

VEHICLE LEASE AGREEMENT

Date of Agreement and Cost of Credit Disclosure: _____

LESSOR: Name, Address and Phone Number GST Number: _____	LESSEE: Full Legal Name and Address GST Number (if applicable): _____ Date of Birth: Day / Month / Year
CO-LESSEE: Full Legal Name and Address GST Number (if applicable): _____ Date of Birth: Day / Month / Year	CO-LESSEE: Full Legal Name and Address GST Number (if applicable): _____ Date of Birth: Day / Month / Year

In this Vehicle Lease Agreement (this "Lease"), the words "you" and "your" refer to the Lessee and any Co-Lessee(s) and each of you named above will be jointly and severally liable for all of your obligations in this Lease. Jointly and severally liable means individually and collectively responsible for this Lease. The words "we", "us" and "our" refer to the dealer named above as Lessor (the "Dealer"), and once this Lease is assigned, refer to Honda Canada Finance Inc. ("HCFI"). This is an agreement to lease the vehicle described below with any attachments or accessories (the "vehicle"). This is a lease only. This is not a purchase agreement. You do not own the vehicle. By signing this Lease you agree to lease the vehicle on the terms and conditions set out on the front and back of this Lease.

NEW or USED or DEMO	YEAR	MAKE	MODEL	MODEL CODE	VEHICLE IDENTIFICATION NUMBER

Primary Use of Vehicle: Personal, Family, Household Business

Equipped with (List): _____

DELIVERY RECEIPT
You acknowledge that (i) you have received and examined the vehicle, (ii) the vehicle is equipped as described above, (iii) the vehicle is in good operating order and condition, and (iv) you accept the vehicle for all purposes of this Lease.

Date: _____ Odometer Reading: _____

Lessee's Signature: _____

Co-Lessee's Signature: _____

Co-Lessee's Signature: _____

1. COST OF LEASE DISCLOSURE

a) Leased Vehicle Price (Retail Cash Selling Price/Lease Value of Vehicle)
(Includes levies, options, accessories, freight, pre-delivery inspection and air tax but does not include GST or PST) \$ _____

b) Less: Cash Down Payment -\$ _____

c) Trade-In Allowance \$ _____

d) Less: Lien Amount \$ _____

e) Less: Net Trade-In Allowance -\$ _____

f) Previous Charges Carried Forward +\$ _____
Lease No.: _____

g) Net Leased Vehicle Price (Excluding Optional Services and Other Charges) =\$ _____

h) Less: Residual Value -\$ _____

i) Optional Extended Warranty (if any) +\$ _____

j) Optional Life Insurance +\$ _____

k) Optional Disability Insurance +\$ _____

l) Other Optional Services (Describe): _____ +\$ _____

m) Other Charges (Describe): _____ +\$ _____

n) **Amount To Be Amortized** =\$ _____

2. LEASE RATE AND CHARGES

a) Lease Charges based on lease rate of _____ % \$ _____

b) Total Lease Implicit Finance Charges \$ _____

c) Capitalized Amount \$ _____

d) Annual Percentage Rate _____ %

3. MONTHLY PAYMENT CALCULATION

a) Base Monthly Lease Payment [(1n + 2a) ÷ 3f] \$ _____

b) Taxable Amount of Base Monthly Lease Payment \$ _____

c) GST _____ % of 3b (where applicable) +\$ _____

d) PST _____ % of 3b (where applicable) +\$ _____

e) Monthly Payment =\$ _____

f) Number of Monthly Payments # _____

g) Total of Monthly Payments (3e x 3f) \$ _____

h) Total Monthly Payments (Excluding Taxes)(3a x 3f) \$ _____

The term of this Lease is _____ months. Your first Monthly Payment is due when you sign this Lease. Your remaining _____ Monthly Payments of \$ _____ are due on the _____ day of each month thereafter. This Lease is scheduled to end one month after your last payment is due. Payment of your monthly lease obligation by credit card is not permitted. The amount of the Monthly Payment may change without prior notice to you in the event of a change in the rate of applicable provincial or federal taxes.

4. LATE CHARGE
Subject to applicable legislation, if any amount, including any termination liability owing under Section 17 or Section 18, remains unpaid after its due date, you will pay per diem interest on the unpaid amount at the interest rate of 12% per annum. You will pay a charge of \$25.00 for each pre-authorized payment or cheque returned for any reason. This payment is due and payable immediately.

5. TOTAL COST DUE UPON DELIVERY

a) First Monthly Payment (3e) \$ _____

b) Refundable Security Deposit +\$ _____

c) Cash Down Payment (1b) +\$ _____

d) Net Trade-In Allowance (insert the greater of 1e or zero) +\$ _____

e) GST _____ % (if applicable) +\$ _____

f) PST _____ % (if applicable) +\$ _____

g) License Fee +\$ _____

h) Other (Describe): _____ +\$ _____

i) Other (Describe): _____ +\$ _____

j) GST _____ % on 5g through 5i (where applicable) +\$ _____

k) PST _____ % on 5g through 5i (where applicable) +\$ _____

l) **Total Due Upon Delivery** =\$ _____

6. TOTAL COST OF LEASE TRANSACTION
The Total Cost of Lease Transaction is \$ _____ [3g + 5l - (5a + 5b)] excluding: (i) all costs of returning the vehicle to good condition, normal wear and tear excepted, (ii) excess kilometers charge under Section 8, and (iii) late payment charges.

7. OPTION TO PURCHASE / RESIDUAL VALUE
You have the option to purchase (the "Purchase Option") the vehicle without penalty if you are not in default under Section 18. The purchase price at Lease maturity will be \$ _____ (1h) (the "Purchase Option Price"), plus any applicable taxes, fees and costs related to the registration, transfer and certification of the vehicle. To exercise the Purchase Option, please contact the Dealer named in this Lease at least fifteen (15) days prior to Lease maturity. If you do not exercise the Purchase Option, you must immediately return the vehicle to the Dealer who shall have the option to purchase the vehicle or return the vehicle to us, and we may then dispose of, or deal with the vehicle in whatever manner we deem appropriate. The Purchase Option may not at any time be assigned by you to any party without our prior written consent.

8. EXCESS KILOMETERS CHARGE
If you do not exercise the Purchase Option at Lease maturity, you agree to pay us an excess kilometers charge of _____ cents per kilometer, plus applicable taxes, for each kilometer driven in excess of _____ kilometers (the "Maximum Kilometer Allowance"). If this Lease is terminated before maturity, and you do not purchase the vehicle, the Maximum Kilometer Allowance will be prorated for the period for which this Lease was in effect which may result in an additional charge to you.

PRE-AUTHORIZED DEBIT PLAN ("PADP"). Payments can be withdrawn from a chequing or chequing/savings account ONLY.

You (which includes any other account signatory) hereby request and authorize HCFI to make withdrawals from, and the financial institution identified below (the "Bank") to debit, your account identified below or any other account which you, from time to time, may identify to HCFI for payment of all amounts due under the within Lease by any means agreed to between HCFI and the Bank or to draw cheques by means of facsimile signature on your account payable to HCFI under this PADP. You also request and authorize the Bank to debit your account for all such cheques or other withdrawals. This authorization may be cancelled at any time by HCFI or by you upon ten (10) days written notice. Delivery of this authorization to HCFI constitutes delivery by you.

Financial Institution: _____ Bank Code: _____ Transit Number: _____ Account Number: _____

LESSEE's Signature: _____ Other Account Signatory: _____

All account signatories must sign if more than one signature is required to operate the account.
NOTE: ATTACH SAMPLE CHEQUE MARKED "VOID"

ACKNOWLEDGEMENT:

You acknowledge that the information supplied in the credit application relating to this Lease was provided to induce the Dealer to enter into, and HCFI to purchase this Lease. You represent and warrant that the information contained therein and herein is true, complete and accurate. You have reviewed a copy of this Lease and signed this Lease and received a copy of this Lease on _____, _____.

LESSEE'S SIGNATURE: _____ Name and Title of Authorized Signatory: _____
(If not an Individual)

CO-LESSEE'S SIGNATURE: _____ Name and Title of Authorized Signatory: _____
(If not an Individual)

CO-LESSEE'S SIGNATURE: _____ Name and Title of Authorized Signatory: _____
(If not an Individual)

Authorized Signatory of Dealer: _____ Name and Title of Authorized Signatory: _____
(If not an Individual)

ASSIGNMENT:

For value received, the Dealer hereby sells, assigns and transfers to HCFI all its right, title and interest in this Lease and the vehicle.

Authorized Signatory of Dealer: _____

Name and Title of Authorized Signatory: _____

Date: _____

Honda Canada Finance Inc.

GST Registration Number: **10239 0580 RT000**

9. INSURANCE

At all times during the term of this Lease, you must at your expense obtain and maintain the following minimum insurance coverage:

- (a) Public liability for bodily injury or death or damage to the property of others for \$1,000,000 per claim regardless of the number of claims from any one accident;
- (b) Collision insurance with a maximum deductible of \$1,000; and
- (c) Comprehensive fire and theft insurance with a maximum deductible of \$1,000.

You may purchase insurance coverage from any insurer (or through any agent) of your choice who may lawfully provide the type of insurance required in this Lease. Notwithstanding the preceding sentence, we have the right to disapprove, on reasonable grounds, an insurer selected by you.

The insurance coverage must be confirmed annually to us. The insurance coverage must name us as an **additional insured** and **loss payee** where possible under the applicable insurance. The policy must also provide us with at least ten (10) days' advance notice of any cancellation of coverage. You assign to us any monies paid under the insurance, by whomever obtained. You authorize us, and hereby appoint us as your attorney-in-fact, to receive or collect any money paid under the insurance (including instructing the insurer to make payment directly and solely to us), endorse cheques or drafts relating to such payment, cancel the insurance or settle or release any claim with respect to the insurance. If for any reason the required insurance lapses, is not fully maintained or renewed or coverage is denied, (i) you will remain liable to us for all amounts owing, and (ii) your right to use and operate the vehicle shall immediately terminate without any further notice from us.

You authorize your insurance provider to disclose policy details to us. Any repair in excess of \$2,000 requires our prior approval. You agree to allow us to inspect the vehicle at any reasonable time and place after performing such repair. To ensure continued warranty coverage under the Honda/Acura manufacturer's warranty, only Honda/Acura Genuine Parts designed for the vehicle should be used for any repair or maintenance.

You hereby assign to us any refund of premiums that may be payable to you or that you may receive, from time to time, under any insurance coverage that you may have subscribed to pursuant to this Lease, and you agree to remit to us any such refund of premiums you may have received.

10. SECURITY DEPOSIT

Your Security Deposit will not earn interest. We will retain the Security Deposit during the term of this Lease as additional security for the performance by you of your obligations under this Lease. We will deduct any amounts not paid by you under this Lease from your Security Deposit and the balance, if any, will be refunded to you within thirty (30) days after the end of this Lease. Premiums for any insurance incorporated in this Lease and subsequently refunded to us upon early cancellation of such insurance shall be held by us as additional security until the end of this Lease.

11. OFFICIAL FEES AND TAXES

You agree to pay all fees, charges, levies or taxes assessed in respect of this Lease or vehicle by any government authority. We have the right to pay any or all such fees, charges, levies and taxes on your behalf and you will owe us such amounts. We will change your Monthly Payment without prior notice only in the event of an increase or decrease in applicable provincial or federal taxes.

12. USE OF VEHICLE

You must not use or permit the use of the vehicle: (a) for any unlawful purpose, in violation of any law; (b) for any commercial purpose including, without limitation, for the purpose of delivery of any goods or other items or transportation of any persons; (c) by unlicensed or uninsured drivers; (d) or garage or export the vehicle for a period exceeding thirty (30) days outside the Province or territory in which this Lease was entered into without our prior written consent; (e) in a way that causes cancellation or suspension of insurance or causes the manufacturer's warranty to become void; or (f) to pull trailers that exceed the manufacturer's specifications. Furthermore, you will not permit or cause any person whose licence is under suspension to operate the vehicle. In addition, you agree to immediately notify us of any change in your name or address. The operation of the vehicle by a person whose driver's licence is under suspension shall constitute a default under Section 18 of this Lease and we may repossess the vehicle without any advance notice in addition to taking such other actions as we may elect under Section 18. You agree to reimburse us for all damages (including all costs and expenses) incurred by us as a result of you or another person operating the vehicle with a suspended driver's licence.

13. WARRANTY

Except as otherwise provided by law, the vehicle is subject only to any applicable manufacturer's warranty and/or extended warranties purchased by you. You acknowledge and agree that, except as otherwise provided by law, there are no express or implied, statutory or otherwise, warranties as to merchantability or fitness of the vehicle for any particular purpose. HCFI does not offer any warranty on the vehicle, and is not responsible for the performance of any dealer services.

In addition, to the extent that the vehicle is still subject to the manufacturer's new vehicle warranty and/or any extended warranty purchased by you, you assign to us all rights and remedies under the warranty to the extent they are assignable. The manufacturer's warranties are set out in the owner's manual included with the vehicle.

The Honda/Acura manufacturer's warranty does not cover parts that have not been made by Honda or supplied by Honda or any damage or failure resulting from the use of such parts. To ensure continued warranty coverage under the Honda/Acura manufacturer's warranty, only Honda/Acura Genuine Parts designed for the vehicle should be used for any repair or maintenance.

14. MAINTENANCE AND REPAIRS

You agree to maintain, service, and repair the vehicle at your own expense. You agree to follow the owner's manual and maintenance schedule and to make all necessary repairs. You also agree to comply with the manufacturer's request in any recall campaign so as to keep the manufacturer's warranty in effect. You will not alter, mark, remove or install equipment in the vehicle without our prior consent. All costs (plus applicable taxes) incurred in restoring the vehicle to good working condition and appearance will be your responsibility.

15. EXCESS WEAR AND TEAR

Normal wear and tear is anticipated, however, you will pay the estimated cost (plus applicable taxes) to repair and replace all damage to the vehicle that is not normal wear and tear. Damage includes, but is not limited to, dents, paint damage, missing equipment that was part of the vehicle when delivered, cracked or chipped glass, any tires that do not match or have less than 3.3 millimeters of tread remaining at the shallowest point, mechanical damage, holes, tears or burns to upholstery, and/or any total damage that costs more than \$200.00 to repair or replace.

16. SCHEDULED TERMINATION

- (a) **If you wish to purchase the vehicle at Lease maturity**, and you are not in default, you must pay us the Purchase Option Price plus applicable taxes, fees and costs related to the registration, transfer and certification of the vehicle. A vehicle inspection is not required if you purchase the vehicle at Lease maturity.
- (b) **If you do not wish to purchase the vehicle at Lease maturity**, and you are not in default, you must return the vehicle to the Dealer or a place specified by us, and you must pay us:
 - (i) any excess kilometers charge determined in accordance with Section 8,
 - (ii) PLUS the cost to repair or replace any damage to the vehicle as outlined in Section 15,
 - (iii) PLUS the cost of any maintenance and repairs as outlined in Section 14 (whether they are made or not) to put the vehicle in good operating order due to excess wear and tear and to comply with the provincial safety laws, and
 - (iv) PLUS any official fees and taxes imposed in connection with the termination of this Lease or otherwise.

A vehicle inspection is required if you return the vehicle. You must allow us to inspect the vehicle at any reasonable time and place.

17. EARLY TERMINATION

- (a) **If you wish to purchase the vehicle prior to Lease maturity**, and you are not in default, you may do so at any time without penalty. In order to purchase the vehicle you must pay us:
 - (i) the remaining Monthly Payments,
 - (ii) PLUS any other amounts due under this Lease,
 - (iii) PLUS the Purchase Option Price,
 - (iv) MINUS the unearned Lease Charges,
 - (v) MINUS any portion of the Security Deposit remaining after deductions permitted by this Lease (if any), and
 - (vi) PLUS any official fees, taxes and costs related to the registration, transfer of ownership and certification of the vehicle.
- (b) **If you wish to terminate this Lease prior to maturity and you do not purchase the vehicle**, you must return the vehicle to the Dealer or a place specified by us and you must pay us:
 - (i) the remaining Monthly Payments,
 - (ii) PLUS any other amounts due under this Lease,
 - (iii) PLUS excess kilometer charges determined in accordance with Section 8,
 - (iv) PLUS the cost to repair or replace any damage to the vehicle as outlined in Section 15,
 - (v) PLUS the cost of any necessary maintenance and repairs as outlined in Section 14 (whether they are made or not) to put the vehicle in good operating order due to excess wear and tear and to comply with provincial safety laws,
 - (vi) MINUS any monies received as premium refunds by us under any insurance incorporated into this Lease.
 - (vii) MINUS the unearned Lease Charges, and
 - (viii) PLUS any official fees and taxes imposed in connection with the early termination of this Lease.

We will sell the returned vehicle at wholesale in a commercially reasonable manner, and will apply the proceeds of such sale to the amount owing under this Section 17(b) to the extent that such proceeds of sale exceed the Estimated Residual Value of the vehicle. If the proceeds of sale (after deducting the Estimated Residual Value) do not cover the amount owing under this Section 17(b), you must pay us the deficiency, unless prohibited by applicable law.

18. DEFAULT

You will be in default under this Lease if:

- (a) you do not make a payment when it is due;
- (b) you provide false or misleading information in your credit application executed in connection with this Lease;
- (c) you fail to comply with any other agreements in this Lease;
- (d) a proceeding in bankruptcy, receivership or insolvency is started by you or against you or your property or any of your creditors seize any of your property;
- (e) you fail to comply with the insurance requirements of this Lease;
- (f) you or persons you allow to operate the vehicle have a suspended driver's licence which contravenes the applicable provincial or territorial legislation;
- (g) you die during the term of this Lease;
- (h) you do not repair or maintain the vehicle as this Lease requires; or
- (i) the vehicle is lost, abandoned, stolen, seized, confiscated or destroyed.

If you are in default, you acknowledge that, unless prohibited by applicable law, we may do any or all of the following without giving you advance notice, other than any notice which may be required by applicable laws:

- (i) take any reasonable measures designed to either correct the default or to save us from loss in which case you will pay us upon request for the cost and expenses incurred;
- (ii) terminate this Lease and your rights to possess and use the vehicle;
- (iii) take possession of the vehicle by any method or manner permitted by law;
- (iv) determine your termination liability in accordance with Section 17(b), which you agree to pay to us immediately upon request;
- (v) apply your Security Deposit to any amounts you owe; and
- (vi) pursue any other remedy permitted by law.

You agree, to the extent permitted by applicable law, to pay us for all costs and expenses (including reasonable legal fees on a solicitor and his own client basis and court costs) incurred by us in connection with any action taken for collection purposes or otherwise to enforce our rights under this Lease.

19. TOTAL LOSS OF VEHICLE

In the event of a total loss or constructive total loss of the vehicle (i.e. the vehicle is stolen and not recovered or destroyed beyond repair), there may be a difference between your contractual obligation to pay for the vehicle and the amount of the automobile insurance settlement. Provided insurance coverage is maintained as required in Section 9 and you are not in default under this Lease as provided in Section 18, automatic GAP PROTECTION will cover the difference in such a situation. GAP PROTECTION will not cover past due payments, insurance deductibles, late charges, fines, or any other miscellaneous fees, which are strictly your responsibility. **GAP PROTECTION does not apply if you terminate this Lease prior to maturity and the vehicle has excess kilometers determined in accordance with Section 8.**

20. FINES, LIENS AND ENCUMBRANCES

You agree to keep the vehicle free of all fines, liens and encumbrances at your expense. If you do not promptly pay any fines or remove any liens or encumbrances, we may do so and you will be charged for and immediately pay us for same.

21. INDEMNITY AGREEMENT

You assume all liability for, and will indemnify us, the Dealer and our respective assigns from any loss or damage to the vehicle and, all claims, losses and costs related to the use, operation, maintenance or condition of the vehicle. Unless otherwise prohibited by applicable law, you further agree that your obligation under this Section 21 will remain in effect if this Lease is cancelled or terminated, or the vehicle is repossessed or sold.

22. RIGHT OF PROCEEDS

We may make any filings or registrations in any public office as we deem necessary to protect our interest in this Lease and the vehicle, and where permitted by law, you waive the right to receive any notice of such filing, including any financing statement, financing change statement or verification statement. You give us a security interest in any proceeds, refund or rights you may have under any mechanical breakdown protection, or insurance contracts purchased by you with respect to this Lease or the vehicle. You will notify us immediately of any change in your address or the province or territory in which you keep and use the vehicle.

23. GENERAL

This Lease, together with any credit application executed by you in connection with this Lease, contains the entire agreement between you and us and may not be amended in any way. The terms and conditions of this Lease are subject to the laws of the province or territory where you sign this Lease. If any portion of this Lease is ruled invalid or unenforceable it will not affect the other provisions within this Lease.

You agree not to transfer, sublease, rent or assign this Lease, the vehicle or your right to use the vehicle without (a) our prior written consent, and (b) payment to us of the applicable assignment fee and/or lien registration fee, if any. Notwithstanding the foregoing, you may not transfer, sublease, rent or assign this Lease, the vehicle or your right to use the vehicle within the last six (6) months of the term of this Lease.

You understand that the Dealer will assign this Lease to HCFI. You agree that we may assign or transfer this Lease without your consent and we are authorized to disclose personal information required for the purposes of any assignment or transfer of this Lease, including ensuring that the assignee or transferee, as the case may be, has information and documentation required for the administration of this Lease and for the purpose of effectively exercising its rights hereunder. You agree to make all payments under this Lease to us.