

## **EQUIPMENT RENTAL AGREEMENT**

**THIS EQUIPMENT RENTAL AGREEMENT (this "Agreement") dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_**

**BETWEEN:**

**KB Media Corp. of 1073 Montee Benoît, Casselman, Ontario, K0A 1M0**  
(the "Lessor")

OF THE FIRST PART

**- AND -**

**Village of Casselman of 751 St Jean St, Casselman, ON K0A 1M0**  
(the "Lessee")

OF THE SECOND PART

(the Lessor and Lessee are collectively the "Parties")

**IN CONSIDERATION OF** the mutual covenants and promises in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Lessor leases the Equipment to the Lessee, and the Lessee leases the Equipment from the Lessor on the following terms:

### **Definitions**

1. The following definitions are used but not otherwise defined in this Agreement:
  - a. "Casualty Value" means the market value of the Equipment at the end of the Term or when in relation to a Total Loss, the market value the Equipment would have had at the end of the Term but for the Total Loss. The Casualty Value may be less than but will not be more than the original purchase price of the Equipment.
  - b. "Equipment" means Galaxy® Outdoor Electronic Message Center - GT6x Series - 10mm RGB which has an approximate value of \$26,500.00.
  - c. "Total Loss" means any loss or damage that is not repairable or that would cost more to repair than the market value of the Equipment.

### **Lease**

2. The Lessor agrees to lease the Equipment to the Lessee, and the Lessee agrees to lease the Equipment from the Lessor in accordance with the terms set out in this Agreement.

**Term**

3. The Agreement commences on June 1, 2021 and will continue until June 1, 2025 (the "Term").

**Rent**

4. The rent for the Equipment, inclusive of HST, will be \$2,825.00 (the "Rent") and the Rent will be paid prior to the Lessee taking possession of the Equipment.

**Residual Value**

5. The residual value (the "Residual Value") of the equipment is \$24,000.00.

**Purchasing the Equipment**

6. The Lessee has the option to purchase the Equipment at the end of the Term by paying the following amounts:
  - a. the Residual Value of the Equipment; and
  - b. any fees, taxes, and expenses related to the purchase of the Equipment.
  - c. Renew contract for another 5 year term.
7. After the Lessee has paid all of the costs and fees associated with purchasing the Equipment, the Lessor will return the following amounts, or the remaining portions of these amounts, to the Lessee:
  - a. any money received from an insurance claim or action that is not used to repair or replace the Equipment.

**Delivery of Equipment**

8. The Lessor will, at the Lessor's own expense and risk, deliver the Equipment to the Lessee at  
\_Casselman, Ontario \_\_\_\_\_

**Use of Equipment**

9. The Galaxy® Outdoor Electronic Message Center will be used for the display of messages for; Municipal, Not for profit Social Organizations, Businesses and Public and Crown Corporations.

**Warranties**

10. The Equipment will be in good working order and good condition upon delivery.
11. The Equipment is of merchantable quality and is fit for the purposes it is ordinarily used.

**Loss and Damage**

12. To the extent permitted by law, the Lessee will be responsible for risk of loss, theft, damage or destruction to the Equipment from any and every cause.
13. If the Equipment is lost or damaged, the Lessee will continue paying Rent, will provide the Lessor with prompt written notice of such loss or damage and will, if the Equipment is repairable, put or cause the Equipment to be put in a state of good repair, appearance and condition.
14. In the event of Total Loss of the Equipment, the Lessee will continue paying Rent, will provide the Lessor with prompt written notice of such loss and will replace the Equipment with encumbrance-free Equipment of the same model, type and configuration.

**Ownership, Right to Lease and Quiet Enjoyment**

15. The Equipment is the property of the Lessor and will remain the property of the Lessor.
16. The Lessee will not encumber the Equipment or allow the Equipment to be encumbered or pledge the Equipment as security in any manner.
17. The Lessor warrants that the Lessor has the right to lease the Equipment according to the terms in this Agreement.
18. The Lessor warrants that as long as no Event of Default has occurred, the Lessor will not disturb the Lessee's quiet and peaceful possession of the Equipment or the Lessee's unrestricted use of the Equipment for the purpose for which the Equipment was designed.

**Insurance**

19. The Lessee will, during the whole of the Term and for as long as the Lessee has possession of the Equipment, take out, maintain and pay for insurance against loss of and damage to the Equipment for the full replacement value of the Equipment and will name the Lessor as the loss payee.
20. The insurance will be in the joint name of the Lessor and the Lessee so that both the Lessor and the Lessee will be protected from liability and will provide primary and non-contributing coverage for the Lessor. The insurance policy will have a provision that it will not be modified or cancelled unless the insurer provides the Lessor with thirty (30) days written notice stating when such modification or cancellation will be effective.

21. Upon written demand by the Lessor, the Lessee will provide the Lessor with an original policy or certificate evidencing such insurance.
22. The Lessee appoints the Lessor as the Lessee's attorney-in-fact ("Attorney") with the power to maintain the above insurance and to secure payments arising out of any insurance policy required by this Agreement. The Attorney has the power to do all acts that are necessary or desirable to secure such payments.
23. If the Lessee fails to maintain and pay for such insurance, the Lessor may, but is not obligated to, obtain such insurance, but if the Lessor does obtain such insurance, the Lessee will pay to the Lessor the cost of such insurance upon notification from the Lessor of the amount.

**Indemnity**

24. The Lessee will indemnify and hold harmless the Lessor against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees and costs, arising out of or related to the Lessee's use of the Equipment.

**Default**

25. The occurrence of any one or more of the following events will constitute an event of default ("Event of Default") under this Agreement:
  - a. The Lessee fails to pay any amount provided for in this Agreement when such amount is due or otherwise breaches the Lessee's obligations under this Agreement.
  - b. The Lessee becomes insolvent or makes an assignment of rights or property for the benefit of creditors or files for or has bankruptcy proceedings instituted against it under the Federal bankruptcy law of Canada or another competent jurisdiction.
  - c. A writ of attachment or execution is levied on the Equipment and is not released or satisfied within 10 days.

**Remedies**

26. On the occurrence of an Event of Default, the Lessor will be entitled to pursue any one or more of the following remedies (the "Remedies"):
  - a. Declare the entire amount of the Rent for the Term immediately due and payable without notice or demand to the Lessee.

- b. Apply the Deposit toward any amount owing to the Lessor.
- c. Commence legal proceedings to recover the Rent and other obligations accrued before and after the Event of Default.
- d. Take possession of the Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. The Lessee waives any and all damage occasioned by such taking of possession.
- e. Terminate this Agreement immediately upon written notice to the Lessee.
- f. Pursue any other remedy available in law or equity.

**Assignment**

27. THE LESSEE WILL NOT ASSIGN THIS AGREEMENT, THE LESSEE'S INTEREST IN THIS AGREEMENT OR THE LESSEE'S INTEREST IN THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR.
28. If the Lessee assigns this Agreement, the Lessee's interest in this Agreement or the Lessee's interest in the Equipment without the prior written consent of the Lessor, the Lessor will have recourse to the Remedies and will be entitled to all damages caused by the assignment.

**Additional Clauses**

29. Lessee's current Digital Billboard will be replace with a Galaxy® Outdoor Electronic Message Center.
30. Lessee will be permitted up to 20% of the advertising space on the Electronic Message Center.
31. 20% of the message space will be allocated to local non for profit service clubs.
32. Lessee will be responsible for providing the power to the Electronic Message Center.
33. Lessor will be responsible for the removal/disposal of the old display and installation of the new Galaxy® Outdoor Electronic Message Center. Lessor will also be responsible for 100% of the operation and maintenance of the new Electronic message center.

34. If the lessee chooses not to renew the contract at the end of the term of the lease, the lessor will be responsible for removing the Galaxy® Outdoor Electronic Message Center at no charge.

**Entire Agreement**

35. This Agreement will constitute the entire agreement between the Parties. Any prior understanding or representation of any kind preceding the date of this Agreement will not be binding on either Party except to the extent incorporated in this Agreement.

**Address for Notice**

36. Service of all notices under this Agreement will be delivered personally or sent by registered mail or courier to the following addresses:

Lessor: KB Media Corp., 1073 Montee Benoît, Casselman, Ontario, K0A 1M0

Lessee: Village of Casselman, 751 St Jean St, Casselman, ON K0A 1M0

**Payment**

37. All dollar amounts in this agreement refer to Canadian dollars, and all payments required to be paid under this Agreement will be paid in Canadian dollars unless the Parties agree otherwise.

**Interpretation**

38. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

**Governing Law**

39. It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the Province of Ontario without regard to the jurisdiction in which any action or special proceeding may be instituted.

**Severability**

40. If there is a conflict between any provision of this Agreement and the applicable legislation of the Province of Ontario (the "Act"), the Act will prevail and such provisions of the Agreement will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Agreement.

41. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions will nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement and the remaining provisions had been executed by both Parties subsequent to the expungement of the invalid provision.

**General Terms**

42. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

43. Time is of the essence in this Agreement.

44. This Agreement will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each Party to this Agreement.

45. Neither Party will be liable in damages or have the right to terminate this Agreement for any delay or default in performance if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions, wars, insurrections, natural disasters, such as earthquakes, hurricanes or floods and/or any other cause beyond the reasonable control of the Party whose performance is affected.

**Notice to Lessee**

46. **NOTICE TO THE LESSEE:** This is a lease. You are not buying the Equipment. Do not sign this Agreement before you read it. You are entitled to a completed copy of this Agreement when you sign it.

**IN WITNESS WHEREOF** KB Media Corp. and Village of Casselman have affixed their signatures by a duly authorized officer under seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

KB Media Corp.

\_\_\_\_\_  
(Witness)

Per: \_\_\_\_\_ (c/s)

Village of Casselman

\_\_\_\_\_  
(Witness)

Per: \_\_\_\_\_ (c/s)