



TRAIL APPLIANCES LTD.

Terms of Sale Agreement for CHF BC Member Co-ops

1. PURCHASE OF GOODS

1.1 The Customer (as designated below) hereby agrees to purchase from Trail Appliances Ltd. (the “**Company**”) the goods and appliances set out on any invoice or any supplement to this Agreement in the form set out in the attached schedule hereto (each, a “**Supplement**”) for the Total Purchase Price as set out in such invoice or Supplement plus all interest accruing thereon (the “**Purchase Price**”). All goods and appliances set out in a Supplement or invoice are hereinafter referred to as the “**Goods**”.

1.2 Subject to Section 1.3 hereof, the Customer shall pay to the Company the Purchase Price upon delivery of the Goods to the Customer. If the Customer fails to accept delivery of the Goods within 60 days of the earlier of the Estimated Date of Delivery or the Delivery Date, the Customer shall pay to the Company the Purchase Price within sixty (60) days of the earlier of the Estimated Date of Delivery or the Delivery Date.

1.3 If the Company has notified the Customer in writing that the Company has approved the Customer for credit (as set out in the Company’s Credit Application), the Customer shall pay the Purchase Price to the Company no later than thirty (30) days following delivery of the Goods to the Customer. If the Customer fails to accept delivery of the Goods within sixty (60) days of the earlier of the Estimated Date of Delivery or the Delivery Date, the Customer shall pay to the Company the Purchase Price within sixty (60) days of the earlier of the Estimated Date of Delivery or the Delivery Date.

1.4 Title to the Goods shall remain with the Company and shall not pass to the Customer until the Customer has paid to the Company the Purchase Price in full.

2. PAYMENT

2.1 The Customer shall make payment of the Purchase Price by cash, cheque, certified cheque, money order, bank draft, electronic funds transfer, or debit card. **Payment for Customer account balances via credit card will not be accepted.** If the Customer is not granted Credit Terms, the Customer will be required to make payment in-store at least five (5) days prior to delivery of the Goods.

2.2 Cheques returned NSF or dishonoured cheques will incur an additional fee of \$50.00.

2.3 Payment, including appropriate details of payment being made, must be forwarded to the attention of the Company's credit department at:

Trail Appliances Ltd.
2550 Barnet Hwy
Coquitlam, BC
V3H 1W3

3. DELIVERY

3.1 The Company shall deliver the Goods to the Customer (as set out in a Supplement or invoice), remove the Goods from their shipping crates, if any, and place the Goods in the appropriate suite or location, as designated by the Customer. The Company shall have no obligation to unpack or set up the interior of the Goods. When placement is not at ground level, the Customer shall provide elevator service or will reimburse the Company for its additional costs in making such placement. If conditions beyond the Company’s reasonable control interfere with the placement of the Goods, the Company shall be excused from placing them.

3.2 The Customer will provide an appropriate parking position onsite for the Company's delivery trucks. The Customer must also ensure that any pathways that will be accessed during delivery will be in good condition and free of any obstructions. If an appropriate parking spot is not available, or if the pathways for delivery are not in good condition, then the Customer will reimburse the Company for its additional costs in making such delivery and placement.

3.3 Should the site conditions differ materially from what the Customer originally described to the Company or what could be considered reasonable, then the Company reserves the right to demand payment from the Customer for any additional or above-normal delivery costs incurred, and the Customer agrees to pay such amount to the Company upon demand.

3.4 The Customer shall give the Company forty-eight (48) hours' notice for changes or cancellations to a booked delivery date. Changes or cancellations within forty-eight (48) hours' of delivery are subject to a penalty up to the amount of the originally quoted delivery charge for that delivery.

3.5 The Customer will ensure that a duly authorized representative of the Customer will receive and sign for all Goods delivered by the Company, and the Customer authorizes the Company to accept the signature of the person receiving the Goods as a representative of the Customer.

3.6 The Company will not be liable to the Customer for delays in delivery or placement of the Goods directly or indirectly caused by a legislative, administrative or executive law, decree, order or regulation of the federal, provincial or municipal government or any subdivision, department, agency, officer or official thereof, or if caused by strikes, pickets, floods, accidents, delays of carrier, damage to products during transit, inability of the manufacturer to supply the Goods, or other contingencies beyond its reasonable control. In the event of any delay or failure by the Company to deliver all or any part of the Goods in accordance with the terms hereof, as a result of any of the aforesaid causes, the date of delivery for such products shall be extended for a period equal to the time lost by reason of the delay, as determined by the Company. However, if in the opinion of the Company, the delay will exceed sixty (60) days, it may, at its option, terminate its obligations to deliver such Goods. In the event the selling capacity of the Company is curtailed by reason of any such cause, the Company reserves the right to allocate, in its business judgment, such goods as may be available among its customers, including customers not then under contract.

3.7 Should the Company or its employees determine, acting reasonably, that the Customer's premises are unsafe or otherwise unfit for delivery, the Company shall not be required to deliver the Goods to the Customer until the Company determines, acting reasonably, that such premises are safe or fit for delivery. The Customer agrees to pay such additional delivery costs incurred by the Company as a result of the unsafe or unfit conditions.

3.8 In the event that the Customer fails to accept delivery of any of the Goods within thirty (30) days of the Estimated Date of Delivery, the Customer shall pay the Company a storage fee equal to \$10.00 per item per month or portion thereof until the Customer accepts delivery of the Goods.

4. INSTALLATION

4.1 The Customer shall bear all expenses of connecting, installing, disconnecting and physical alterations required for the placement of the Goods.

4.2 At the Customer's request, the Company will agree to hook-up the washer and dryers (to approved plumbing, electrical and venting) for an additional cost of sixty-five dollars (\$65.00).

4.3 If the Goods include a range or ranges, it is the sole responsibility of the Customer to install Anti-tip range brackets, which are supplied by most manufacturers.

5. DAMAGE

5.1 The Customer agrees to notify the Company in writing within three (3) business days of delivery of any Goods which were delivered in a damaged condition and the Company shall use commercially reasonable efforts to

repair any damages or defects, or if necessary obtain a replacement item. The Customer must notify the Company in writing within twenty-four (24) hours of delivery of any damage incurred to a Customer's premises (eg: drywall damage) as a result of the Company's delivery of the Goods. Crated goods that are damaged can be reported within thirty (30) days provided that the original packaging has been kept by the Customer. The Company shall not be responsible for any damages or defects for which it has not received notice in writing within the noted time, and all Goods, except those for which notice of damage has been given, will be deemed to have been delivered in an acceptable and satisfactory condition.

6. WARRANTY

6.1 The Customer acknowledges the warranty for the Goods is provided by the manufacturer of such Goods, and the warranty of the manufacturer for such Goods is limited to the service or repair of the Goods during the warranty period. The warranty period for all Goods is effective from the later of either the date of delivery or the date of substantial completion of the Customer, and the Customer agrees to give prompt notice to the Company of the date of substantial completion of the Customer so that the Company may ensure the correct start of the warranty period. The Customer acknowledges and agrees that there are no other warranties given by the Company, express, implied, statutory, or otherwise, save and accept as described herein. The Company shall not be liable for damage or lack of operation of Goods resulting from accident, alteration, misuse, abuse, or improper installation or maintenance of the Goods. The Company shall be entitled to set off any warranty product placement obligations against any obligations of the Customer to the Company in connection with the supply or provision of any goods or services to the Customer.

6.2 The Company shall not be liable to the Customer in respect of any costs, loss, injury, damage or expense suffered by the Customer in respect of the theft or damage to the Goods by others after they have been delivered to the Customer.

7. SAFETY

7.1 The Customer will ensure that it abides by all OHS regulations as determined by the Workers' Compensation Board of BC. The Company supports its employees' rights to refuse to work in unsafe conditions and will report in writing to the Customer, as applicable, any safety concerns it receives from its staff.

8. PRODUCT TRANSITIONS

8.1 In the case that a product specified for a Customer is discontinued and is no longer available, the Company will use commercially reasonable efforts to supply an equivalent or better model. The Company will provide the Customer written notification of any product transitions, along with dimensions and specifications for the replacement model.

9. CHANGES

9.1 The Customer will provide written authorization to the Company for any extra work required. The Company will not do any extra work without written authorization from the Customer, including service requests that fall after delivery of the Goods has taken place.

10. PRODUCT MEASUREMENTS AND SPECIFICATIONS

10.1 The Customer will accurately measure all relevant dimensions to ensure that the appliances will fit into their intended space. The Customer will take measurements to ensure that the appliances will fit through doorways and passageways, and provide prior notice to the Company of any problems or concerns. The Customer will ensure that the proper and appropriate electrical and plumbing fixtures are in place to enable the Company to install the delivered appliances. Note that the Company's employees are not permitted to do any electrical or plumbing work.

11. CANCELLATIONS, RETURNED GOODS AND RESTOCKING CHARGES

11.1 The Company is under no obligation to accept the cancellation of any order in whole or in part thereof if such cancellation results in any cost or loss to the Company. Furthermore, the Company is also under no obligation to accept the return of any Goods that have been delivered to the Customer. However, at its sole discretion, the Company may accept such cancellation of order or invoice in whole or in part thereof or the return of Goods but will charge the Customer a restocking fee in an amount no less than thirty percent (30%) of the cost of the returned Goods or the cancelled order, and the Customer agrees to pay to the Company such restocking fee.

12. TAXES

12.1 The Customer agrees to pay all government sales taxes applicable at the time of delivery of the Goods. The B.C. Provincial Government's PST Exempt Program for Energy Star appliances ends March 2010.

13. HOLDBACK

13.1 The Customer agrees that the Company is, pursuant to Section 4(6) of the Builders' Lien Act, a Material Supplier and the Customer shall not claim, take or otherwise receive any holdback or monies payable to the Company.

EXECUTION:

Date: _____

CUSTOMER: _____
(print Co-op name)

By: _____ (signature of authorized signatory)

Name: _____

Title: _____

By: _____ (signature of authorized signatory)

Name: _____

Title: _____

COMPANY: Trail Appliances Ltd.

By: _____ (signature of authorized signatory)

Name: _____

Title: _____