

**Default**

1. The following constitute "Events of Default" under this Agreement:

- (a) failure of the Customer to pay any amount due under this Agreement;
- (b) subjection of the Tank to any lien, levy, privilege, seizure or attachment;
- (c) the Customer's breach of any term of the Agreement;
- (d) the Customer having recourse or being subject to any federal or provincial statute respecting bankruptcy, insolvency or winding-up; or
- (e) the Tank is, in the reasonable opinion of RSLU, in danger of loss, damage or destruction, or is in fact lost, damaged or destroyed.

2. On the occurrence of any of the Events of Default, RSLU shall be entitled to:

(a) Recover amounts due under this Agreement and unpaid as of the date of the Event of Default;

(b) Give the Customer notice of the Event of Default and, subject to any delay given to the Customer by RSLU to remedy the default, RSLU shall without prejudice to any other available remedy at any time thereafter have the option of immediately terminating this Agreement and the Customer shall return the Tank at his own expense;

(c) Take possession of the Tank wherever it is located, without demand or notice and without a court order or other process of law. The Customer agrees that it will not make nor cause to be made any claim for nor will RSLU be liable for any damages that are caused as a result of RSLU taking possession of the Tank and that the fact that RSLU has taken possession shall not prejudice RSLU's other rights under this Agreement or otherwise. On taking possession of the Tank, RSLU shall be entitled to sell, lease or otherwise dispose of the Tank on such terms it considers reasonable;

(d) Consider the Agreement repudiated and, after giving the Customer written notice of such, to recover as liquidated damages an amount equal to:

(i) total Net Present Value of all Net Lease Payments which would have become due between the Event of Default and the expiration of the initial term of this Agreement or any subsequent renewal term as if the Event of Default had not occurred. The Net Present Value of each Net Lease Payment means that amount that will produce the particular Net Lease Payment on its due date under this Agreement when it is made subject to an annualized interest rate of 3% calculated monthly; plus

(ii) The amount of any residual value RSLU may have recorded on its books in respect of the Tank; plus

(iii) Any expenses incurred by RSLU in disposing of the Tank including costs incurred in the recovery of possession, repair, refurbishment, reconditioning, sale, leasing or any other disposition of the Tank; plus

(iv) All amounts previously due and unpaid up to the Event of Default; less

(v) A sum equal to the wholesale value of the Tank as established by RSLU in accordance with its internally established accounting policies; plus

(vi) H.S.T. on the resulting net amount; plus

(vii) Any administrative expenses incurred by RSLU;

(e) If the Tank is not repossessed due to its being lost or totally destroyed, the amount recoverable as liquidated damages shall be the sums determined under clause (d)(i), (ii), (iv), (vi) and (vii), plus the purchase option price attributable to the Tank subject to this Agreement.

**Waiver**

Forbearance, indulgence or failure to exercise any remedy or recourse by RSLU in any regard whatever shall not constitute a waiver of the covenant, condition, remedy or recourse.

**General**

1. The Customer is responsible for providing electrical, space and environmental conditions for each Tank in accordance with specifications of RSLU.

2. It is your responsibility to ensure that the water heater is located in an area with sufficient drainage in the vicinity and that the drainage is open and unrestricted, and we will therefore not be responsible for damage caused if the water heater leaks. Catch basins for this purpose can be purchased.

3. RSLU may assign this Agreement without consent of the Customer. Neither the benefits nor obligations of this Agreement are assignable by the Customer without prior written consent of RSLU.

4. Payment of all RSLU's invoices is due upon the Customer's receipt of invoice. A late payment charge will be levied of 1.5% per month or 18% per annum on overdue amounts.

5. The Customer authorizes RSLU to investigate its credit status. Any information so obtained will be treated as confidential. This Agreement is subject to review by RSLU and is binding on the Customer and RSLU on the date it is executed by the Customer and RSLU unless RSLU notifies the Customer that it has not been accepted by RSLU due to an error in the price quoted or calculated, or upon failure of the Customer to comply with RSLU's credit requirements.

6. The appendices indicated on the face of this Agreement as being attached shall, for all purposes, be deemed to form an integral part of this Agreement.

7. The Customer and RSLU agree that if any term of this Agreement is prohibited or rendered invalid by the law of the province to which this Agreement is subject that term shall be severable from this Agreement without invalidating the remaining terms of this Agreement. This form of terms and conditions, when attached to the Agreement form and any appendices referred to, constitutes the entire Agreement between RSLU and Customer with respect to the subject-matter. Only an officer of RSLU is authorized to amend the terms and conditions of this Agreement on behalf of RSLU. In the event that more than one person is named as the Customer, the liability of each Customer shall be joint and several

**Termination**

(a) RSLU may terminate this Agreement at any time without notice in the event that the Tank is modified, damaged or in any way altered, without prior written approval from RSLU or as a result of any breach by the Customer of the terms and conditions for maintenance, lease or purchase affecting the Tank.

(b) This Agreement may not be terminated within the initial term hereof. In the event the Customer purports to terminate this Agreement within such term, the total of all rental payments due hereunder for the balance of the term shall immediately become due and payable.

(c) All terminations by the Customer following the initial term hereof require not less than ninety days' written notice to RSLU.

DATE: \_\_\_\_\_

RIDEAU ST. LAWRENCE UTILITIES INC.

Per: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Customer