



TRAIL APPLIANCES LTD.

Credit Application for CHF BC Member Co-op's

CO-OP NAME: _____ (the "Customer")

CO-OP BILLING ADDRESS: _____

CITY: _____ POSTAL CODE: _____

PHONE: _____ FAX: _____ CELL: _____

CO-OP MAILING ADDRESS: _____

CITY: _____ POSTAL CODE: _____

PRESIDENT NAME AND EMAIL: _____

TREASURER NAME AND EMAIL: _____

VICE-PRESIDENT NAME AND EMAIL: _____

OTHER AUTHORIZED PURCHASER NAME(S) AND EMAIL(S): _____

ACCOUNTS PAYABLE CONTACT: _____ PHONE: _____

PURCHASE ORDER REQUIRED? YES _____ NO _____

(IF NO, WRITTEN AUTHORIZATION MUST BE PROVIDED TO THE COMPANY FOR ALL PURCHASES)

SUPPLIER CREDIT REFERENCES (MUST BE COMPLETELY FILLED OUT):

1. NAME: _____

ADDRESS: _____

PHONE: _____ FAX: _____

2. NAME: _____

ADDRESS: _____

PHONE: _____ FAX: _____

3. NAME: _____

ADDRESS: _____

PHONE: _____ FAX: _____

Trail Appliances - Credit Application – CHF BC Members

NAME OF BANK/CREDIT UNION: _____ CONTACT NAME: _____

ADDRESS: _____

CITY: _____ BANK ACCOUNT #: _____

PHONE: _____ FAX: _____

PROPERTY MANAGEMENT: _____

PHONE: _____ CONTACT: _____

TOTAL CREDIT LIMIT REQUESTED: _____

EXPECTED MAXIMUM PURCHASES IN ANY 60-DAY PERIOD: _____

By execution of this Agreement, the Customer's signatories hereto agree with **TRAIL APPLIANCES LTD.**, having an office at 5400 Minoru Blvd, Richmond, BC, V6X 2A9 (the "**Company**") as follows:

CREDIT AGREEMENT

1. CREDIT TERMS

1.1 The Customer hereby applies for a charge account and agrees that each invoice, Supplement (as defined in the Company's Terms of Sale Agreement) or account rendered by the Company to the Customer shall, provided the Company has approved the Customer for a charge account and unless earlier demand is made as set out below, be paid by the Customer within thirty (30) days of the date thereof. The Customer agrees to pay interest at two percent (2%) per month compounded monthly (Canada *Interest Act* Statement: the rate of interest calculated yearly not in advance is 26.8% per annum) on all invoice amounts due, such interest to accrue from date of invoice until the date of payment, and all payments applied firstly to the payment of interest on the invoice. Should the Customer dispute any invoice the Customer shall give written notice to the Company within thirty (30) days from date thereof, and unless such written notice is given to the Company, all invoices shall be deemed correct and shall be paid without deduction or set off.

1.2 If the Company, in its reasonable opinion, believes there has been a material adverse change in the financial ability or credit-worthiness of the Customer or the ability of the Customer to pay the invoice as set out herein, the Company may demand immediate payment of all invoices plus all other amounts due hereunder and the Customer shall immediately pay the amount so demanded to the Company.

1.3 Once the Customer has reached its established credit limit, further payment arrangements will need to be made prior to any further deliveries being scheduled and completed.

2. CREDIT LIMIT

2.1 In order for the Company to grant credit to the Customer, the Customer must cooperate and participate in the Company's credit approval process. Once the credit approval process is complete, the Company will advise the Customer of its established credit limit. Subsequent to a credit limit being established, at any point, the Customer agrees to provide, upon request by the Company, such additional credit information in respect of the Customer. The Customer agrees that the Company may at any time, at its sole discretion, cancel or otherwise change the Customer's credit limit. The Company will provide written notification to the Customer of any such change.

3. CREDIT INVESTIGATION

3.1 The Customer hereby authorizes the Company to obtain such credit reports as may be deemed necessary in connection with the establishment and maintenance of the credit account hereby applied for, including without limitation credit reports concerning the Customer and further authorizes the Company to contact and obtain any such information as the Company may in its discretion require from the bank and trade references above.

4. SECURITY

4.1 As continuing security for the payment and performance of all present and future obligations of the Customer to the Company including the prompt payment of the Purchase Price, the Customer hereby mortgages, charges, assigns and transfers to the Company and grants to the Company a security interest in all present and future goods, appliances and other personal property supplied to the Customer by the Company or obtained from the Company, including the Goods, and any substitutions therefor, and all proceeds therefrom and all deeds, documents, writings, papers and books relating thereto and their proceeds or by which they or their proceeds are or may hereafter be secured, evidenced, acknowledged or made payable, including documents of title, chattel paper, investment property and instruments, and all such contractual rights and insurance claims relating thereto (all of which is hereinafter collectively called the "Collateral"); provided, however, that the Collateral shall not include any Goods for which the Purchase Price has been fully paid.

4.2 The Company may at its option, in writing, declare the Customer to be in default under this Agreement and/or may declare the whole or any part of the unpaid balance of the Purchase Price to become immediately due and payable if any of the following events occurs:

- (a) the Customer fails to pay when due any of the obligations, indebtedness or liabilities owing to the Company;
- (b) the Customer fails to perform any term, condition, provision, covenant or undertaking of this Agreement or any other agreement between the Customer and the Company;
- (c) the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes or threatens that it is insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
- (d) any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up or to have a receiver appointed over any part of the Collateral, or if any encumbrancer takes possession of the Collateral or any part thereof;
- (e) any execution, sequestration or any other similar process of any Court becomes enforceable against the Customer or if any distress or analogous process is levied upon the Collateral or any part thereof; or
- (f) if the Company in good faith believes upon commercially reasonable grounds, that the prospect of payment or performance on the part of the Customer of any of its obligations is or is about to be impaired, or that the Collateral or any part thereof is, or is about to be in jeopardy, including danger of being lost, damaged or confiscated.

4.3 Upon any default under this Agreement, the Company may declare the whole of the Purchase Price to become immediately due and payable and the security interest in the Collateral hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Agreement, the Company may take any action permitted by law or in equity, as it may deem expedient, and without limiting the generality of the foregoing, the Company may do any of the following:

Trail Appliances - Credit Application – CHF BC Members

- (a) appoint by instrument a receiver over the Collateral;
- (b) enter upon any premises and take possession of the Collateral with power to exclude the Customer, its agents and servants therefrom;
- (c) preserve, protect and maintain the Collateral;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as the Company may deem reasonable, provided that if any sale is on credit the Customer will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until all the monies therefore are actually received.

4.4 If the amounts realized from the disposition of the Collateral are not sufficient to pay the Purchase Price in full, the Customer will immediately pay to the Company the amount of such deficiency.

4.5 The Customer hereby authorizes the Company to file financing statements or such other registrations as may be necessary to preserve and perfect the charges and security interests granted herein and the Customer hereby waives the right to receive any verification statements, financing statements or financing change statements related to this Agreement.

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: _____