

RENTAL TERMS AND CONDITIONS

1. **TERM** – The term of this Rental Agreement respecting each item of equipment commences on the date of shipment by Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. to the Renter and ends on the date of return by the Renter of the equipment to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s premises. The Renter hereby covenants to pay the amount of rent as aforesaid, when due, and upon default, Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. may at its option terminate this Agreement in accordance with paragraph 16.
 2. **TITLE** – This agreement is not a contract of sale. Title to the equipment is and shall remain with Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. and nothing contained in this Rental Agreement shall be deemed to have the effect of conferring upon the Renter any right or title whatsoever in or to the equipment, other than that of a Renter. The Renter shall give Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. immediate notice in case any of the equipment is levied upon or from any cause become liable to seizure.
 3. **RENT** – The rent for any and every item of equipment shall be the amount designated on the 1st page hereof.
 4. **LOCATION** – The equipment shall be located in the Province where rented and shall not be removed therefrom without Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s written consent.
 5. **USE OF EQUIPMENT** – The Renter agrees that the equipment shall be used only by persons competent in its operation and further agrees that the Renter will be solely responsible for providing competent operators.
 6. **PROHIBITED USES** – Use of the equipment in the following circumstances is prohibited, and will constitute a breach of this Rental Agreement:
 - (a) Use for illegal purpose or in an illegal manner
 - (b) Use when the equipment is in bad repair or is unsafe
 - (c) Improper, unintended use or misuse
 - (d) Use by anyone other than the Renter or the Renter's employees, without Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s permission.
 - (e) Use of the equipment at any location other than the address furnished Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. without Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s written permission.
 7. **ACCEPTANCE** – The Renter acknowledges that the Renter has had an opportunity to personally inspect the equipment, find it suitable for the Renter's needs, in good condition, and that the Renter understands its proper use. The Renter further acknowledges the Renter's duty to inspect the equipment prior to use and notify Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. of any defects.
 8. **INSPECTION** – At all times during business hours Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. shall have the right to inspect the equipment or observe its use.
 9. **ALTERATIONS** – All addition, or improvements of whatsoever kind of nature made to the equipment shall belong to and become the property of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. upon the expiration, or earlier termination of this Rental Agreement. The Renter will not alter, remove, disfigure or in any way change the insignia or lettering upon any of the said equipment.
 10. **LOSS DAMAGE AND REPAIRS** – The Renter hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever other than the exceptions listed in 12 (d) 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 the Renter under this Rental Agreement which shall continue in force and effect in the event of loss or damage of any kind whatsoever to any item of equipment, the Renter at the option of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd., shall repair the lost or damaged equipment, the cost to be borne by the Renter.
 11. **FUELLING / REFUELLING** – Diesel / Gas Compressors are required to be turned off during fuelling and refuelling process. Damages resulting from misuse or improper fuelling / refuelling will be at the expense of the renter.
 12. **EXPENSE** – Without limiting the generality of the foregoing, the Renter shall, at the Renter's own expense, during the term of this Rental Agreement, pay the cost of:
 - (a) All fuel and/or electricity required to operate the equipment
 - (b) DEF Fluid
 - (c) Repair costs including any parts and labour for Equipment Failure as the result of misuse or negligence.
 - (d) Equipment failure and resulting damages not caused by any fault or misuse by the Renter will be the responsibility of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.; however, depending on location of equipment travel charges may apply to Renter if field repair is necessary. As noted in Section 10, all other forms of loss or damage are the responsibility of the Renter.
 - (e) If an air dryer/aftercooler unit is being rented, air motors must be lubricated regularly as per manufacturer recommendations. Lubricant will be provided by CAE at the beginning of rental; however, it is the responsibility of the Renter to ensure lubrication is performed and to contact CAE should more lubricant be required. Any damage caused as a result of lack of maintenance by the Renter will be charged back at the completion of the rental term
- Customer Initials to Confirm Agreement to Section 11: _____**
13. **SURRENDER** – Upon the expiration or earlier termination of this Rental Agreement, the Renter shall return the equipment to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted.
 14. **TAXES** – The Renter shall keep the equipment free and clear of all levies, liens 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 equipment. If the Renter fails to pay any said fees, assessments, charges or taxes, Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. shall not be obligated to pay the same. In that event, the cost thereof shall be repayable to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. with the next installment of rent and failure to repay the same shall carry with it the same consequence, including interest at a twenty-four (24%) percent per annum, as failure to pay any installment of rent.
 15. **INDEMNITY** – The Renter shall indemnify Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. against, and hold Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. 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, without limitation, the manufacture, selection, delivery, possession, use, operation, or return of the equipment.
 16. **INSURANCE** – The Renter shall at his (its) own expense maintain liability, theft, fire and any other insurance required to indemnify Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. against any loss to or of the equipment to the extent of the original replacement value, such insurance to cover the insurable interest of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. in said equipment. This insurance shall be kept in effect from the time equipment is shipped by Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. until it is returned by the Renter to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. The Renter must provide a Certificate of Insurance evidencing a minimum of \$2,000,000 Commercial General Liability, \$2,000,000 Automobile Third Party Liability, physical damage coverage for the full replacement value of the equipment confirmed with model and serial number, and adding Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. as an Additional Insured
 17. **TERMINATION OF AGREEMENT** – Should the Renter fail to make any payment when it becomes due, under this Agreement or under any other agreement between the parties including without restricting the generality of the above equipment, any general account agreement, or become bankrupt, or overload the

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equipment or tax it beyond its capacity or fail to maintain and operate or to return the equipment as provided by this Agreement or violate any other provision hereof, Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. may in its option terminate this Agreement without notice to the Renter, re-take possession of the equipment without becoming liable for trespass, and recover all rentals due and full damages for any injury to, and all expenses incurred in retaking possession of the equipment.

18. **BANKRUPTCY** – Neither this Rental Agreement 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 Renter or if the Renter is adjudged insolvent, or if the Renter makes 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 release or satisfied within 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, Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. shall have and may exercise any one or more of the remedies set forth in paragraph 16 hereof and this Rental Agreement shall, at the opinion of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd., without notice, immediately terminate and shall not be treated as an asset of the Renter after the exercise of said option.
19. **COLLECTION COSTS** – The Renter agrees to pay all reasonable collection, court costs, fees, attorneys' fees and other expenses involved in the collection of the charges or enforcement of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s rights under this Rental Agreement.
20. **SUBLEASES, LOANS OF EQUIPMENT & ASSIGNMENTS** – Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. may assign its rights under this Rental Agreement without the Renter's consent, but will remain bound by all obligations herein. The Renter may not sublease or loan the equipment without Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s written permission. Any purported assignment by the Renter is void.
21. **TIME OF RETURN** – The Renter's right to possession terminates on the expiration of the Rental Period and retention of possession after this time constitutes a material breach of this Rental Agreement. Time is the essence of this contract. Any extension must be mutually agreed upon in writing.
22. **LATE RETURN** – The Renter agrees to return the equipment to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. during Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s regular business hours promptly upon expiration of the Rental Period. If the Renter does not return the rented equipment during Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s regular business hours and prior to the expiration of the Rental Period, the rental shall continue until the equipment is returned.
23. **FAILURE TO RETURN "GOODS" OR "EQUIPMENT" DURING BUSINESS HOURS** – In the event the equipment is returned to Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s premises at a time not during Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s regular business hours the Renter agrees to pay for any damages to or loss of equipment occurring between the time of return and the commencement of Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd.'s next business day.
24. **TIME BASIS OF RATE** – The rental rates herein are based upon the general practice in industry of one shift of 12 hours per day, 60 hours per week, and 240 hours per month of 30 consecutive day period, and if the equipment is used for periods in excess of the general practice, overtime will be charged. If the equipment is rented by the day, the rate for overtime is 1/12th of the daily rate for each hour in excess of twelve. If it is rented by the week the rate for overtime is 1/60th of the weekly rate for each hour in excess of 60. If it is rented by the month, the overtime rate is 1/240th of the monthly rate for each hour in excess of 240 hours in any-one 30 consecutive day periods.
25. **FIRE EXTINGUISHERS** – CAE recommends you keep a fully charged fire extinguisher nearby when servicing or operating the compressor. If you do not have one available, please indicate below and CAE can provide one.
Customer Requires Fire Extinguisher (Y/N) _____
26. **SEVERABILITY** – The provisions of this Rental Agreement shall be severable, so that the invalidity, unenforceability or waiver of any of the provisions shall not affect the remaining provisions.
27. **TIME OF PAYMENT** – Accounts are due and payable at the termination of the rental period. A carrying charge of 2% PER MONTH (ANNUAL PERCENTAGE RATE OF 24%) will be charged on all overdue accounts.
28. **WARRANTY** – Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. does not cover any freight nor Renter labour costs associated with a rental compressor. The warranty coverage extends to a 125 km radius around the city of Calgary or Red Deer each way (250km total) If a breakdown occurs, all on-site labour during regular business hours (Monday to Friday 8 AM to 5 PM) from Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd., or a Central Air Equipment Ltd. / Central Air Equipment (RD) Ltd. arranged contractor will be covered, along with parts. All after hours and freight charges are the responsibility of the renter. The Renter is also responsible for travel time/Km charges for areas outside the 125km radius of the City of Calgary. If the cause of the fault is determined by Central Air Equipment Rentals Ltd. to be due to operational error, oversight or negligence, all costs associated with the repair will be billed to the Renter at standard rates. **ALL RENTAL EQUIPMENT IS EXWORKS CENTRAL AIR EQUIPMENT LTD (CALGARY, AB) or CENTRAL AIR EQUIPMENT (RD) LTD. (RED DEER, AB) UNLESS OTHERWISE ARRANGED IN WRITING**

Company Name: _____

Customer Contact Name: _____

Customer Signature: _____ Date: _____