

**RENTAL AGREEMENT**

Today's Date (mm/dd/yy): \_\_\_\_\_ (the "**Effective Date**")

**Lessee Information:**

Name: \_\_\_\_\_ (the "**Lessee**")

Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Delivery Address: \_\_\_\_\_ (the "**Delivery Location**")

Email Address: \_\_\_\_\_

Scheduled Delivery Date \_\_\_\_\_ (the "**Delivery Date**")

Liability Coverage Package (Please refer to section 18a)

- Basic
- Lux
- None

**Credit Card Information:**

Credit Card Number \_\_\_\_\_ (the "**Credit Card**")

Name Shown on Card \_\_\_\_\_

Expiry Date \_\_\_\_\_

This Rental Agreement (this "**Agreement**") is made as of the Effective Date between Lux Furniture Rentals Ltd. (the "**Lessor**") and the Lessee. In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. *Agreement.* The Lessor agrees to lease to the Lessee, and the Lessee agrees to lease from the Lessor, all furniture and accessory items set out in invoices (the "**Leased Items**") between the Lessor and the Lessee from time to time (the "**Invoices**") subject to the terms and conditions set out in this Agreement.
2. *Term of Lease.* The term of the lease between the Lessor and Lessee of the Leased Items shall commence on the Delivery Date and continue for a period of 1 month from the Delivery Date (the "**Initial Term**") and thereafter, shall automatically renew for successive 1 month periods (each, a "**Renewal Term**") unless the Lessee provides the Lessor with notice of non-renewal at least 2 business days prior to the end of the then current term or unless this Agreement is terminated earlier in accordance with the provisions hereof. The Lessor shall issue an invoice to the Lessee for each Renewal Term.
3. *Payment.* The Lessee agrees to pay to the Lessor all amounts due and payable to the Lessor under this Agreement plus all applicable taxes including, without limitation, (i) all rental and other amounts set out in each Invoice (collectively, the "**Rental Amounts**"), and (ii) all charges and fees set out in this Agreement. The Rental Amount for the Initial Term shall be due and payable to the Lessor on the Effective Date and the Rental Amounts for each Renewal Term shall be due on the last business day of the Rental Agreement. All charges and fees payable by the Lessee to the Lessor pursuant to this Agreement shall be due within 2 business days of notice of such charges and fees. Except as otherwise provided in this Agreement, all amounts paid to the Lessor under this Agreement are non-refundable.
4. *Discounts for Renewals.*

(a) Subject to subsection 4(b) below, the following discounts shall apply for each Renewal Term (the "**Discounts**"):

1 <sup>st</sup> Renewal Term:	20% off the Rental Amount for the Initial Term (first months subtotal)
2 <sup>nd</sup> Renewal Term:	30% off the Rental Amount for the Initial Term (first months subtotal)
All subsequent Renewal Terms:	No further discounts

(b) The Discounts shall only apply to the aggregate before-tax Rental Amount shown on the initial Invoice. Unless the Lessor, in its sole discretion, determines otherwise, the Discounts shall only apply to Invoices for Renewal Terms for which the Leased Items are the same as the Lease Items in the previous term.

5. *Payment Methods and Authorization.* The Lessee hereby authorizes the Lessor and/or its employees, officers and agents to charge or deposit, as applicable, all amounts due and payable to the Lessor under this Agreement plus all applicable taxes to the Credit Card, all other credit or debit cards, and/or payment methods provided by the Lessee to the Lessor from time to time. This Section 5 shall survive and not merge with the expiration or termination of this Agreement. The Lessee shall be charged a \$35.00 administrative fee for each cheque deposited by the Lessor that returns as non-sufficient funds. The Lessee shall either provide the Lessor with a replacement cheque in the same amount within 1 business day of notice from the Lessor of the returned non-sufficient funds cheque or provide the Lessor with an alternate payment method.
6. *Termination.* The Lessee may terminate this Agreement by providing the Lessor with prior written notice as follows:

- (a) The Lessee may terminate this Agreement if the Lessee provides the Lessor with written notice of termination at least 5 business days prior to the Delivery Date. If the Lessee terminates this Agreement as provided for in this subsection (a), then all amounts paid by the Lessee to the Lessor pursuant to this Agreement shall be returned.
  - (b) The Lessee may terminate this Agreement if the Lessee provides the Lessor with written notice of termination at least 3 to 4 business days prior to the Delivery Date. If the Lessee terminates this Agreement in accordance with this subsection (b), then the Lessee shall be charged 20% of the Rental Amount for the Initial Term plus applicable taxes.
  - (c) The Lessee may terminate this Agreement if the Lessee provides the Lessor with written notice of termination at least 1 to 2 business days prior to the Delivery Date. If the Lessee terminates this Agreement in accordance with this subsection (c), then the Lessee shall be charged 50% of the Rental Amount for the Initial Term plus applicable taxes.
  - (d) The Lessee shall not be entitled to any refund, discount, or abatement of any sort if the Lessee terminates this Agreement prior to the completion of the Initial Term or any Renewal Term unless the Lessor in its sole discretion agrees otherwise.
7. *Delivery.* The Lessor shall use its reasonable commercial efforts to deliver the Leased Items to the Delivery Location by the Delivery Date. The Lessee shall ensure that the Lessor has access to the Delivery Location in order to deliver the Leased Items. The Lessee must notify the Lessor of any parking restrictions or special delivery instructions at the Delivery Location prior to the Delivery Date. Any parking tickets received by the Lessor as a result of the Lessee's failure to notify the Lessor of any such parking or special delivery instructions shall be charged to the Lessee. If the Lessor is unable to access the Delivery Location then the Lessee shall be charged a handling fee of \$20.00 for every 15 minutes from the time of delivery until such time as the Lessor is granted access to the Delivery Location, up to a maximum of \$60.00. If any of the Leased Items are for any reason not accepted by the Lessee on delivery and such Leased Items are returned to the Lessor by the Lessor's delivery personnel, then the Lessee shall be charged a restocking fee of 15% of the rental rate of such Leased Items if the aggregate rental rate for such Leased Items exceeds \$99.00.
8. *Inspection.* The Lessee shall within 1 calendar day from the receipt thereof inspect the Leased Items delivered. Unless the Lessee within such period gives written notice to the Lessor specifying any defect in or other proper objection to the Leased Items, the Lessee agrees that it shall be conclusively presumed as between the Lessor and the Lessee, that the Lessee has fully inspected the Leased Items and acknowledged that the Leased Items are in full compliance with the terms of this Agreement, in good and proper condition and repair, and that the Lessee is satisfied with and has accepted the Leased Items in such condition and repair. Upon reasonable notice to the Lessee, the Lessor shall be entitled to access to the location of the Leased Items in order to inspect the Leased Items.
9. *Maintenance of Leased Items.* The Lessee shall not alter or disfigure any of the Leased Items. The Lessee shall prevent the furnishings from being subjected to careless, unusual, inappropriate or improper usage and shall use the furnishings only for the purpose identified.
10. *Return of Leased Items.* On the expiry or termination of this Agreement for any reason whatsoever, the Lessee shall return the Leased Items to the Lessor in as good condition as when delivered subject only to ordinary wear and tear. Subject to Section 17, the Lessee shall be responsible for any and all damage caused to the Leased Items as determined by the Lessee and for all costs and expenses incurred by the Lessor with respect to cleaning, repairing and, if necessary replacing, such Leased Items. The Lessee agrees that the cost for replacing any Leased Item shall be 10 times the monthly rental rate of the Leased Item (the "**Replacement Cost**"). At least 2 business days prior to the end of the then current term, the Lessee and the Lessor shall agree on a date and time for the Lessor to pick up the Leased Items from the Lessee. Failure of the Lessee to have the Leased Items available and ready for pick up by the Lessor will result in additional handling and other fees charged to the Lessee including, without limitation, the Replacement Cost of the Leased Items.
11. *Restricted Activities*
- (a) *Removal from Delivery Location.* The Lessee shall not remove any of the Leased Items from the Delivery Location. If the Lessee removes any of the Leased Items from the Delivery Location without the Lessor's written consent, then the Lessee shall be charged a transfer fee of at least \$600.00, which fee shall be determined by the Lessor in its sole discretion. Furthermore, any insurance purchased by the Lessee from the Lessor in respect of the Leased Items shall not apply to the Leased Items that have been removed from the Delivery Location without the Lessor's prior written consent. The Lessee shall be responsible for any and all damage caused to such Leased Items as determined by the Lessor including all costs and expenses incurred by the Lessor with respect to cleaning and/or repairing such Leased Items, and the Replacement Cost of any Leased Item that cannot be cleaned or repaired.
  - (b) *Smoking.* The Lessee shall not allow any smoking at any location where the Leased Items are situated. The Lessee shall be responsible for any and all damage caused to such Leased Items as determined by the Lessor including all costs and expenses incurred by the Lessor with respect to cleaning and/or repairing such Leased Items, and the Replacement Cost of any Leased Item that cannot be cleaned or repaired. Any liability coverage purchased will not cover this.
  - (c) *Plastic Covering on Box Springs and Mattresses.* Box springs and mattresses shall be delivered with plastic coverings which shall not be removed for any reason. If the Lessor determines that any such plastic coverings were at any time after the Delivery Date removed, the Lessee shall be charged a handling fee of \$25.00 per plastic covered removed.
12. *Pets and Animals.* During the Initial Term and all Renewal Terms, the Lessee shall promptly notify the Lessor if any pets and animals including, without limitation, dogs, cats, or birds were at any time present at the location where the Leased Items were situated. If any such pets or animals were at any time present at the location where the Leased Items were situated, then the Lessee shall be charged a cleaning fee of \$100.00 per

upholstered Leased Item regardless of whether or not there was any damage caused to the Leased Items. Any liability coverage purchased will not cover this.

13. *Stains.* During the Initial Term and all Renewal Terms, the Lessee shall be charged a cleaning fee of \$100 per Leased Item that has been stained. Stains include but are not limited to: smoke stains/smell, food, grease, liquids etc...If a stain cannot be removed, it will fall under irreparable damage.

14. *Default and Remedies.* Each of the following shall be considered an “Event of Default”:

- (a) The Lessee defaults in respect of any payment hereunder;
- (b) The Lessee defaults in the performance of any other covenant in this Agreement and such default continues for ten (10) days after written notice thereof by Lessor;
- (c) The Lessee files a petition in bankruptcy or is adjudged a bankrupt, or a petition in bankruptcy is filed against the Lessee;
- (d) The Lessee becomes insolvent, takes advantage of legislation for creditor relief, has a receiver or receiver-manager appointed in relation to its assets; or
- (e) The Lessee discontinues the Lessee’s business.

Upon the occurrence of an Event of Default, the Lessor shall have the right to exercise any one or more of the following remedies:

- (f) To declare all Rental Amounts hereunder immediately due and payable as to any or all Leased Items, without notice or demand to the Lessee;
- (g) To sue for and recover all Rental Amounts, and any other payments, fees and charges, then accrued or thereafter accruing, with respect to any or all of the Leased Items;
- (h) To take possession of any or all of the Leased Items without demand or notice, or legal process. The Lessee hereby waives any and all damages occasioned by such taking of possession. Any such taking of possession shall not constitute a termination of this Agreement as to any or all of the Leased Items unless the Lessor expressly so notifies the Lessee in writing;
- (i) To terminate this Agreement as to any or all of the Leased Items; and
- (j) To pursue any other remedy at law or in equity.

Despite any such repossession or any other action which the Lessor may take, the Lessee shall be and remain liable for the full performance of all obligations on the part of the Lessee to be performed under this Agreement. The Lessee shall pay the Lessor all costs and expenses, including legal fees, incurred by the Lessor in exercising any of the Lessor’s rights or remedies under this Agreement or in enforcing any of the terms, conditions or provisions of this Agreement including the collection of all past due amounts.

15. *Indemnity.* The Lessee hereby agrees to indemnify the Lessor and its directors, officers, employees and authorized representatives against, and hold all of such parties harmless from and against, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including legal fees, arising out of, in connection with, or resulting from the Lessee’s use, operation, control, possession, and storage of the Leased Items including, without limitation, any negligence of the Lessee whether by commission or omission and any liability for injury (or death) to persons or property caused by the Lessee’s use, operation, control, possession, and storage of the Leased Items. This Section 14 shall survive and not merge with the expiration or termination of this Agreement.

16. *Risk of Loss.* The Lessor shall not in any way be responsible or liable for any loss or damage to property, material or equipment belonging to the Lessee, or any agents, employees, suppliers or family members, guests or visitors, of the Lessee, during the Initial Term and all Renewal Terms, unless the Lessee witnessed such an event and reports it to the Lessor immediately.

17. *Ownership.* The Lessor shall at all times retain ownership and title of the Leased items. Lessee shall not encumber, pledge, or permit any lien to be placed on the Leased Items, and the Lessee shall give the Lessor immediate notice in the event that any of the Leased Items are levied upon or are about to become liable to or is threatened with seizure. The Lessee shall indemnify the Lessor against all loss or damage caused by any such action.

18. *Liability Coverage Packages.*

- (a) The Lessee may purchase any one of the following liability coverage packages in respect of the Leased Items:

Liability Coverage Type	Cost	Deductible (for Leased Item)	Damage Type	
			*Irreparable Damage Coverage	**Cosmetic Damage Coverage
Basic	1% of Rental Amount	\$100.00	50%	50%
Lux	2% of Rental Amount	\$50.00	75%	75%

\* “**Irreparable Damage**” means damage that is caused to a covered Leased Item that renders the Leased Item incapable of being restored to its original condition. Irreparable Damage includes, but is not limited to:

- Staining with all dyes, bleach, corrosives, acid, caustic soda, mineral oils, dye transfer, indelible ink, drawings or scribble, ink, crazy glue, varnish etc....

- Scorching or any related damage including ring marks on leather caused by a heat source such as a hot plate or a cup.
- The action of sunlight, fading or gradually operating causes (including but not limited to pile shading), wind, weather, rust or corrosion, color loss, expansion or shrinkage of furniture components.
- Denting, puncturing or splitting of leather or covering fabric.
- Damage due to consequential odors remaining on the product once the stain has been treated.
- Damage due to vermin, birds, insects or pets.
- Damage resulting from the actions of contracted service suppliers, such as plumbers, painters etc..

\*\* “**Cosmetic Damage**” means damage that is only caused to the appearance of a covered Leased Item, but not the Leased Item’s functionality. Cosmetic damage includes, but is not limited to:

- Scratches, abrasions, dents, watermarks, heat rings or breakage of glass or mirror components.

- (b) If the Lessee has purchased a liability coverage package and in the event that any of the Leased Items are damaged, then the Lessee shall only be responsible for paying to the Lessor the Deductible for each damaged Leased Item and that portion of the total cost of the damage that is not covered under the liability coverage package.

Example: Lux Liability Coverage Package  
\$500.00 of irreparable damage caused to 1 Leased Item

Lessee will be responsible for the following amounts:

- A. \$50 deductible for the damaged Lease Item; and
- B. 25% of \$450 (the total amount of damage less the deductible), which is \$112.50.

- (c) If the Lessee has purchased a liability coverage package and in the event that any of the Leased Items are damaged, then the Lessee shall only be responsible for paying to the Lessor the Deductible for each damaged Leased Item and that portion of the total cost of the damage that is not covered under the liability coverage package.

- (d) The Liability Coverage Packages shall not apply to or include any coverage for damage due to or resulting from (i) negligence, reckless use, or wilful abuse or misuse of the Leased items, (ii) fire, loss, theft, flood, lightning, explosion, and burst pipes, and (iii) the restricted activities set out in Section 11 above.

- (e) Coverage shall start on the Delivery Date and shall expire at the end of each term unless renewed.

19. *No subletting / Assignment.* The Lessee may not sublease or otherwise assign, transfer or convey any interest it may have in or to the Leased Items. The Lessee may not assign this agreement without the prior written consent of the Lessor. The Lessor may assign this Agreement without notice to the Lessee. Subject to the foregoing, this Agreement extends to the benefit of, and is binding upon, the successors, heirs, executors and administrators, as the case may be, of the parties.

20. *Remedies Cumulative.* All remedies of the Lessor under this Agreement are cumulative and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay on the Lessor’s part in exercising any remedy or right, shall operate as a waiver thereof; nor shall any single or partial exercise by the Lessor of any remedy or right hereunder preclude any other or further exercise thereof or the exercise of any other remedy or right. If any term or provision of this Agreement is determined to be invalid, it shall not affect the validity and enforcement of all remaining terms and provisions of this Agreement.

21. *Release of Personal Information.* Lessee hereby agrees to the Lessor’s collection, use and disclosure of the Lessee’s personal information including, without limitation, the Lessee’s name, address, email address, phone number, credit card and other financial information and the disclosure of such personal information to third parties such as payment service providers, delivery service providers, and such other third parties that the Lessor determines, in its sole discretion, are necessary to perform the Lessor’s obligations hereunder and to exercise the Lessor’s rights under this Agreement and at law.

22. *Limitation of Liability.* The Lessee agrees that in no event shall the total liability of Lessor, its directors, officers, employees, agents, contractors and/or suppliers under this Agreement exceed the Rental Amounts received by the Lessor from The Lessee.

23. *Currency.* Unless otherwise specified, all references to money amounts in this Agreement and each Invoice are to the lawful currency of Canada.

24. *Entire Agreement.* This Agreement together with all Invoices constitutes the entire agreement between the parties hereto and supersedes all other understandings, agreements, negotiations and discussions, written or oral, made by the parties hereto with respect to the subject matter hereof.

25. *Severability.* If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement.

26. *Counterparts and Execution.* This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement and, notwithstanding their date of execution, shall be

deemed to be executed as of the date first written above. The signature of any party hereto may be evidenced by a facsimile or by electronic transmission in portable document format (PDF) or tagged image file format (TIFF) of the execution page of this Agreement bearing such signature (which shall be deemed an original for all purposes hereunder).

27. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

28. *Notices.* Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by email or other means of recorded electronic communication, or sent by courier or registered mail, charges prepaid, addressed as follows:

If to the Lessor:  
Lux Furniture Rentals Ltd.  
238 Lesmill Rd, North York, ON M3B 2T5  
Attention: Manager  
Email: andre@luxfurniturerentals.com

If to the Lessee:  
Address: As shown on Page 1 of this Agreement  
Email: As shown on Page 1 of this Agreement

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first written above.

**LUX FURNITURE RENTALS LTD.**

Per: \_\_\_\_\_  
Name:  
Title:  
*I have authority to bind the corporation*

**[LESSEE NAME]**

Company Name: \_\_\_\_\_  
Name:  
Title:  
Signature:  
*If a corporation I have authority to bind the corporation*