

## Terms and Conditions

- 1. Interpretation.** The face page of the Agreement and these Terms and Conditions together, form a lease, and shall herein be referred to collectively as the "Agreement" and all defined terms used on the face page are incorporated in these Terms and Conditions. In this Agreement "you", "your" and "customer" refer to the person renting the Equipment described above. Where there is more than one person named, the same terms refer to all persons named and all obligations of the persons named above under this Agreement shall be joint and several. "CHICC", "us", "we", and "our" refer to Canadian Home Improvement Credit Corporation and its authorized personnel, agents, contractors and assigns.
- 2. Location, Condition, Ownership and Operation of the Equipment; Indemnity.** We do not make any warranty or guarantee with respect to the Equipment, the supplier or the manufacturer, including, without limitation, whether the Equipment is suitable for you. We shall not be responsible if the Equipment is defective or unacceptable for any reason, including a failure in its performance, capacity or operations. To the extent permitted by law, any warranties or guarantees provided under sale of goods legislation are hereby excluded. You acknowledge that the Equipment was supplied directly to you by the supplier and that you have separately received information regarding warranties and service directly from the supplier. You agree to keep the Equipment at the address you provided on the cover page of this Agreement. You shall allow us reasonable access and the right to inspect the Equipment. You agree to keep the Equipment free and clear of all liens and encumbrances of every kind and to keep the Equipment in as good condition as when delivered, reasonable wear and tear excepted. You shall not make any alterations to the Equipment without our prior written consent. Any additions, upgrades, accessories, alterations or replacement to or for the Equipment will become our property and subject to the terms of this Agreement. You will operate the Equipment at your own risk. You agree to indemnify and save us harmless from any claims and damages suffered by us, however caused, arising out of the use of the Equipment. This indemnification obligation will survive termination of this Agreement Ownership of and title to the Equipment will at all times (except upon a sale to you in accordance with Section 8 of this Agreement) remain with us. You have no interest in the Equipment, other than the right to possess, insure and use the Equipment for the Term in accordance with the terms of this Agreement.
- 3. Personal Property.** You agree that the Equipment shall remain portable or movable personal property, without the need for any other party's consent or waiver to allow us to remove it, even if the Equipment becomes attached to real or immovable property.
- 4. Security Registration.** You hereby grant us an first priority continuing security interest in the Equipment as security for payment of the amounts owing by you to us (the "Payments") under this Agreement. The attachment of security interest has not been postponed. You grant us the right to register the security interest provided under this Agreement against you and against title to the lands where the Equipment is to be located. Unless prohibited by law, you waive your right to receive a copy of such registration where required and you appoint us as your lawful attorney for registration and receipt of notice.
- 5. Payments.** - You must make all payment (the "Payments") required to be made under this Agreement to us in the manner described on the first page of this Agreement starting on the Commencement Date (the "Commencement Date"). The Commencement Date is the closing date for your agreement to purchase the home in which the Product is installed. Your obligation to pay when due all amounts under this Agreement shall be absolute and unconditional without any deduction, set-off, abatement, hold back or claim for compensation whatsoever. The monthly rental, (total lease value / capitalized amount), (total lease costs) and (implicit finance charges), subject to dealer discounts, are based on the maximum annual percentage rate (APR) of 11.99%, and shall not exceed the maximum amounts of: \$14.99, (\$1,185.99) [\$2,110.24] [\$924.25]; \$29.99, (\$2,372.77) [\$4,221.89] [\$1,849.13]; \$39.99, (\$3,163.95) [\$5,629.66] [\$2,465.71]; \$49.99, (\$3,955.14) [\$7,037.43] [\$3,082.29]; \$59.99, (\$4,746.33) [\$8,445.20] [\$3,698.87]; \$69.99, (\$5,537.51) [\$9,852.96] [\$4,315.45]; Incremental costs: For every \$1.00 change in the monthly rental add [\$79.12] (\$140.78) [\$61.66] accordingly.
- 6. Adjustments to Payments.** Payments will increase by [3.5%] annually on each anniversary of the Commencement Date and you hereby acknowledge and agree to such increase being applied to Payments without the requirement for us to send you statements reflecting the same. However, you are entitled to contact our customer service number at 1 (888) 501-4666 in order to obtain a statement specifying your current Payments.
- 7. Payment Authorization.** Payments shall be made by you by pre-authorized debit ("PAD"). You hereby authorize us to debit the bank account ("Bank Account") identified on the cheque you delivered to us concurrently further information on your right to cancel your PAD, at your financial institution or by visiting [www.cdnpay.ca](http://www.cdnpay.ca). You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on your recourse rights, contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca). You hereby waive your right to receive pre-notification of the amount of the PAD and agree that you do not require advance notice of the amount of any PAD Payments before a debit is processed.
- 8. Purchase Option.** You may elect to purchase the Equipment at any time during the Term on an "as is, where is" basis. The purchase price shall be equal to the total present value of all unpaid and future Payments under this Agreement. The present value shall be calculated using a discount factor equal to [6.99%] per annum. For more information and to receive your competitive purchase price, please call our toll-free customer service number at 1 (888) 501-4666 prior to the end of the Term. Provided you are not in Default (as defined in Section 10 of this Agreement), you shall have the following options on the last day of the Term: (a) continue to rent the Equipment on a month-to-month basis at the then current Payment amount until the end of the useful life of the Equipment; (b) return the Equipment to us; or (c) purchase the Equipment based on the following: [\$150 for a CV/EL; \$250 for PV/PDV or Softener; \$350 for Condensing Tankless; \$450 for a Furnace or A/C; \$700 for a Boiler; \$850 for Boiler combi; and \$25 for each additional add-on.] For greater certainty, the immediately preceding amounts shall not exceed the sum of the estimated residual cash payment and the estimated residual value less the realizable value of the Equipment. You must notify us of your intention prior to the expiry of the Term.
- 9. Default Charges.** You shall pay us a charge for returned items, i.e. non-sufficient funds, in an amount equal to the greater of \$50.00 and the actual bank charges incurred by us plus any other amounts allowed by law. In no event shall the total default charges owing by you exceed an amount that exceeds our reasonable costs incurred as a result of your default plus any related court costs and fees.
- 10. Events of Default.** The occurrence of any of the following events shall constitute a default ("Default") under this Agreement: (i) you fail to make any Payment or to pay any other amount under this Agreement when due; (ii) you remove or attempt to remove the Equipment from the address you provided on the cover page of this Agreement without our express prior written consent; (iii) you encumber, transfer ownership of, or sublease the Equipment without our express prior written consent; (iv) you fail to observe any conditions of this Agreement; (v) if you become subject to bankruptcy, insolvency, receivership or similar proceeding under the *Bankruptcy and Insolvency Act*, either voluntarily or involuntarily; (vi) an encumbrancer takes possession of the Equipment or substantial part of your property; (vii) you allow any damage other than that caused by normal wear and tear resulting from proper use of the Equipment; (viii) you are in default under any other contract agreement, or obligation, now existing or hereafter entered into with us or any assignee of ours; (ix) any representation or warranty made by you in connection with this Agreement is untrue or incorrect; or (x) you transfer title to the premises located at the address you provided on the cover page of this Agreement (the "Premises") without purchasing the Equipment in accordance with the terms of Section 8 of this Agreement, unless we have agreed in writing to the assumption of your obligations under the Agreement by the party acquiring title to the Premises.
- 11. Remedies Upon Default.** Upon Default, we may terminate this Agreement and, in addition to any other remedies we have at law or otherwise, we may, without notice, do any or all of the following, separately or together, in any order or combination: (a) enter the Premises (or such premises where we believe the Equipment is located) and repossess and remove the Equipment (and if necessary, disconnect it from any other property). You waive any and all claims for any damages to property or otherwise arising from such repossession; (b) without terminating or being deemed to have terminated this Agreement, upon five (5) days prior written notice to you, we may sell, rent or lease the Equipment in such manner, for such amount and upon such terms as we may reasonably determine and may apply the net proceeds against what you owe to us; and (c) require you pay immediately on demand damages suffered by us as a result of the termination of this Agreement. Such damages will be, as a genuine pre-estimate of liquidate damages for loss of a bargain and not as a penalty, equal to the aggregate of any outstanding Payments owing as at the date of Default, (ii) the remaining Payments due under this Agreement for the balance of the Term following the date of the Default, and (iii) all costs incurred by us, our assignee or agents in enforcing the terms of this Agreement. We agree to remit to you any amounts collected by us from you or through our re-marketing efforts, collectively in excess of the aggregate amount of liquidated damages described above, provided that the remittance shall not exceed the amount paid by you under this section.
- 12. Damage to Premises.** Upon Default, if we elect to remove the Equipment from the Premises, we shall not be liable in respect of any damages to the Premises resulting from such removal or from any work done in connection with such removal.
- 13. Insurance.** At your expense, you shall maintain, in a form acceptable to us, insurance covering the Equipment. We shall be named as loss payee and the policy shall contain a clause requiring the insurer to give us prior notice of a revision to its provisions or of its cancellation. The total or partial loss of the Equipment or its use or possession shall not relieve you of your obligations and liabilities under the Agreement.
- 14. Equipment Risks.** If the Equipment is lost or damaged beyond repair or is stolen or for any other reason is not available or suitable for return at any time during the Term of this Agreement, you shall notify us of that event and, unless we agree to another arrangement, will immediately on demand pay to us a Casualty Value (as defined below) less the amount of any insurance proceeds paid to us as a result of the event. The "Casualty Value" shall be equal to the total present value of all unpaid and future Payments under this Agreement. The present value shall be calculated using a discount factor, at the rate per annum, equal to the lesser of: (a) the yield of the Government of Canada bond with a term most closely matching the remaining Term less 3%; or (b) 3%. Upon payment of the Casualty Value, you shall acquire, without recourse or warranty, all of our right title and interest, if any, in and to the Equipment.
- 15. Maintenance of Equipment.** You shall be responsible for the normal care and maintenance of the Equipment in accordance with manufacturer's specifications. We may offer this maintenance at its market price, as required. Failure to provide maintenance may void the warranty and you shall be responsible for any costs associated with repairs that result from the lack of maintenance. We may request evidence that you have carried out maintenance on the Equipment.
- 16. Assignment.** We may assign, at our sole discretion at any time and without your consent or notice to you, as and by way of security or absolutely, all or any portion of our rights, title and interest in this Agreement, the Equipment and in the PAD or other payment authorization granted by you, including as security for a loan or other financing arrangement, provided that we may not assign or transfer any PAD authorization granted by you in this Agreement, directly or indirectly, by operation of law or otherwise, without providing at least ten (10) days prior written notice to you. For the purposes of this section "we" shall include any such assignee (an "Assignee"). You hereby consent to the delivery by us to any prospective Assignee of such information, including personal information, concerning you as may be in our possession. You may not assign this Agreement without our prior written consent.
- 17. Headings, Sections etc.** The headings, titles and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of this Agreement or its effect.
- 18. Further Assurances.** You agree to provide all necessary further assurances, do all acts and sign all documents as we may require from time to time to give effect to this Agreement and to protect our rights hereunder.
- 19. Enforceability.** If any provision of this Agreement is void or unenforceable in any jurisdiction, then, as to that jurisdiction, it is void only to the extent of such provision without invalidating the remaining provisions or the invalid provision with respect to any other jurisdiction.
- 20. Information request.** Information requests by any person(s) other than you shall be verified by us and shall be subject to administration charges as set from time to time by us.
- 21. Electronic form of agreement.** We will retain a copy of this Agreement in electronic form only. The email address provided by you on the cover page of this Agreement is your true email address and you agree that the transmittal of an electronic copy of this Agreement, including by portable document format, shall constitute delivery under the *Fair Trading Act* (Alberta) and applicable law.
- 22. Entire agreement.** This Agreement constitutes the entire agreement between the parties relating to its subject matter.
- 23. Amendment.** This Agreement may only be amended by a written document signed by each of the parties.
- 24. Remedies cumulative.** The rights, remedies, and powers provided to us in this Agreement are cumulative and in addition to, and are not exclusive of or in substitution for, any rights,