

WHEREAS:

- A. Lessor wishes to arrange rental with Lessee on a daily, weekly, monthly annual basis of equipment owned by Lessor.

NOW, THEREFORE, in consideration of the mutual premises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be contractually bound, the Parties' make the following agreements as of the Commencement date.

1. Delivery and Acceptance of Equipment

Every rental/lease will have lease agreement signed with inspections completed at pick up / return. Lessee will certify that all Equipment has been received, is fully installed, and is in good operating order in accordance with all requirements and specifications. Lessee unconditionally accepts the Equipment, and Lessor relies on this acceptance to commence this Agreement.

2. Terms of Billing

A credit application will be filled out by Lessee Company. A Credit Card and Void Chq will be kept on file for billing purposes. Any changes must be done in writing. Lessee is authorizing recurring payments when applicable. Payment due date will be reflected in "Schedule A".

i. Remedies upon Default of Payment

Lessor may:

- I. Declare the net present value of remaining rent due immediately.
- II. Suspend maintenance obligations or cancel the Agreement.
- III. Charge a fee of \$250 every missed rent/payment as attempted, and charge a \$15/day charge in accordance with maximum daily rate per British Columbia Law. Payments will be attempted day due, 2 days later and another 2 days later before taking further action.
- IV. If any and all reasonable efforts have been made to collect funds, and still no resolve, Lessor may enter Lessee's premises to repossess the Equipment in accordance with applicable laws, holding any other property at Lessee's expense until returned or disposed of per legal requirements. Any fees associated with recovery will be at the expense of the Lessee.

3. Types of Rentals

Trailers will be rented daily, weekly, monthly, and annually or other long term or specified dates. Lessor understands that this can and will change, and Lessee agrees to request extensions when needed. Lessor will do everything within their power to accommodate requests as needed. Schedule A has current up to date rental rates.

4. Standard Terms and Conditions

I. Documents

These Standard Terms and Conditions (the Terms), together with this Carrier Agreement (the “Agreement”), and the Rental/ Lease Agreement (Supplemental Agreement), form the complete documents between Lessor and Lessee with respect to the lease of any and all equipment rented or leased current and future.

II. Term

The term shall commence on the Commencement Date and continue until terminated as per the terms herein.

III. Delivery

Lessor delivers, and Lessee accepts delivery of, the Equipment at the Equipment Location as specified above.

5. Ticket Violations

In the event that a ticket of any sort has occurred, it is expected that Lessee will deal with immediately. Failure to do so, will result in a 20% penalty added, and processed at the next billing cycle.

6. Rental

- I. Lessee shall pay rent to Lessor without demand at the rates indicated on Lease/Rental Agreement.
- II. Rental obligations commence on the Commencement Date and continue until the later of (i) the end of the lease term, or (ii) the date the Equipment is returned to Lessor (the “Return Date”).
- III. Lessee’s obligation to pay rental fees is absolute and unconditional.
- IV. If an agent is used for any lease/rental they take full responsibility of the Equipment as the Lessee.

7. Use and Operation

Lessee warrants that:

- I. The Equipment shall be used only in Canada and the United States of America for transportation purposes as specified.
- II. Only Lessee's with a class 1 license, careful, and sober agents or employees shall operate the Equipment.
- III. Lessee shall comply with all applicable laws, regulations, and ordinances ("Applicable Laws").
- IV. Lessee shall avoid abusive handling or excessive loads and provide operation data as required by governmental agencies.
- V. Equipment cannot be altered with decals or any other advertising without Lessor's written consent.

8. Maintenance

Lessee's Responsibilities (at Lessee's cost):

- I. Conduct daily safety inspections and maintain proper axle lubricants, tire inflation, brakes, and lighting, cracks and leaks, in accordance with applicable federal and provincial regulations.
- II. Maintain the Equipment in the same condition as received, accepting normal wear and tear, especially in long term rentals.
- III. Reimburse Lessor if tire damage is due to improper inflation, impacts, or running flat, based on current market prices.
- IV. Deliver Equipment to Lessor for inspection / repairs upon Lessor's request.

Lessor's Responsibilities Prior to each Rental:

- I. Inspect, lubricate, and maintain Equipment for normal wear and tear, as defined above.
- II. Replace tires and brakes as per federal and provincial safety regulations as required.

9. What to do in case of an accident

- I. Lessee is to inform Lessor within 12 hours or as soon as becomes aware in the event of an accident or damage to equipment. Lessee will allow Lessor to decide how to deal with damaged equipment.

- II. Lessee is responsible to get equipment to service center for repair and can add to claim with Insurance body.
- III. If trailer is damaged, contaminated, stained, soiled while in Lessee care, and cannot be brought back to pre-rental condition, Lessee will be response to purchase equipment at 115% of equipment's Fair Market Value (now referred as "FMV") prior to use. FMV shall be determined by an independent third-party appraiser selected by Lessor, with costs borne solely by Lessee.

10. Hold Harmless / Limitation of Liability

a) Lessee shall defend, indemnify, and hold harmless Lessor from:

- I. Any loss or damage that Lessor may sustain as a result of any damage to or loss of the Equipment due to any cause, including without limitation collision, fire, lightning, theft, explosion, flood, windstorm, Act of God, act of war or terrorism, or cargo damage.
- II. Any loss or damage Lessor may sustain as a result of the death or injury to, or damage to the property of, any person as a result in whole or in part of the use or condition of the Equipment.
- III. Any loss, claim, liability, damages, expense, or disbursement, penalty, fine, or citation arising from the disposal, remediation, or corrective action cost, or forfeiture or seizure that may arise in whole or in part from the delivery, ownership, operation, maintenance, use, or condition (actual or alleged) of the Equipment or that may arise from the failure of Lessee to use and maintain the Equipment as provided under this Agreement and in compliance with Applicable Laws, unless such loss or damage arises from Lessor's gross negligence, or that may arise from the breach of Lessee's covenants under this Agreement.
- IV. Any claim or liability arising out of work performed for or materials supplied in connection with the operation or maintenance of the Equipment, and
- V. Any sales, use, stamp, or other taxes, levies, imposts, duties, charges, or withholdings of any nature whatsoever, together with any penalties, fines, or interest thereon imposed against Lessor, Lessee, or the Equipment or any part thereof by any foreign, federal, state, or local government or taxing authority during the Lease Term or in connection with the ownership, delivery, leasing, possession, use, operation, return, or other disposition thereof or upon the rentals, receipts, or earnings arising therefrom or upon or with respect to this Agreement, excluding, however, any taxes imposed by any taxing authority on or measured by the income of Lessor. Lessee shall not, absent Lessor prior written consent, settle or compromise any claim against Lessor unless such settlement or compromise unconditionally and absolutely releases Lessor. Lessee's indemnification obligation under

this Agreement shall in each case include lawyer fees and costs and shall survive the termination of this Agreement.

b) Lessor shall not be liable in connection with this Agreement for incidental, special, indirect, consequential, or exemplary damages of any kind, including without limitation, lost profits and business interruption damages, or damage to cargo suffered by Lessee or any other party. No right of Lessor under this section may be waived unless in writing and signed by a signing authority of Lessor company.

11. Safety Inspection

Lessee is responsible for ensuring compliance with all safety regulations and maintaining inspection documentation.

12. Insurance Certificate Requirements

Lessee shall maintain, at its cost, from the Commencement Date until the Return Date:

I. Liability:

Add Mainland Truck and Trailer Ltd. as an additionally insured.

II. Commercial General Liability:

\$2,000,000 per occurrence with contractual liability coverage. Lessor shall be named as additional insured and loss payee on all policies. Lessee shall provide certificates of insurance within 7 days of the Commencement Date and notify Lessor of any incidents within 12 hours, or at time of awareness, whichever is sooner.

III. Commercial Auto Third Party Liability or Trucker's Liability

Minimum \$2,000,000 Mainland Truck and Trailer Sales Ltd. 9616 188 Street, Surrey, BC V4N 3M2 combined single limit per occurrence (\$5,000,000 if hazardous materials are involved).

IV. Physical Damage:

Collision and Comprehensive coverage equal to the Equipment's FMV, with Lessor named as loss payee (with deductible to be no more than \$2,500).

*If appropriate coverage is not proven at time of Agreement or when renewal documents are needing updates, Mainland Truck and Trailer Ltd. will provide a physical damage waiver for: \$10/day on regular trailer rentals with a \$10,000 deductible. No refunds to Lessee who provide at a later date if charges already made

13. Licenses

Lessor shall procure licenses and registrations required for lawful operation within both Canada and the United States.

14. Taxes

Lessee shall provide usage information (e.g., mileage, garage locations) and comply with tax regulations on the provincial or state level to avoid recapture of Lessor's tax benefits.

15. Events of Default

Failure to pay rental or comply with terms, insolvency, or unauthorized liens constitute an Event of Default.

16. Mileage and Use Charges

The Equipment is equipped with GPS tracking and does not have an odometer. If the GPS fails, Lessee will notify Lessor within 12 hours or sooner. Lessee shall then track km manually for billing and provide records to Lessor daily. Failure to provide accurate usage records will incur an additional charge of \$80/day. Excessive tire or brake wear shall incur additional charges based on current market prices. If equipment is lost while GPS fails, Lessee shall pay a \$250 flat fee to initiate recovery efforts. Lessee shall also be responsible for all additional recovery costs, including but not limited to towing, legal fees, and third-party services, until the Equipment is returned to Lessor.

17. Warranty Disclaimer

Equipment is rented/leased "AS IS." Lessor disclaims all warranties, express or implied, including merchantability or fitness for purpose.

18. Equipment Return

Lessee shall return the Equipment to the Equipment Location in good condition, free of liens, in same condition as received, and cleaned to a rentable standard, including interior and exterior washing and removal of any debris or contaminants. If the Equipment is totally destroyed and not covered by insurance, Lessee shall pay 115% of FMV, less any insurance proceeds. FMV shall be determined by an independent third-party appraiser selected by Lessor, with costs borne by Lessee. Lessor may change the Return Location with 10 days' written notice.

19. Liens and Alteration

Lessee shall keep Equipment free of liens and not alter it without Lessor's consent.

20. Renewal

Upon individual rental/lease expiration, Lessor may renew the Agreement or demand Equipment return. Continued use without renewal incurs standard rates, and possible penalties if equipment was already rented to other parties'.

21. Entire Agreement

This Agreement is the entire agreement between the parties' and may only be amended in writing.

22. Title / Financing Statements

Any leases are leases, not sales. Lessor retains title to the Equipment.

23. Dispute Resolution

Any disputes arising under this Agreement shall first be addressed through good-faith negotiations. If unresolved within 30 days, the parties agree to submit the dispute to mediation in British Columbia, as conducted by a mutually agreed mediator, with costs shared equally. If mediation fails, disputes shall be resolved in the courts of British Columbia, in the city of Vancouver or New Westminster, whichever Lessor chooses.

24. Force Majeure

Neither party shall be liable for failure to perform its obligations under this Agreement due to events beyond its reasonable control, including but not limited to acts of God, war, terrorism, government regulations, strikes, or natural disasters, provided the affected party notifies the other promptly and takes reasonable steps to mitigate the impact. This clause does not excuse Lessee's obligation to pay rent.

25. Data Privacy

Lessor may collect usage data via GPS tracking to monitor Equipment location and usage. Such data shall be collected, stored, and processed in compliance with Canada's Personal Information Protection and Electronic Documents Act (PIPEDA). Lessee consents to such data collection by signing this Agreement. Lessor shall not disclose data to third parties except as required by law or to protect its rights under this Agreement.

26. Waiver

Lessor's failure to enforce terms does not waive future enforcement.

27. Confidentiality

Both parties agree to treat as confidential all non-public information disclosed in connection with this Agreement, including but not limited to pricing, equipment specifications, usage data, and business operations (“Confidential Information”). Neither party shall disclose Confidential Information to third parties without prior written consent, except as required by law or to enforce rights under this Agreement. Confidential Information shall be protected using reasonable safeguards and may only be used for purposes related to this Agreement.

28. Lessee Representations and Warranties:

Lessee represents and warrants that:

- I. It has the full legal authority to enter into this Agreement and perform its obligations.
- II. The execution of this Agreement does not violate any other agreement, law, or regulation to which Lessee is subject.
- III. Lessee possesses all necessary licenses, permits, and insurance required to operate the Equipment in Canada and the United States.
- IV. All information provided by Lessee, including but not limited to contact details, insurance certificates, and usage data, is accurate and complete.
- V. Lessee shall promptly notify Lessor of any changes to its legal status, licensing, or insurance coverage that may affect its obligations under this Agreement.

29. Equipment Modifications and Improvements

Lessee shall not modify, alter, or improve the Equipment without Lessor’s prior written consent. Requests for modifications or improvements must be submitted in writing, detailing the proposed changes, purpose, and estimated costs. Lessor may approve or deny such requests in its sole discretion. If approved:

- I. Lessee shall bear all costs of modifications or improvements, including installation and removal, unless otherwise agreed in writing.
- II. All modifications or improvements shall become the property of Lessor upon attachment to the Equipment, unless otherwise specified in writing.
- III. Lessee shall restore the Equipment to its original condition upon return, at Lessee’s cost, if required by Lessor.
- IV. Lessor is not responsible for any delays, damages, or costs arising from Lessee’s modifications or improvements, and Lessee shall indemnify Lessor for any related claims.

30. Environmental Compliance

Lessee shall operate the Equipment in compliance with all applicable environmental laws, regulations, and standards, including but not limited to emissions standards, hazardous waste disposal, and spill prevention requirements in Canada and the Continental United States. Lessee shall:

- I. Ensure that the Equipment is not used in a manner that causes environmental contamination, such as fuel or oil spills, unless immediately remediated at Lessee's cost.
- II. Promptly notify Lessor of any environmental incidents (e.g., spills, emissions violations) involving the Equipment within 24 hours and provide documentation of remediation efforts.
- III. Indemnify and hold harmless Lessor from any fines, penalties, remediation costs, or liabilities arising from Lessee's non-compliance with environmental laws. Lessor reserves the right to inspect the Equipment for environmental compliance upon reasonable notice. If Lessee's actions result in environmental contamination, Lessee shall restore the Equipment to its original condition at Lessee's cost or, if restoration is not feasible, purchase the Equipment at 115% of its Fair Market Value, as determined by an independent third-party appraiser selected by Lessor.

31. Operator Training Requirements

Lessee shall ensure that all operators of the Equipment are adequately trained and qualified to operate the specific type of Equipment leased, in accordance with industry standards and Applicable Laws. Lessee shall:

- I. Maintain records of operator training and certifications, providing copies to Lessor upon request.
- II. Ensure operators are familiar with the Equipment's operating manual and safety features prior to use.
- III. Prohibit untrained or unqualified individuals from operating the Equipment. Failure to comply with this section constitutes a breach of Lessee's obligations under (Use and Operation) and may result in additional maintenance costs, liability for damages, or termination of the Agreement at Lessor's discretion.

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