

**NOTICE: It is an offence under the British Columbia *Trade Practice Act* to misrepresent the terms of a motor vehicle lease as being a price benefit or advantage over direct purchase of the vehicle with conventional financing if such is not the case.**

Agreement # \_\_\_\_\_

HONDA CANADA FINANCE INC. 

Dealer # \_\_\_\_\_

**VEHICLE LEASE AGREEMENT**

This is a lease agreement ("Lease") between \_\_\_\_\_ (Name and address of Lessee)  
 \_\_\_\_\_ as Lessee and \_\_\_\_\_ as Co-Lessee and  
 \_\_\_\_\_ (Name and address of Co-Lessee)  
 \_\_\_\_\_ as Lessor.

(Dealer Name, Address, and GST Registration Number)

In this Lease, the words "you" and "your" refer to the Lessee and any Co-Lessee and each of you named above will be jointly and severally liable for all of your obligations in this Lease. The words "we", "us" and "our" refer to 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. 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	YEAR	MAKE	MODEL	CYL.	LICENCE NUMBER	COLOUR	VEHICLE IDENTIFICATION NUMBER
Primary Use of Vehicle <input type="checkbox"/> Personal, Family, Household <input type="checkbox"/> Business <input type="checkbox"/> Agricultural		Equipped with: <input type="checkbox"/> Auto Transmission <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Stereo <input type="checkbox"/> Sun Roof		<input type="checkbox"/> Manual Transmission <input type="checkbox"/> Alloy Wheels <input type="checkbox"/> Compact Disc Player <input type="checkbox"/> OTHER EQUIPMENT (List)			

**DELIVERY RECEIPT**

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

**There is a "cooling off" period of one clear day in which the vehicle is to remain in the possession of the dealer. You may cancel the lease during this period, and the dealer is required to reimburse to you any deposit or other money that you have paid to the dealer in respect of the lease. You are not liable to pay any charge, fee or penalty for cancelling the lease during the "cooling off" period, and you cannot waive the period.**

**I acknowledge that the dealer has drawn the foregoing paragraph to my attention and I have read and understood the paragraph.**

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

Consumer Signature \_\_\_\_\_ Consumer Signature \_\_\_\_\_

**1. COST OF LEASE DISCLOSURE**

- a) Leased Vehicle Price (Retail Selling Price) (Includes amounts for additional equipment, accessories, freight, pre-delivery inspection and air tax but does not include PST or GST.) \$ \_\_\_\_\_
- 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) Less: Trade-In Allowance \$ \_\_\_\_\_
- i) Lien Amount -\$ \_\_\_\_\_
- j) Net Trade-In Allowance -\$ \_\_\_\_\_
- k) Net Leased Vehicle Price =\$ \_\_\_\_\_
- l) Less: Residual Value -\$ \_\_\_\_\_
- m) **Amount To Be Amortized** =\$ \_\_\_\_\_  
(Amount upon which Monthly Payment is based)

**2. LEASE RATE AND CHARGES**

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

**3. MONTHLY PAYMENT CALCULATION**

- a) Base Monthly Lease Payment \$ \_\_\_\_\_  
(1m + 2a) ÷ 3e
- b) GST \_\_\_\_\_% (if applicable) +\$ \_\_\_\_\_
- c) PST \_\_\_\_\_% (if applicable) +\$ \_\_\_\_\_
- 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. The total of the monthly payment may change without prior notice to you in the event of a change in the rate of the Goods & Services Tax and/or the applicable provincial sales or use tax.

**4. LATE CHARGES AND NSF CHARGES**

You will pay a late charge of 5% on any Monthly Payment that is not received within ten (10) days after it is due. This late charge is due and

payable immediately. Any of your electronic funds transfer debits or cheques returned unpaid for any reason will result in an additional \$25.00 service fee.

**5. TOTAL COST 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 5c plus 5d +\$ \_\_\_\_\_
- f) PST \_\_\_\_\_% on 5c plus 5d if applicable (plus 5e if applicable) +\$ \_\_\_\_\_
- g) Registration Fee +\$ \_\_\_\_\_
- h) Licence Fee +\$ \_\_\_\_\_
- i) Other (Describe) \_\_\_\_\_ +\$ \_\_\_\_\_
- j) Other (Describe) \_\_\_\_\_ +\$ \_\_\_\_\_
- k) Other (Describe) \_\_\_\_\_ +\$ \_\_\_\_\_
- l) Other (Describe) \_\_\_\_\_ +\$ \_\_\_\_\_
- m) Total Due Upon Delivery =\$ \_\_\_\_\_

**6. TOTAL COST OF LEASE TRANSACTION** \$ \_\_\_\_\_

The Total Cost of Lease Transaction upon completion if you do not elect to purchase the vehicle, excluding:

- (a) due and unpaid lease payments, late payment penalties and other amounts due and unpaid under this Lease at completion;
- (b) official fees and taxes imposed in connection with the completion of the lease transaction;
- (c) excess kilometer charges under Section 8 of this Lease; and
- (d) the cost of repairs necessary to put the vehicle in good operating order and appearance as required by Sections 14 and 15 of this Lease,

is \$ \_\_\_\_\_ [3f + 5m - (5a + 5b)] providing all terms and conditions are met.

**7. OPTION TO PURCHASE / RESIDUAL VALUE**

You have the option to purchase the vehicle without penalty if you are not in default under Section 18. The purchase price at Lease maturity will be \$ \_\_\_\_\_, plus any applicable taxes, fees and all costs related to the registration and certification of the vehicle. To exercise this purchase option please contact the Dealer named in this Lease fifteen (15) days prior to Lease maturity. This purchase option may not be assigned by you to any other party.

**8. EXCESS KILOMETERS CHARGE**

If you do not exercise your option to purchase the vehicle at Lease maturity, you agree to pay us an excess kilometer charge of \_\_\_\_\_ cents per kilometer, plus applicable taxes, for each kilometer driven in excess of \_\_\_\_\_ kilometers. If the Lease is terminated before maturity, the maximum kilometer allowance will be prorated for the period for which the Lease was in effect.

**HCFI PRE-AUTHORIZED DEBIT PLAN**

You hereby authorize HCFI to make withdrawals from and/or deposits to your account indicated below or any other account that you may indicate to HCFI from time to time, for payment of all amounts due under this Lease. This authorization may be cancelled at any time by HCFI or by you upon ten (10) days written notice. Delivery of this authorization constitutes delivery by you.

Bank: \_\_\_\_\_ Transit No. \_\_\_\_\_ Account No. \_\_\_\_\_

Consumer Signature: \_\_\_\_\_ Other Account Signatory \_\_\_\_\_

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

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

**NOTICE TO YOU:** (1) Do not sign this Lease before you read it or if it has any blank space to be filled in. (2) You state that you have been given a filled-in copy of this Lease at the time you signed it and notice of the assignment of this Lease by Dealer to HCFI. (3) You consent to a credit investigation and exchange of credit information. (4) Where permitted by law, you waive the right to receive a copy of any financing statement, financing change statement, or verification statement relating to this Lease.

You signed this Lease and received a copy hereof on \_\_\_\_\_.

CONSUMER SIGNATURE \_\_\_\_\_ CONSUMER SIGNATURE \_\_\_\_\_

Dealer accepts this Lease and sells, assigns, and transfers all right, title, and interest in this Lease and the vehicle described herein to HCFI under the terms of the HCFI Dealer Lease Plan Agreement.

Authorized Dealer Signatory \_\_\_\_\_ Title \_\_\_\_\_

#### 9. 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 carrier acceptable to us:

- (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.

The insurance coverage must be confirmed annually to HCFI. The insurance coverages must name HCFI as an additional insured and loss payee. The policy must also provide HCFI with at least ten (10) days advance notice of any cancellation of coverage. You assign to HCFI any monies paid under the insurance, by whomever obtained. You authorize HCFI to receive or collect any money paid under the insurance, endorse cheques or drafts relating to the 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 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 HCFI.

#### 10. SECURITY DEPOSIT

Your security deposit will not earn interest. 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 Lease termination.

#### 11. 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 behalf of you and you will owe to us such amounts. We may change your Monthly Payment without prior notice for increases or decreases in 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 the vehicle outside Canada for a period exceeding thirty (30) days 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.

#### 13. WARRANTY

The vehicle is eligible for the implied warranties under the Sale of Goods Act (British Columbia). You acknowledge that, other than such implied warranties, there are no express or implied warranties as to merchantability or fitness of the vehicle for any particular purpose. Other than such implied warranties, 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, we assign to you 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.

#### 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 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.

#### 15. EXCESS WEAR AND TEAR

Normal wear and tear is anticipated, however, you will pay the estimated cost for 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 \$100.00 to repair or replace.

#### 16. SCHEDULED TERMINATION

- a) If you purchase the vehicle at Lease maturity, and are not in default, you must pay us the residual value/purchase price listed in Section 7 plus applicable taxes, fees and all costs related to the registration and certification of the vehicle.
- b) If you do not purchase the vehicle at Lease maturity, and are not in default, you must return the vehicle to the dealer or a place specified by us. Upon return of the vehicle, if you are not in default, your payment liability will be the sum of:
  - (1) any Monthly Payments due and unpaid and any other amounts or charges due under the terms of this Lease;
  - (2) any excess kilometer charge as explained in Section 8;
  - (3) the cost of any repairs necessary to put the vehicle in good operating order and appearance as required by Section 14 and Section 15; and
  - (4) any official fees and taxes imposed in connection with the termination of this Lease or otherwise.

#### 17. EARLY TERMINATION

- a) If you want to exercise your option to purchase the vehicle prior to Lease maturity, and are not in default, you may do so without penalty at any time. In order to purchase the vehicle you must pay us the Unamortized Net Leased Vehicle Price, plus applicable taxes, fees and costs related to the registration and certification of the vehicle. The Unamortized Net Leased Vehicle Price is the sum of all remaining Monthly Payments plus the purchase price listed in Section 7, minus unearned lease charges. You must also pay us any late charges or service charges under Section 4. This option to purchase may not be assigned by you to any other party.
- 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 the difference between the Unamortized Net Leased Vehicle Price and the Fair Market Value of the vehicle plus any amounts due under this lease (including prorated excess kilometer charges). The Fair Market Value is the net amount we receive from the sale of the vehicle at wholesale in a commercially reasonable manner. You will also owe us any unpaid fees, taxes, and any amounts due because you have broken agreements in this Lease. These amounts include any past due payments, any unpaid fines, any amounts needed to release liens or encumbrances, any maintenance, repair, or operating expenses we have paid, and any repossession and storage expenses and legal fees described in Section 18.

At any time after you sign this Lease, we may terminate it if the Lease is in default as stated in Section 18 or if the conditions stated in Section 19 occur.

#### 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 lease application;
- (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 (Section 9);
- (f) you die during the Lease term;
- (g) you do not repair or maintain the vehicle as the Lease requires; or
- (h) the vehicle is lost, stolen or destroyed.

If you are in default, 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:

- (i) take any reasonable measures designed to either correct the default or to save HCFI from loss in which case you will pay us upon request for the cost and expenses incurred;
- (j) terminate the Lease and your rights to possess and use the vehicle;
- (k) take possession of the vehicle by any method or manner permitted by law;
- (l) determine your termination liability which you agree to pay immediately upon request as set forth in Section 17;
- (m) apply your security deposit to any amounts you owe; and
- (n) pursue any other remedy permitted by law.

You also agree to pay HCFI for all collections and legal costs, including reasonable legal fees on a solicitor and his own client basis and court costs HCFI incurs.

#### 19. 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 to pay for the vehicle and the amount of the automobile insurance settlement. Provided insurance coverage is maintained as in Section 9 and you are not in default as noted in Section 18 under this Lease, 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.

#### 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 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. You further agree that your obligation under this Section will remain in effect if the Lease is 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. 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 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 laws of the province or territory where the Lease is signed by you. If any portion of this Lease is ruled invalid it will not affect the other provisions within the Lease.

You agree not to rent or assign this Lease, the vehicle or your right to use the vehicle. You agree that the option to purchase the vehicle, either before or upon scheduled termination of this Lease may not be assigned by you to any other party. You understand that this Lease will be assigned by the dealer to HCFI and you agree that HCFI may assign this Lease without your consent. You agree to make all payments under this Lease to HCFI. You agree that HCFI is not responsible for the performance of any dealer services.