

Terms & Conditions

Customer Service Commitment

Under our rental water heater program, we will rent to you, on the terms outlined in this agreement, the water heater for an indefinite term, unless terminated earlier by you or us in accordance with this agreement.

Our Customer Service Commitment includes:

- Standard water heater installation plus repairs of the water heater. The water heater initially installed by us will be new equipment, and not used or reconditioned. If the water heater is not repairable, as determined by us in our sole discretion, we will replace it provided that, before we install the replacement equipment, you enter into a new rental agreement with us, for a term starting on the date that the replacement equipment is installed and continuing for the number of months shown as the Minimum Rental Term following the last day of the month in which the equipment was replaced and on such other terms and conditions as had existed prior to the replacement of the equipment.
- Customer Service Centre open 7 days a week, 24 hours a day, to handle customer inquiries and dispatching of service requirements.
- Reliable water heater service.
- Premium quality water heater products.

Customer Responsibilities:

We will honour our Customer Service Commitment set out on page 3 and, in return, you agree to the following terms:

1. You agree to rent the water heater from the date it was installed at the installation address set out on page 3 (the "premises") or, if you purchased the premises after the water heater was installed, from the date you purchased the premises.
2. You agree to pay the Total Monthly Payment and other amounts when due, as well as interest on any late payments at a rate equal to 1.5% per month (or 19.6% per annum), compounded monthly. You will also pay our standard charge (currently \$25) each time your cheque, pre-authorized debit, or any other payment instrument you use to make a payment on your account is returned unpaid, dishonoured, or not processed for any reason.
3. **You agree that each year during the term of this agreement your Monthly Rental Payment will increase by the greater of (i) 3.5% and (ii) the percentage increase (as determined by us) in the Consumer Price Index (All Items) for Ontario, published by Statistics Canada or any successor agency (or comparable index if such index is no longer published) for the 12-month period ending six months preceding such increase.**
4. You agree that we may change our interest rates, service charges, administrative fees, other changes or other terms of this agreement from time to time by announcing such changes to you in advance in writing.
5. Your water heater rental bill will be sent by us to you on a quarterly basis or, if permitted by us, on a monthly basis. Your rental charges are due 15 days after the bill issue date on your bill. A bill may not be sent to you if we believe that you have a credit balance. Payments may be made through a financial institution in the manner of your choice (including paying at an automated teller machine, through telebanking or internet banking). Your payment may also be made by cheque or money order payable to Reliance Home Comfort and, as long as there is no interruption in postal service, sent by mail to P.O. Box 2305 STN A, Oshawa, Ontario. L1V 7V5. Your account number should be included on the front of your cheque or money order. Cash should not be sent through the mail.
6. If you have authorized us to have your payments deducted from your bank account (a preauthorized payment or "PAP"), we will notify you 15 days prior to the first PAP. You will only receive another bill if the amount of the PAP changes. On approximately the same day (a "PAP Date") each quarter or, if permitted by us, each month, the charges set out on your bill are due and you authorize us to debit the account identified in the information you have provided (or any other account that you may identify to us from time to time) for those charges and all other amounts you owe us. If the PAP Date falls on a weekend or statutory holiday, your account will be debited on the next business day. You agree that we will not notify you in advance of each debit. The water heater is provided for your personal use. You may cancel this authorization upon 30 days written notice to us, however, you remain obligated to pay all amounts due or owing under this agreement. You have certain recourse rights if any debit that we draw does not comply with this authorization. For example, you have the right to reimbursement for any debit that is not authorized or is not consistent with this authorization. For more information on your right to cancel a pre-authorized debit agreement or on your recourse rights, contact your financial institution or visit payments.ca. You may also elect to pay the Total Monthly Payment or any other amount due under this Agreement by credit card.
7. You agree to keep the water heater only at the premises and to maintain a convenient, safe, dry and heated location for the water heater, free of any combustible materials and obstructions for future servicing or removal. You agree to ensure the water heater is located in an area with sufficient drainage in the vicinity and that the drainage is open and unrestricted.
8. We do not have any responsibility for wiring, plumbing, piping or venting in the premises. You will pay us our standard charges (which will be communicated to you prior to doing the work) for any additional wiring, plumbing, venting or piping required to upgrade such wiring, plumbing, venting or piping to meet applicable laws, codes or installation requirements. You will also pay us when billed our standard charges for repair (including flushing or de-liming) of damage attributed to excessive or abnormal water quality conditions at the premises or repairs or extra service work necessary because the water heater was connected to other equipment or fixtures in the premises.
9. You agree to supply and maintain water conditioning equipment as we may recommend to resolve water quality problems, such as smelly water, iron discolouration, calcium buildup, etc. Otherwise, charges may apply for future repairs of the water heater or the availability of a rental water heater may be restricted.
10. You agree to restrict servicing of the water heater to only our authorized representatives.
11. If you sell your premises, you will inform the purchaser that the water heater is rented pursuant to this agreement. You will be released from your obligations under this agreement, effective from the date of sale, so long as (i) the purchaser is notified in the agreement of purchase and sale that the water heater is rented and you have provided the purchaser with a copy of this agreement, (ii) you have notified us in advance of the purchaser's name, current contact information, including but not limited to, current phone number, email address and mailing address, and the intended date of sale, (iii) the purchaser agrees in writing or by conduct to rent the water heater in accordance with this agreement and (iv) you have paid us all other amounts owing under this agreement. You authorize us to respond to information requests relating to your account made by or on behalf of the purchaser.
12. You agree that we are the owner of the water heater and that we are not transferring title to you. You agree to ensure that any of our identification or labelling is not removed from the water heater or covered in any manner. We may register, at your expense, our interest in the water heater against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the water heater will remain personal property even though it may become affixed to the premises.
13. You agree to be responsible for maintaining effective operation of any plumbing and pumping systems supplying water to the water heater during installation or servicing of the water heater.
14. You agree to allow our authorized agents or employees to have access at all reasonable hours for the purposes of installing, servicing or removing the water heater. We will not be responsible for service if this access is denied or unavailable. If you fail to arrange, or allow us reasonable access in order to, maintain or service the equipment, we may charge you our then standard rates for any necessary repairs to the equipment caused by such failure to maintain or service.
15. You agree to keep the water heater free of all liens, security interests, mortgages and other claims.
16. To set up a new account, you will pay our account set-up fee (currently \$35). You will pay such charges when billed by us.
17. You agree to promptly inform us of (i) any change of your mailing address at least 30 days in advance of such change or (ii) if you have chosen to make your payments under this agreement

by pre-authorized debit, of any change in the bank account information provided to us. Notice of any such changes should be sent to us at P.O. Box 1205 STN A, Oshawa, Ontario, L1H 7V5 or call us at 1-866-Reliance or visit us at reliancehomecomfort.com.

18. You agree that we may sell, assign, concurrently lease or otherwise dispose of, or grant a security interest in, all or part of our right, title and interest in the water heater or this agreement to anyone else (each, a "transferee"), without notice to you or your consent. To the extent not prohibited by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us. This Agreement is binding upon and will enure to your respective heirs, personal representatives, successors and permitted assigns.

19. If more than one customer is named on the front of your bill, you understand that each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by this agreement.

Termination of this Agreement:

20. If you breach any term of this agreement, we may (i) terminate this agreement and require you to immediately pay us an amount equal to the then depreciated fair market retail value of this water heater, determined by us on a straight-line basis in accordance with Canadian generally accepted accounting principles assuming, for the purposes of such determination, that the water heater is valued on an installed basis without regard to the cost of removal and has been maintained as required by this agreement, plus all other amounts owing under this agreement and (ii) enter the premises and remove the water heater.

21. You may (so long as you are not in default under this agreement) terminate this agreement at any time after you have rented the water heater for at least the Minimum Rental Term. You agree to return the water heater to us in the same condition that it was delivered to you, normal wear and tear (reflecting its age, normal use and local water conditions and assuming that it has been maintained as required by this agreement) excepted. At your option, you may request us to remove the water heater or, at your own risk, have your own qualified contractor remove it. (If you wish to exercise your right to terminate, please call us at 1-866-Reliance.)

22. If you choose to terminate this agreement or if we terminate this agreement because you have breached any term of this agreement, you will pay us the following: (i) our account closure charge (currently \$200, if the water heater is one year old, or \$40 if the water heater is over one year old, or \$0 if the water heater is over 10 years old) plus (ii) if we remove the water, our drain and disconnect charge (currently \$125) or, if the water heater is drained and disconnected by your own qualified contractor but not returned to us, our water heater pick-up charge (currently \$65 for a gas water heater or \$125 for an electric water heater) plus (iii) an amount equal to the cost, as determined by us, if any, to repair the water heater to the same condition as when it was delivered to you, except for normal wear and tear, which costs include the cost necessary to: (a) repair and damage attributed to use of the water heater for purposes for which it was not intended; and (b) repair or replace, beyond normal wear and tear, (1) all missing, broken, scratched, dented or rusted exterior components and (2) all damage which would be covered by physical loss or damage insurance, whether or not such insurance is actually in force, (3) any damage that appears to us, acting reasonably, to be intentionally, wilfully or negligently inflicted on the water heater and (4) any other mechanical damage or other condition that causes the water heater to operate in an improper, unsafe or unlawful manner or causes the water heater to fail any requirements of law. You will pay such charges when billed by us.

23. You will not have to pay us any rental charges after you have returned the water heater and have paid us all other amounts owing by you under this agreement.

24. We also retain the right to terminate this agreement at any time after giving you reasonable notice of our proposal to terminate this agreement. This termination right is in addition to the other termination right described above that arises only if you have breached any term of this agreement. If we choose to use this right of termination, you may elect to either (i) request us to disconnect and remove the water heater or (ii) buy the water heater at the same price and on the same terms that would apply if you had exercised your buy-out option. You must notify us in writing of your election no later than 30 days before the date we propose to terminate this agreement. Our standard removal charges (described above) will not apply if the water heater is disconnected and removed under this right.

25. Notwithstanding anything to the contrary, we will have the right to terminate this agreement prior to installation of the water heater if we determine in our sole discretion that non-standard work, materials or labour (e.g. chimney liners, etc.) would be required to achieve code compliant installation of the water heater.

26. You may (so long as you are not in default under this agreement) buy the rental water heater on an "as is, where is basis", without any recourse, representation, warranty or condition from us (express, implied, statutory or otherwise, except for those which are given by statute and which you cannot waive), by letting us know in writing not later than 30 days before the date you want to buy the water heater. The price at which you may buy the water heater will be equal to the depreciated fair market retail value of the water heater as at the date you buy the water heater (as determined by us on a straight-line basis in accordance with Canadian generally accepted accounting principles and assuming, for the purpose of such determination, that the water heater is valued on an installed basis without regard to the cost of removal and has been maintained as required by this agreement) plus all other amounts owing under this agreement. If you exercise this option and pay all amounts owing under this agreement, title to the water heater will be transferred to you and this agreement will terminate.

27. Any return of your water heater must occur in accordance with the return processes and procedures as set by us from time to time.

Liability:

28. We are not the manufacturer of the water heater and we make no representations, warranties or conditions as to the performance of the water heater, except for those which are given by statute and which you cannot waive. We will not be liable for any loss, damage or injury of any type (including as a result of any water leakage) arising out of or related to this agreement or caused or contributed to in any way by the use and operation of the water heater or any indirect, incidental, special or consequential damages, even if reasonably foreseeable. Notwithstanding the foregoing, we warrant that the water heater will work and provide hot water for the term of this agreement, subject to any limitations of law or equity. If the water heater leaks or discharges water, you expressly agree to pursue a claim on any insurance policy for which you have the benefit and you expressly agree that we will only be responsible for reimbursing you for the actual amounts of your insurance deductible paid by you to maximum of \$1,500.

29. If we are unable to perform any of our obligations under this agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform. We may use agents and service providers that are located outside of Canada to process applications, information and transactions. In the event that an agent or a service provider cannot or will not process any transaction in connection with your application of your account, by reason that the agent or service provider may violate any law, regulation, rule or internal policy applicable to it, or otherwise suffer legal and/or reputational risks, then we may be unable to complete the transaction or activate your account. In such event, neither we, nor our agent, or service provider will be liable in respect of any such incomplete transaction or inactivated account.

30. You will indemnify us from any loss or damage to the water heater for any reason (other than normal wear and tear) and all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with the water heater, this agreement or the use and operation of the water heater, including any claims against us for any injury or death to individuals or damage to property.

31. You will pay, when due, all taxes and other charges imposed by any governmental authority on or in connection with this agreement, the payments made under it, or the water heater. Notwithstanding anything to the contrary, we may change the Total Monthly Payment to reflect any increase or decrease in such taxes or charges for whatever reason.

32. All of your obligations under this agreement will survive the termination of this agreement to the extent required for their full observance and performance.