lessor deems reasonably necessary to protect and continue the Lessor's title and security interest under this contract. The Lessor is also granted an irrevocable power of attorney to execute such financing statements or other documents on the Lessee's behalf. The Lessee shall indemnify the Lessor against any and all assertions of interest or claims by third parties that would jeopardize the Lessor's security interest.
23. CALCULATION OF RENTAL – The rental rate is as shown on the face hereof and is determined by the duration of the rental period. All rental rates are based on an eight-hour working day. If the equipment is used for more than one eight-hour shift per day, customer agrees to pay one-half of the applicable daily rates for each additional eight-hour shift. In addition, weekly and bi-weekly (28 days) rental rates are based on a five-day workweek. All equipment is leased for a minimum period of (1) one-day.
24. CONVERSION – Any equipment which is overdue for a period in excess of one (1) week beyond the end of the maximum estimated rental period then such equipment shall be classified and deemed to have been converted to the Lessee's use, and the Lessee for theft/ or conversion.
25. CONFLICT – The conditions of this contract shall be the only conditions of the contract between the Lessor and the Lessee, and purchase orders are used for reference only and not as conditions of this contract.
26. INVALIDATING CLAUSES – Invalidating one or more of the clauses in this contract shall not invalidate any other of its clauses.
27. LAW OF THE CONTRACT – This contract shall be interpreted in accordance with the laws of either the Province of British Columbia or Alberta, depending on business activities' location.

### **Loss Damage Waiver (LDW)**

The LDW is the industry standard in the tool and equipment rental space. The LDW is a form of protection against unexpected expenses that can arise during the use of rental equipment and allows individuals and companies to minimize their exposure to costly bills. It may be particularly helpful in the event that a loss is less than a company's private insurance deductible. Please note

damage waiver is not insurance. Damage waiver does not waive your liability for loss caused by neglect, abuse, vandalism, theft, or mysterious or unexplained disappearance or shortages. Ant Rentals Ltd is introducing Loss Damage Waiver which is mandatory service for the Lessee who can not present physical damage insurance. **Theft Coverage:** For equipment that has been stolen, LDW Lessee is only responsible for 10% of the manufacturer's suggested list price. It is the lessee's responsibility to pay the LDW fee and comply with the terms stated in the rental agreement, including filing a police report within 48-hours of discovering the theft. **Damage Coverage:** Where incidental or accidental damages occur, LDW Lessee is only responsible for 10% of the total repair costs including parts, labour, and freight.