



TIRE LODGE TERMS AND CONDITIONS

1. **Customer.** For the purpose of this Agreement, the “**Customer**” is the person named on the Tire Lodge Work Order and may also include any person lawfully entitled to the Tires as the bearer of the Tire Lodge Work Order.
2. **Company.** For the purpose of this Agreement, the “**Company**” is Kal Tire Partnership, a British Columbia registered corporation, having an office at 1540 Kalamalka Lake Rd., Vernon, B.C. V1P 6V2
3. **Tires.** “**Tires**” means the tires and if applicable, wheels delivered to Kal Tire by the Customer, and accepted by Kal Tire from the Customer, for storage by Kal Tire.
4. **Storage Location:** The Customer agrees that Kal Tire may change the Storage Location from time to time at its own discretion without notice to the Customer.
5. **Tire Retrieval.** The Customer acknowledges that Kal Tire requires reasonable time to retrieve and make the Tires available to the Customer. The Customer agrees to provide not less than four (4) business days advance request for the Tires. Upon payment of all amounts owing to Kal Tire pursuant to this Agreement, Kal Tire will deliver the Tires to the Customer.
6. **Payment.** The Customer agrees to pay all charges set forth in the terms of this Agreement when due, and all other amounts payable hereunder and all applicable taxes thereon at the start of the Initial Term and thereafter at the start of each Renewal Term until the termination of this Agreement.
7. **No Refund.** No portion of the Customer’s payment for the current Term will be refunded once 10 days have passed after the Customer has delivered the Tires to Kal Tire for storage, including if this Agreement is terminated prior to the end of the current Term.
8. **Initial Term.** The initial term of this Agreement (the “**Initial Term**”) starts on the date that the Customer delivered the Tires to Kal Tire and ends on the first to occur of the following March 1st or September 1st, provided that Initial Term must be at least two months long. If the first to occur of March 1st or September 1st is less than 2 months from the date that the Tires are delivered to Kal Tire, then the Initial Term will end on the second to occur of March 1st or September 1st.
9. **Renewal Terms.** This Agreement will automatically renew for additional six month terms starting on the expiry of the previous Term, unless: (i) the Tires are or are determined by Kal Tire to no longer be in Kal Tire’s possession; or (ii) this Agreement has otherwise been terminated. By leaving the Tires in Kal Tire’s possession the Customer has agreed to renew the Term of this Agreement. The Customer will pay to Kal Tire for each Renewal Term either: (i) the same amount as the previous Term; or (ii) an increased amount equal to not more than 15% of the payment of the previous Term, as Kal Tire may determine. In addition to any payment for a Renewal Term the Customer will pay applicable GST/HST, QST and provincial sales tax or analogous excise or sales tax.

10. **Replacement Tires.** The Customer agrees that if the Customer replaces the Tires with a different set of tires for storage by Kal Tire (e.g. replace winter tires with summer tires), then the replacement tires will be the Tires, that the terms and conditions of this Agreement will apply to the replacement tires as though they were the Tires and this Agreement will continue in full force and effect and unamended except in respect of the Tires.

11. **Personal Information.** The Customer consents to Kal Tire gathering, storing and using the Customer's personal information for the purpose of Kal Tire improving customer service and to provide the Customer with promotional materials from time to time. Kal Tire will follow Kal Tire's Privacy Policy found on the Kal Tire website at: KalTire.com/en/privacy-policy.html. If there is any discrepancy between this Agreement and Kal Tire's Privacy Policy as amended from time to time, then Kal Tire's Privacy Policy will prevail and this section will be deemed to be amended to the extent of such discrepancy.

12. **Insurance.** Kal Tire has an internal and external insurance policy in place that will replace damaged tires with like and kind quality in the event of an insurable loss. The Customer acknowledges and understands that there may be situations in which Kal Tire does not insure and will not insure or guarantee against the damage or loss of Tires stored by Kal Tire, and Kal Tire's liability for loss or damage to the Tires is limited as described in this Agreement. Except as otherwise set out in this Agreement, the Customer hereby waives, releases and indemnifies Kal Tire from and against any and all claims against Kal Tire.

13. **Acts of Default.** Acts of default by the Customer include: (i) the Customer's failure to pay any sum when due; (ii) the Customer's failure to perform any covenant, condition or obligation under any agreement between Kal Tire and the Customer; (iii) the Customer suffering any distress, execution or other legal or statutory process resulting in a lien, claim, judgment or charge on the Tires or Kal Tire; or (iv) the Customer becoming insolvent, committing an act of bankruptcy or being the subject of any proceedings under any provincial or federal legislation for a protection of debtors.

14. **Notice of Default.** Upon an act of default by the Customer, Kal Tire will provide the Customer with notice of the default using the last contact information the Customer provided and, in the event the Customer fails to respond to Kal Tire within twenty-one (21) days of such notice, the Customer shall be deemed to have abandoned the Tires. In the event of abandonment, without terminating this Agreement (unless so elected by Kal Tire), Kal Tire shall be entitled to take possession of such abandoned property and dispose of it in any manner Kal Tire deems fit, including by public auction.

15. **Remedies.** Immediately upon any act of default by the Customer, Kal Tire may, without terminating this Agreement (unless so elected by Kal Tire), and in addition to any other remedy contained herein, do any or all of the following, at its option: (i) seize and take possession of the Tires and dispose of them by private or public sale whether individually or together and apply the proceeds of such disposition to any outstanding balance payable under this Agreement, as well as to the reasonable expenses incurred by Kal Tire for seizing, repossessing, holding, repairing or preparing the Tires for sale and any other reasonable expenses incurred by Kal Tire in enforcing its rights herein; (ii) avail itself of any other remedies available to it under this Agreement, at law or in equity including pursuant to the applicable personal property security act of the province in which the Tires are stored; and (iii) terminate this Agreement.

16. **Authorization.** If Kal Tire takes possession of the Tires then the Customer authorizes Kal Tire to do any of the following until Kal Tire determines how it wishes to

dispose of the Tires: re-place the Tires in storage, dispose of the Tires, or place the Tires unattended on the ground in a location determined by Kal Tire. In such a situation Kal Tire is not liable for the care or safekeeping of the Tires, except as otherwise set out in this Agreement, and the Customer will pay Kal Tire for any storage cost, disposal cost and the cost of moving the Tires.

17. **Continuing Obligation.** Termination of this Agreement will not relieve the Customer of any liabilities or obligations incurred prior to such termination and the Customer will at all times remain fully liable for all damages, costs and expenses incurred by Kal Tire on account of the Customer's default under this Agreement, including all costs, legal fees and disbursements.

18. **Release.** Except as specifically provided in this Agreement, the Customer hereby agrees to waive, release and further discharge all claims against Kal Tire, its employees, contractors, agents or others for whom it is responsible at law (the "**Company**"), that the Customer has or may in the future have against the Company for any loss, damage, expense or injury, including death, that the Customer and/or the Company may suffer as a result of the services provided by the Company and/or the use, storage of the Tires, wheresoever the storage occurs, or the transport of the Tires or damage to the Tires or anything related thereto by the Customer or the Company, including, without limitation, negligence, gross negligence, willful misconduct, breach of this Agreement or any other contract, non-compliance with licencing, or breach of any statutory or other duty of care on the part of the Company and/or the Customer and specifically: (i) waive, release and discharge the Company from any duty of care it may have pursuant to the *Occupiers Liability Act* (British Columbia) or the equivalent legislation in the province in which the Tires are located and any claim for loss or damage the Customer may have thereunder; and (ii) limit the liability of the Company for any claim of the Customer for loss, damage or expense pursuant to the *Warehouse Receipt Act* (British Columbia) or the equivalent legislation in the province in which the Tires are located, to a maximum of \$500CAD.

19. **Limited Liability.** The liability of the Company for any damages, whether special, indirect, incidental, consequential or punitive damages (collectively, the "**Consequential Damages**") including, but not limited to, loss of profit or revenue incurred by the Customer (or any other person or company) as a result of Kal Tire's acts or omissions, including but not limited to negligence causing damage, failure to deliver, loss or theft or damage, or late or delayed delivery of the Tires, shall be limited as provided in this Agreement.

20. **Redelivery Costs.** The failure by the Customer to accept delivery of the Tires within the time confirmed shall render the Customer liable for reasonable costs of storing, handling and redelivery charges incurred by Kal Tire. The Customer shall pay Kal Tire at Kal Tire's regular rate for each service caused by any act or default of the Customer or the Customer's agent.

21. **Further Costs.** The Customer will pay all costs (including legal fees and disbursements) incurred by Kal Tire in enforcing any of the terms, provisions, covenants and indemnities set out in this Agreement.

22. **Security Interest.** The Customer grants to Kal Tire a security interest in the Tires to secure the payment of all indebtedness and liabilities, present or future, absolute or contingent, joint or several, including all advances of current or running accounts and all future advances and readvances, and whether the same is reduced from time to time and thereafter increased or entirely extinguished and thereafter incurred again. Kal Tire may register the security interest in the appropriate registry at Kal Tire's sole discretion.

23. **Secured Creditor Remedies.** If the Customer defaults under this Agreement, Kal Tire may enforce its rights as a secured creditor, including any rights to seize and sell the Tires at the time of default.

24. **Notice.** Any notice required to be given under this Agreement may be given verbally, hand delivered, or sent by mail, electronic text, email or other instantaneous method, except where required by applicable legislation for notice to be given in a prescribed form. Any notices sent by mail will be deemed to be received on the third day after mailing. Any other form of notice given by Kal Tire to the Customer, whether verbally, by hand delivery, electronic text, email or other instantaneous method will be deemed to be given immediately.

25. **Binding Agreement.** This Agreement is binding upon the parties, their heirs, executors, legal representatives, successors and permitted assigns and will be construed and interpreted in accordance with the laws of the province in which the Tires are stored.

26. **Assignment.** Kal Tire may assign this Agreement to a third party, at its discretion, without notice to the Customer.

27. **No Set-Off.** The Customer cannot set off for any amounts owing hereunder against any amounts owing or alleged to be owing to the Customer by Kal Tire.

Severability. If any part or provision of this Agreement is found to be invalid or unenforceable, the validity or enforceability in such or part or provision may not affect the remaining parts or provisions of this Agreement which will continue in full force and effect.

28. **No Waiver of Right.** Any forbearance by Kal Tire in enforcing any of its rights under this Agreement in the event of a default by the Customer will not constitute a waiver of Kal Tire's right to require the Customer to comply strictly with the terms of this Agreement.