

Rental Contract

- Terms and Conditions -

Rates and charges where applicable:

- **Damage Waiver:** 12% of invoice value
- **Refuel:** Pump price plus \$1.00/L
- **Field Service:** \$185/hr
- **Lowbed Trucking:** \$195/hr
- **Washing and Detailing:** \$110/hr
- **Shop Repairs:** \$135/hr
- **Mechanic Helper:** \$85/hr
- **USD Exchange Rate:** \$0.800

Please pay special attention to the following:

- Rental charges, etc. per Clause 3
- Returning equipment clean and refueled per Clause 4
- Risk, Damage Waiver, and Insurance per Clauses 4, 7, and 8. You must advise us prior to the rental if you wish to decline the Damage Waiver and charges. If you wish to decline, you must provide a copy of a valid insurance certificate in favor of Conquest Equipment per Clause 8.
- Customer must perform regular service and lubrication per the owner's manual
- Settings for hydraulic attachments per Clause 4

Rental Terms and Conditions

1. Definitions

- "Agreement" has the meaning specified in Clause 2 (a).
- "Customer" means the customer identified in the Rental Agreement and includes the Customer's employees, executors, administrators and representatives.
- "Date Out" means the date and/or time on which the Equipment is rented as a specified in the Rental Agreement. Rental starts when the equipment leaves the rental yard.
- "Dealer" means Conquest Equipment (hereafter known as CE) as specified in the Rental Agreement and includes its officers, employees, agents, successors and related parties. "Equipment" means the equipment rented by CE to the Customer from time to time and includes any and all accessories, tools, attachments, parts, manuals, instructions, packing and transportable materials, substitute and replacement Equipment, unless indicated to the contrary in these Rental Terms.
- "Location" means the Location of the Equipment as specified in the Rental Agreement or such other location as agreed by CE.
- "CE" means Conquest Equipment Box 1188, Estevan, SK S4A 2H8
- "Off-Rent" means the rental period has been completed per Clause 11.
- "Rental Account Application" means the application identified as the Rental Account Application. This may also be referred to as a Credit Application.
- "Rental Agreement" means the express terms identified as the Rental Agreement.
- "Rental Charges" means the rental charges charged by CE to the Customer for the rent of the Equipment and identified in the invoice provided by CE to the Customer. "Rental Period" means the period from the Date/Time Out until the termination of the Rental Agreement.
- "Damage Waiver" means an amount paid by the Customer to reduce the Customer's financial liability in the event of loss or damage to the Equipment.

2. Agreement

- CE rents the Equipment to the Customer on the terms of the Rental Agreement, these Rental Terms and, where applicable, the Rental Account Application (collectively, "the Agreement"). The Agreement constitutes the entire agreement between the parties.
- The Purchaser (Customer) hereby grants, in favor of the Vendor (CE), a security interest in the collateral and any proceeds therefrom until such time as the purchase price has been paid in full.
- Waiver of Verification: The Purchaser/Customer hereby waives the right to receive a copy of any fixtures notice and any financing statement filed by the Secured Party/Vendor/CE relating to this agreement, or any verification statement issued by a registry (including the Saskatchewan Personal Property Registry) that relates to such financing statement.
- CE may amend or replace the Agreement (including Rental Charges) at any time without notice. Any and all subsequent rental of Equipment will be on the amended or replaced terms.
- The Customer agrees that CE will not be liable for any loss or damage including revenues (and that these terms and conditions shall not be affected) by any delay or failure in delivery or failure of the equipment during the rental period.
- No warranty or representation is given by CE as to the performance, state, fitness or capacity of the machinery or as to the ability to perform any work for which it has been hired. Any warranty or representation (express or implied) as to the ability, fitness, or capacity of the machine in performing work in which it was hired is expressly excluded.

3. Rental Charges and Other Charges

- Rental Charges will be incurred from the Date Out until and including the day on which the Customer returns the equipment to CE's yard or the Rental Agreement is terminated in accordance with clause 9, whichever is the earlier, unless the equipment is returned before 9am, in which case there will be no Rental Charge for that day.
- Additional Rental Charges will apply if Equipment usage exceeds eight hrs in any day/40 hrs in any week/160 hrs in any 4-week period. A month is considered to be 4 weeks for the purpose of this agreement.

- The Customer must pay all amounts specified in the invoice including:
 - charge for delivery and, if necessary, return of the Equipment;
 - all Equipment operating costs (including fuels, oils and lubricants) incurred, and all consumables including wear parts and ground engaging tools used during the Rental Period;
 - any taxes, duties, levies, charges or imports on or in connection with the Agreement; and all applicable taxes;
 - any costs or expenses reasonably incurred by CE in enforcing the Agreement, as a result of the Customer's breach of the Agreement or in order to return the Equipment to the same condition as at the Date Out (including cleaning costs); and
 - Any Damage Waiver payable under clause 7.
- Where any amount payable under the Agreement becomes overdue, all outstanding amounts whether due to CE under the terms of the Agreement or under any other Rental Agreement between CE and the Customer will become immediately due and payable by the Customer to CE.
- CE may charge the Customer interest calculated daily and compounded monthly on overdue amounts at an interest rate of 2% per month (24% per annum)
- Credit Account Customers must pay all amounts owing under the Agreement thirty days from the invoice date. Invoicing is generated at the commencement of the rental period. All Cash or Credit Card Account Customers will be invoiced and paid at commencement of rental period. No unit will be released until credit card account has been received by CE, or a credit account is established.

4. Customer Obligations

- Except as provided in the Agreement, the Customer shall have no right, title, property or interest in the Equipment and must not sublet, transfer, dispose of or otherwise deal with any rights or interest in the Equipment. The equipment shall remain the property of CE at all times. The Customer must do everything necessary to protect the rights of CE to the Equipment;
- Risk of the Equipment passes to the Customer on delivery of the Equipment and remains with the Customer until the Equipment is returned to CE. Subject to clause 7, the Customer is liable to CE for any and all loss or damage to, or caused by, the Equipment or its operation and all costs incurred in respect of the Equipment including the cost of repairing or replacing the Equipment at the full new replacement cost. Rental Charges continue to be incurred while the Equipment is repaired or replaced and until it is available to be rented again.
- The Customer must ensure that the equipment is:
 - operated by a suitably trained, licensed, experienced and (if necessary) certified operator and is operated in accordance with the Operator's Manual and/or CE instructions;
 - returned to CE in the same condition as at the Date Out (except for normal wear and tear) and returned with a full tank of fuel (or equal amount as when the equipment was rented) or the Customer will pay CE the cost of filling that tank. A cleaning charge will apply if necessary;
 - used for the purpose for which it was designed, in suitable terrain and in a manner which has regard to the capacity, capabilities and limitations of the Equipment;
 - not removed from the Location without CE's written consent;
 - at all times stored safely, locked, and protected from theft, loss or damage.
 - Never towed without following the approved towing procedure. This can cause extensive damage to the brakes and hydraulic system which the Customer will be responsible for.
- If the Equipment breaks down or becomes unsafe to operate, the Customer shall immediately stop using the Equipment, ensure it does not sustain any further damage and prevent the Equipment from causing injury, loss or damage to any person or property, and advise CE of the problem.
- The Customer must not repair or attempt to repair the Equipment without CE prior written consent.

- f) The Customer must immediately notify and provide full details so CE of any loss, theft, breakdown or damage to the Equipment. If CE is not in attendance, message must be left on answering service, indicating the time of the incident. CE will use reasonable endeavors to repair or replace the Equipment at CE's discretion and at the Customer's expense after receiving such notification. Any equipment supplied as a replacement will be supplied for the unexpired balance of the Rental Period on the terms of the Agreement. No loss claim may be made against CE per Clause 2 (c)
- g) Any person provided by CE to operate the Equipment shall be under the sole direction and control of the Customer. The Customer is responsible for any and all claims, loss or damages whatsoever arising in connection with the operation of the Equipment by that person. Where an operator is provided by CE, no other person shall operate the Equipment without CE's prior written consent.
- h) For hydraulic attachments ensure oil pressure, flow and direction are set per manufacturer's recommendation. If unsure, please contact Conquest for information. Damage from incorrect settings will void equipment warranty and incur repair charges.
- i) The Customer must:
- i. Ensure that all safety information supplied with the Equipment is attached to the Equipment and conveyed to any person using the Equipment. If no Operator's Manual or safety information is supplied with the equipment, it is the customer's obligation to request one from CE;
 - ii. maintain any safety signs supplied by CE and ensure they are clearly legible and brought to the attention of any person using the Equipment;
 - iii. ensure that all safety and operating instructions and notices are observed and not defaced or removed from the Equipment;
 - iv. ensure that any and all persons using the Equipment wear suitable clothing and any protection required or recommended by CE or the safety and operating instructions;
 - v. ensure that the operator is suitably licensed for the relevant equipment (min. operator age 18 yrs)
 - vi. not alter, deface, erase or remove any identifying mark, plate or number on or in the Equipment or otherwise interfere with the Equipment; and
 - vii. service, clean, fuel, lubricate and maintain the Equipment in good condition and in accordance with CE instructions and/or the Operator's Manual, including scheduled service and maintenance periods;
 - viii. ensure that the equipment is not turned upside down unless written permission to do so is provided by CE.
 - ix. the machinery may not be transported out of Canada without prior written consent of CE
 - x. The Customer must comply with all statutory laws and regulations and all common laws.

5. Access and Inspection

CE and its representatives have the right to enter the Location at any time upon giving prior reasonable notice to inspect, maintain and/or repair the Equipment or to repossess the Equipment. The Customer must assist CE and its representatives in exercising its rights under this clause.

6. Privacy

The Customer agrees that CE may obtain, disclose and use information:

- a) about the Customer's credit worthiness or for the purpose of obtaining and maintaining credit information file about the Customer or collecting overdue payments;
- b) about the Customer for the purpose of providing services to the Customer, including sharing information with other associated companies.

7. Damage Waiver

- a) The Damage Waiver must be paid by the Customer, unless a valid insurance certificate is provided. The Damage Protection rate will be 10% of the invoice total, or other amount charged at CE's discretion. If the customer chooses to provide their own insurance, an insurance certificate in favor of CE must be provided prior to the rental delivery. (see Clause 8)
- b) For the purposes of this clause, the term Equipment does not include any tools, accessories, parts, grease guns, hoses or similar electrical cords, welding cables, gas cylinders, pneumatic tools, light globes and other similar accessories, ground engaging tools, tracks, tires or glass.
- c) If the Customer has accepted the Damage Waiver, then, subject to this clause, the Customer's liability for loss or damage to the Equipment caused by fire, storm, earthquake, collision, traffic accident, theft, etc is limited to \$3500 or 10% of the Equipment value (if repaired) or 10% of the full new replacement cost of the Equipment (if replaced), whichever is the greater. This applies per single incident.
- d) The customer's liability will not be limited in accordance with clause 7(c) if, in CE reasonable opinion, the loss or damage to the Equipment arises from or is caused by:
 - i. a breach of the Agreement;
 - ii. the customer's negligent acts or omissions;
 - iii. improper use of the Equipment, operator error, or physical damage;
 - iv. transporting, loading or unloading;
 - v. lack of lubrication, routine maintenance, or other normal servicing of the Equipment;
 - vi. overloading, exceeding rated capacity, failing to maintain the Equipment, misuse, abuse or improper servicing of the Equipment;
 - vii. artificial electrical current or exposure to any corrosive substance or environment; or
 - viii. use or location of the Equipment in, or over water, on bridges, vessels or structures of any kind.

If this situation arises, the customer will be liable for the full replacement value of the equipment.
- e) The Customer must promptly report any theft of the Equipment to the Police and provide CE with the written evidence verifying that report.
- f) Downtime, including rental charges during the downtime period, is not covered by the Damage Waiver

8. Insurance

If the Damage Waiver is declined, the Customer must at its cost take out and maintain during the term of the Agreement policies of insurance in favor of CE for:

- a) indemnity cover of not less than the full replacement cost of the Equipment and loss of use endorsements; and
- b) third party and public liability indemnity cover of not less than \$5 million.
- c) CE must be listed as first loss payee on the property insurance policy, and as an additional insured on the third party and public liability section.

9. Termination

- a) Subject to clause 9(b) the Rental Agreement will terminate when the Customer delivers the Equipment to CE during normal working hours, or, if CE agrees, when the Equipment is collected by CE. The Customer irrevocably appoints CE as its agent and authorizes and licenses CE to enter the Location and repossess the Equipment upon termination of the Rental Agreement at the discretion of CE.
- b) CE may terminate any Rental Agreement or the Agreement as a whole and repossess the Equipment at any time by written notice to the Customer if the Customer is in breach of the Agreement and fails to remedy that breach within 7 days of receiving notice requiring the Customer to do so or the Customer becomes insolvent or otherwise is unable to pay its debts as they fall due.
- c) CE may terminate the Agreement without prejudice to any rights that may or did arise prior to the termination, at any time during the Rental Period.

10. Liability and Indemnity

- a) As far as the law permits, CE excludes all warranties, conditions, rights and remedies the Customer would otherwise be entitled to by law.
- b) CE's liability for loss or damage (including consequential loss or loss of profit) incurred by the Customer or a person making a claim against the Customer is excluded as far as the law permits. To the extent it cannot be excluded, it is limited as far as the law permits to the repair or replacement of the Equipment.
- c) CE and its directors, employees or representatives are not liable to the Customer for negligent acts or omissions.
- d) The Customer indemnifies CE against any liability, loss, damage, costs or expenses incurred or suffered by CE arising directly or indirectly out of or in connection with:
 - i. any breach of the Agreement, any breach of any laws (including environment laws) or any act or omission on the part of the Customer or its officers, employees or representatives;
 - ii. any action for trespass resulting from CE entering the Location in accordance with clause 9(a).
- e) These limitations and indemnities continue after the Agreement expires or terminates.

11. Off-Rent Conditions (Rental completion)

- a) The equipment must be returned to CE's yard by the Customer before 9am on day of rental termination. In the event CE is being requested to pick up the equipment, 24 hours' notice must be given to CE, or additional rental charges may apply.
- b) The equipment remains the responsibility of the Customer until returned to CE yard.

12. Miscellaneous

- a) The expiry or termination of the Agreement does not affect the rights which have accrued before that expiry or termination or any rights and obligations of the parties which survive expiry or termination.
- b) Time is of the essence for obligations of the Customer under the Agreement.
- c) CE may assign or subcontract all or any of the rights under the Agreement. The Customer must not assign or subcontract all or any of its rights under the Agreement.
- d) The Agreement is governed by, if signed in Canada, the laws of the Provinces in which are signed by CE.
- e) Time out is time used.
- f) No waiver, granting of time or other indulgence shall affect CE's rights under this Agreement notwithstanding any rule of law or equity to the contrary.