

VEHICLE LEASE AGREEMENT

HONDA CANADA FINANCE INC 

LESSOR ("Dealer"): Name and Address			LESSEE: Full Legal Name and Address		
GST Number:	QST Number:	Licence Number:	GST Number (if applicable):	Date of Birth:      /      / Day      Month      Year	QST Number (if applicable):
CO-LESSEE: Full Legal Name and Address			CO-LESSEE: Full Legal Name and Address		
Date of Birth:      /      / Day      Month      Year			Date of Birth:      /      / Day      Month      Year		
GST Number (if applicable):			GST Number (if applicable):		

In this lease agreement (this "Lease"), the words "consumer" (if not a company), "you" and "your" refer to the Lessee and any Co-Lessee(s). The words "we", "us" and "our" refer to the Dealer and, once this Lease is assigned, such words 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 described below on the terms and conditions set out on the front and back of this Lease.

NEW OR USED OR DEMO	YEAR	MAKE	MODEL	VEHICLE IDENTIFICATION NUMBER
Primary Use of Vehicle: <input type="checkbox"/> Personal, Family <input type="checkbox"/> Business		Equipped with (List):		

DELIVERY RECEIPT

You acknowledge that you have received and examined the vehicle described above. The vehicle is equipped as described above and is in good operating order and condition and you accept it for all purposes of this Lease.

Date: \_\_\_\_\_ Odometer: \_\_\_\_\_

Lessee's Signature: \_\_\_\_\_

Co-Lessee's Signature: \_\_\_\_\_

Co-Lessee's Signature: \_\_\_\_\_

1. COST OF LEASE DISCLOSURE

- a) Leased Vehicle Price (Includes amounts for additional equipment, accessories, freight, pre-delivery inspection and air tax but does not include GST or QST.) \$ \_\_\_\_\_
- b) Optional Extended Warranty + \$ \_\_\_\_\_
- c) Optional Life Insurance + \$ \_\_\_\_\_
- d) Optional Disability Insurance + \$ \_\_\_\_\_
- e) Other (Describe) \_\_\_\_\_ + \$ \_\_\_\_\_
- f) Lease Cost Subtotal = \$ \_\_\_\_\_
- g) Less: Cash Down Payment - \$ \_\_\_\_\_
- h) Trade-In Allowance \$ \_\_\_\_\_
- i) Less: Lien Amount - \$ \_\_\_\_\_
- j) Less: Net Trade-In Allowance [(h) - i)] - \$ \_\_\_\_\_
- k) Net Leased Vehicle Price = \$ \_\_\_\_\_
- l) Less: Option to Purchase (Section 6) - \$ \_\_\_\_\_
- m) Amount To Be Amortized = \$ \_\_\_\_\_

2. LEASE RATE AND CHARGES

- a) Total Lease Charges (Annual Lease Rate of \_\_\_\_\_%) \$ \_\_\_\_\_

3. MONTHLY PAYMENT CALCULATION

- a) Base Monthly Payment (1m + 2a) ÷ 3e \$ \_\_\_\_\_
- b) GST \_\_\_\_\_% on 3a + \$ \_\_\_\_\_
- c) QST \_\_\_\_\_% on 3a plus 3b + \$ \_\_\_\_\_
- d) Monthly Payment = \$ \_\_\_\_\_
- e) Number of Monthly Payments # \_\_\_\_\_
- f) Total of Monthly Payments (3d x 3e) \$ \_\_\_\_\_

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. Payment of your Monthly Payment by credit card is not permitted.

4. TOTAL AMOUNT DUE UPON DELIVERY

- a) First Monthly Payment (3d) \$ \_\_\_\_\_
- b) Refundable Security Deposit + \$ \_\_\_\_\_
- c) Cash Down Payment (1g) + \$ \_\_\_\_\_
- d) Net Trade-In Allowance (1j) + \$ \_\_\_\_\_
- e) GST \_\_\_\_\_% on 4c + \$ \_\_\_\_\_
- f) QST \_\_\_\_\_% on 4c plus 4e + \$ \_\_\_\_\_
- g) Registration Fee + \$ \_\_\_\_\_
- h) Publication Fee + \$ \_\_\_\_\_
- i) Other (Describe) \_\_\_\_\_ + \$ \_\_\_\_\_
- j) Other (Describe) \_\_\_\_\_ + \$ \_\_\_\_\_
- k) Other (Describe) \_\_\_\_\_ + \$ \_\_\_\_\_
- l) Other (Describe) \_\_\_\_\_ + \$ \_\_\_\_\_
- m) Total Due Upon Delivery = \$ \_\_\_\_\_

5. TOTAL COST OF LEASE TRANSACTION

The total cost of the lease transaction upon scheduled termination if you do not elect to purchase the vehicle (excluding all costs of returning the vehicle to good condition, excess kilometers charge under Section 7 and late payment charges under Section 25) shall be \$ \_\_\_\_\_ (3f + 4m - (4a + 4b)) providing all terms and conditions are met.

6. OPTION TO PURCHASE

You have the option to purchase the vehicle without penalty if you are not in default under the terms of this Lease. The purchase price at Lease maturity will be \$ \_\_\_\_\_ ("Option to Purchase") plus any applicable taxes and all costs related to the registration and certification of the vehicle. To exercise this Option to Purchase, please contact the Dealer at least fifteen (15) days prior to Lease maturity. If you do not exercise your Option to Purchase under this Lease, 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 sell, dispose of, or deal with the vehicle in whatever manner we deem appropriate.

7. EXCESS KILOMETERS CHARGE

If you do not exercise your Option to Purchase the vehicle 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 the Lease is terminated before maturity and you do not purchase the vehicle, the Maximum Kilometer Allowance will be prorated for the period for which the Lease was in effect which may result in an additional charge to you.

8. INSURANCE

At all times during the term of this Lease, you must at your expense obtain and maintain the following minimum insurance coverages through a recognized carrier:

- 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**.

If you do not maintain the appropriate insurance coverages, we have the right, but not the obligation, to do so and you will owe us such amount. The insurance coverage must be confirmed annually to HCFI. The insurance policy must name us as an **additional insured and loss payee** under the applicable insurance policy. The policy must also provide us with at least ten (10) days advance notice of any cancellation, rescission or reduction of coverage. You assign to us any monies paid under the insurance, by whomever obtained. You authorize us to receive or collect any money (including any refund of premiums) made payable under the insurance, to complete any proof of loss and indemnity claim, to endorse cheques or drafts relating to the payments, and to cancel the insurance or settle or release any claim with respect to the insurance. If for any reason insurance is not fully maintained or coverage denied, you will remain liable to us for all amounts owing under this Lease.

You authorize your insurance provider to disclose insurance 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.

HCFI is hereby authorized, and you hereby appoint HCFI as your attorney-in-fact, to (i) make, settle and adjust claims under such insurance, and (ii) receive all payments (including instructing the insurer to make payment directly and solely to HCFI) and execute and endorse all cheques issued by an insurer as a consequence of any loss.

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 life insurance coverage or disability insurance coverage you may have subscribed to pursuant to this Lease, as the case may be (Section 1 c) and d) above), and agree to remit any such refund of premiums you may have received to us.

9. SECURITY DEPOSIT

Your Security Deposit will not earn interest. The Security Deposit will be retained by us 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 at the end of this Lease. The Security Deposit does not constitute a deposit under the Deposit Insurance Act (R.S.Q., c. A-26).

10. OFFICIAL FEES AND TAXES

You agree to pay all fees, charges or taxes assessed in respect of the Lease or vehicle by any government authority. We have the right but not the obligation to pay any or all such fees, charges and taxes on your behalf and you will owe us such amount. We may change your Monthly Payment without prior notice in the event of an increase or decrease in applicable federal and provincial taxes.

11. USE OF VEHICLE

You must not use or permit the use of the vehicle: (a) for any unlawful purpose or 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 the vehicle outside Canada for a period exceeding thirty (30) days without our prior written consent; (e) in a way that causes cancellation, rescission or suspension of insurance or causes the manufacturer's warranty to become void; (f) to pull trailers that exceed the manufacturer's specifications, or (g) in such a way that the vehicle could be seized or confiscated. Furthermore, you will not permit or cause any person whose licence is under suspension to operate the vehicle. The operation of the vehicle by a person whose driver's licence is under suspension shall constitute a default under this Lease and we may repossess the vehicle in addition to taking such other actions as we may elect under this Lease. 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.

12. WARRANTY

The vehicle is subject only to the manufacturer's warranty and/or any extended warranties purchased by you. Subject to any restriction imposed by law, we do not offer any warranty on the vehicle and we are 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, only Honda/Acura Genuine Parts designed for the vehicle should be used for any repair or maintenance.

13. MAINTENANCE, REPAIRS AND INSPECTION / RETURN OF VEHICLE

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 written consent. All costs incurred in restoring the vehicle to good working condition and appearance will be your responsibility. You agree to allow us to inspect the vehicle at any reasonable time and place. An inspection will not be required if the Dealer or you purchase the vehicle at the end of the Lease. You agree to return the vehicle to the Dealer (or any other place specified by us) at the end of the Lease.

14. EXCESS WEAR AND TEAR

Normal wear and tear is anticipated during the term of this Lease, however, you will pay the estimated cost for all damage to the vehicle that is not normal wear and tear.

HCFI PRE-AUTHORIZED DEBIT PLAN ("PADP"). Payment can be withdrawn from 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 to 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. The 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.

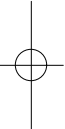
Financial Institution: \_\_\_\_\_ Transit Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Lessee's Signature: \_\_\_\_\_ Other Account Signatory: \_\_\_\_\_

All account signatories must sign if more than one signature is required to operate the account.

NOTE: YOU MUST ATTACH A SAMPLE CHEQUE MARKED "VOID"

SEE OVERLEAF



ORIGINAL - HCFI

LESSEE'S COPY

CO-LESSEE'S COPY

DEALER'S COPY

FILE COPY - HCFI

15. SCHEDULED TERMINATION

The present Lease ends thirty (30) days after the last scheduled Monthly Payment.

- a) If you purchase the vehicle at Lease maturity, and you are not in default, you must pay us the price of the Option to Purchase in Section 6 plus applicable taxes, fees, and all costs related to the registration, transfer of ownership and certification of the vehicle.
- b) If you do not 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. Upon return of the vehicle, you will pay us:
- any excess kilometers charge as outlined in Section 7,
  - the cost of any maintenance and repairs necessary (whether or not they are made) to put the vehicle in good operating condition and to comply with the provincial safety laws or needed due to excess wear and tear, plus any applicable taxes,
  - any official fees and taxes imposed in connection with the termination of the Lease, and
  - any accumulated late charges as outlined in Section 25.

16. EARLY TERMINATION

- a) If you wish to purchase the vehicle prior to Lease maturity, and you are not in default, you may do so without penalty at any time. In order to purchase the vehicle you must pay: (i) the remaining Monthly Payments, (ii) PLUS any other amounts due under this Lease, (iii) PLUS the Option to Purchase price in Section 6, (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 applicable taxes, fees 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 pay us any damages which result, directly and immediately, from such early termination of this Lease. We will sell the vehicle at wholesale in a commercially reasonable manner and the net proceeds of sale will be applied to the amount you owe at the time of the rescission of the Lease.

17. FINES, LIENS AND ENCUMBRANCES

You agree to keep the vehicle free of all seizures, confiscations, priorities, liens, charges, hypothecs and encumbrances. If you do not promptly pay any fines against or on the vehicle or obtain mainlevée of any seizures, confiscations, priorities, liens, charges, hypothecs or encumbrances, we may do so and you will be charged for same.

18. INDEMNITY AGREEMENT

Subject to any restriction imposed by law, 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. You further agree that your obligation under this Section 18 will remain in effect if the Lease is cancelled, rescinded or terminated, or the vehicle is repossessed or sold.

19. CHANGE OF ADDRESS

You agree to immediately notify us in writing of any change of address.

20. REGISTRATION

During the term of this Lease you agree to register the vehicle in the name of Honda Canada Finance Inc.

21. CONTRACT OF LEASE

This Lease contains the entire agreement between you and us and may not be amended in any way. If any portion of this Lease is ruled invalid, it will not affect the other provisions of this Lease.

22. SOLIDARITY

If one or more Co-Lessee(s) signed this Lease, he/they will be solidarily liable with the Lessee for the performance of all the obligations of this Lease.

23. ASSIGNMENT OF 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, if any. Notwithstanding the foregoing, you may not transfer, sublease, rent or assign this Lease, the vehicle described herein or your right to use the vehicle within the last six (6) months of the term of this Lease. You understand that this Lease and the vehicle will be assigned by the Dealer to HCFI. You agree that we may assign this Lease without your consent, and, as per the terms of the acknowledgement and consent of the credit application already signed, we are authorized to disclose personal information required for the purposes of any subsequent assignment including ensuring that the assignee has the information and documentation required for the administration of this Lease and for the purposes of effectively exercising its rights hereunder. You agree to make all payments under this Lease to HCFI. Subject to any restriction imposed by law, you agree that we are not responsible for the performance of any dealer services.

24. TOTAL LOSS OF VEHICLE

In the event of a total loss insurance situation (i.e. the vehicle is stolen and not recovered or destroyed beyond repair), there may be a difference between your contractual obligation under this Lease (including the value of the Option to Purchase) and the amount of the automobile insurance settlement. Provided insurance coverage is maintained as in Section 8 and you are not in default under this Lease as noted in Section 26 or otherwise, automatic GAP PROTECTION will cover the deficiency 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 to early terminated leases with excess kilometers.

25. LATE CHARGE

Subject to applicable legislation, if any amount, including any termination liability owing under Section 16 or Section 24, remains unpaid after its due date, you will pay per diem interest on the unpaid amount at the interest rate of 12% per annum. Subject to applicable law, you will pay to us an additional service charge of \$25 (plus applicable taxes) for each pre-authorized debit or cheque returned unpaid for any reason. This payment is due and payable immediately.

26. DEFAULT

Subject to applicable law, you will be in default under this Lease if:

- You do not make a payment when it is due;
- You provided false or misleading information in your credit application;
- You fail to comply with any other agreements in this Lease;
- 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;
- You fail to comply with the insurance requirements of this Lease (Section 8);
- If you or persons you allow to operate the vehicle have a suspended driver's licence which contravenes the applicable provincial legislation;
- The vehicle is garaged (or is about to be exported) outside Canada without our prior written consent;
- You do not repair or maintain the vehicle as is required under this Lease;
- The vehicle is lost, abandoned, seized, confiscated, stolen or destroyed; or
- You sell, transfer, sublease, rent or assign in any way this Lease or the vehicle.

27. LAW

This Lease will be governed by the laws of the Province of Québec.

SECTIONS 28 AND 29 APPLY ONLY TO CONSUMERS.

28. STATUTORY REQUIREMENTS

"Clauses required under the Consumer Protection Act.

(Long-term contract of lease)

The consumer has no right of ownership in the goods leased.

The merchant shall assume the risk of loss or deterioration by fortuitous event of the goods forming the object of this contract except where the consumer withholds the goods without right or, where such is the case, after ownership of the goods has been transferred to him by the merchant.

The consumer benefits from the same warranties respecting the leased goods as a consumer owning such goods.

Where the consumer is in default to perform his obligation in the manner prescribed in this contract, the merchant may:

- either exact immediate payment of that which is due;
- or retake possession of the goods forming the object of the contract.

Before retaking possession of the goods, the merchant must give the consumer a notice in writing of thirty (30) days, during which time the consumer may, as he chooses:

- remedy the fact that he is in default;
- return the goods to the merchant.

The consumer may also return the goods to the merchant at any time during the leasing period even if he has not received a notice of repossession.

If the consumer returns the goods to the merchant, the contract is rescinded of right. In such a case, the merchant is not bound to return to the consumer the amount of the payments due he has already received, and he cannot claim any damages other than those actually resulting, directly and immediately, from the rescission of the contract.

The merchant is bound to minimize his damages.

(Insurance)

Before entering into this contract, the merchant requires the consumer to hold a comprehensive automobile insurance policy.

A consumer may meet that requirement:

- either by subscribing to an insurance policy with an insurer recommended to him by the merchant;
- or by subscribing to an insurance policy equivalent to that required by the merchant with an insurer chosen by the consumer;
- or with an insurance policy he already holds.

It is in the consumer's interest to refer to sections 111, 112, 116, 150.10, 150.11 and 150.13 to 150.17 of the Consumer Protection Act (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur."

29. FORFEITURE OF BENEFIT OF THE TERM

If you are in default of any obligation under this Lease, such as the payment of Monthly Payments when due, we may claim from you all overdue Monthly Payments as well as all the Monthly Payments not yet due under this Lease, plus the value of the Option to Purchase as set out in Section 6 of this Lease, after having sent the appropriate notice as required by law.

"Clause required under the Consumer Protection Act.

(Contract other than a contract of credit that contains a clause of forfeiture of benefit of the term)

Before availing himself of this clause, the merchant must forward the consumer a notice in writing and a statement of account.

Within thirty (30) days following the receipt by the consumer of the notice and the statement of account, the consumer may:

- either remedy the fact that he is in default;
- or present a motion to the court to have the terms and conditions of payment prescribed in this contract changed;
- or present a motion to the court to obtain permission to return the goods forming the object of this contract to the merchant.

If the consumer returns the goods to the merchant with the permission of the court, his obligation under this contract is extinguished and the merchant is not bound to return to him the payments he has received from him.

It is in the consumer's interest to refer to sections 14, 104 to 110 of the Consumer Protection Act (R.S.Q., c. P-40.1) and, where necessary, to communicate with the Office de la protection du consommateur."

SECTION 30 APPLIES ONLY TO NON-CONSUMERS

30. RECOURSES

If you are in default under this Lease, you acknowledge that 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:

- 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 the cost and expenses incurred;
- terminate this Lease and your right to possess and use the vehicle;
- take possession of the vehicle by any method or manner permitted by law;
- claim all unpaid and future Monthly Payments plus the price of the Option to Purchase (section 6 of this Lease);
- claim the amount you will owe as a result of the rescission of this Lease, such amount will be equal to the difference between the amount calculated in accordance with Section 16 (a) and the net amount received from the sale of the vehicle at wholesale in a commercially reasonable manner. You must also pay any other amount you owe under this Lease;
- apply your Security Deposit to any amounts you owe; and
- pursue any other remedy permitted by law.

You also agree to reimburse us of all our collection expenses, including our judicial and extrajudicial costs.

ACKNOWLEDGEMENT:

It is the express wish of the parties that this Lease and any related documents be drawn up and executed in English. Les parties ont expressément exigé que le présent bail et tous les documents s'y rattachant soient rédigés en anglais.

Authorized Signatory of Dealer: \_\_\_\_\_ Name and Title of Authorized Signatory: \_\_\_\_\_

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. Your 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 signed copy of this Lease at \_\_\_\_\_ on \_\_\_\_\_.  
(Place) (Date)

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): \_\_\_\_\_

ASSIGNMENT:

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

Authorized Signatory of Dealer: \_\_\_\_\_

Name and Title of Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_

HONDA CANADA FINANCE INC.

1750 Eiffel Street, Boucherville, Quebec J4B 7W1

GST Number: 10239 0580 RT000

QST Number: 1144352573

Licence Number: 67928