

BASIC PLUMBING PROTECTION PLAN TERMS AND CONDITIONS

SERVICES COVERED

Basic Plumbing Protection Plan:

Covers the diagnosis, repair, adjustment or, if applicable, replacement, all as we determine necessary of specified parts related to the plumbing and related piping and drains inside your home and waste drainage and rainwater drains within your house or, if you have a condominium, to the point of connection with common elements (your "plumbing and drain system"). This Basic Plumbing Protection Plan ("Plan") covers one residential dwelling only. Businesses, multi-tenant residential dwellings, student residences, and commercial or non-residential properties are not covered by this Plan. This Plan does not cover mobile homes.

PARTS COVERED

Basic Plumbing Protections Plans:

The following is a complete list of the parts in your plumbing and drain system covered by your Plan:

- Blocked toilets, sinks, and showers (use of power jetter extra) • Humidifier valves • Shut-off valves • Mixing valves (other than those in hydronic heating systems) • Moving parts within the toilet tank (excluding dual flush parts) and other parts related to the toilet tank (e.g. gaskets and seals) • Hot and cold water pipes inside your home and downstream from your main water incoming water valve (e.g. pinhole leak repair) • Supply/drain piping repairs to your humidifier, dishwasher and refrigerator (including replacement of line as required) • Outside hose bibs (excluding frost free) • Diagnosis of below grade waste drains or below grade rainwater drain blockages (camera scoping extra) • Primer line to laundry tub (including trap seal primers)

The following items are excluded from coverage:

- Drainage pipe repairs or replacement • Clearing blocked toilets, sinks and showers using power jetter and use of camera scoping for below grade drains • Faucet/spout repair including replacement of washers, gaskets and/or cartridges in taps, showers and baths • Faucet replacement • Mechanical pop-up stoppers • Mixing valves contained in hydronic heating systems • Hands free faucet repair • Toilet flange, and toilet repairs requiring lift and reset • Dual flush toilet parts • Frost free outside hose bibs • Annual or routine plumbing inspection or cleaning (including cleaning of drains or catch basins) • Inspection and repair of backwater valves • Changes to/or problems with municipal water services • Repair or replacement of other fixtures, appliances or equipment, water heaters, water softeners, water filtration systems, septic systems, sink basins, toilet seats, toilet tanks or bowls, bathtubs, showers, bidets, boilers, boiler piping and valves, radiators, radiator piping and valves, humidifiers, refrigerators, washing machines, dishwashers, hot tubs, swimming pools, out-building supplies, decorative garden features, rainwater downspouts or eavestroughs, weeping tiles, backflow preventers, check valves, radiant in-floor heating and Saniflo electrical units for toilets • Repairs made necessary as a result of faulty fixtures, appliances or equipment, sump pumps • Repairs of or cleaning blockages in main drain or other below grade drains • Installation of new or replacement backwater valves • Repair or replacement of circulation pumps • Washing machine hoses • Repair or replacement of motors, heaters, jets or related piping provided to bathtubs, hot tubs or swimming pools • Fresh water tubes and drain tubes related to appliances • Heating equipment piping/drains, or septic systems and their outflow pipes • Pipe replacement required where pipe design/integrity has resulted in poor pressure (e.g. the calcification of galvanized or lead piping or integrity problems related to hard water) • Drain piping repairs caused by improper installation or settling • Replacement of galvanized, lead, cast iron, ky-tec, or non-PEX plastic piping

In addition to and without limiting the Limits of Liability provision below, and notwithstanding the inclusions of the Plan above, (1) this Plan does not cover, and we will not be obligated to service, maintain or repair, any part of your plumbing and drain system that has been subjected to unreasonable, abnormal, negligent or willfully harmful use, as determined by us acting reasonably, (2) if we perform repairs covered by this Plan but are of the opinion, acting reasonably, that such repairs will be necessary due to a root cause not covered by this Plan, we will provide a written estimate of the work required to correct the root cause and no further work will be performed for a reoccurring problem until the root cause diagnosed has been corrected, and (3) if, in order to correct problems with the plumbing and drain system, repairs are necessary and are not covered by this Plan, we will provide a written estimate of the work required to make such repairs and no further work will be performed to correct such problems until repairs have been made in respect of the problem originally diagnosed.

CANCELLATION

Your plan is in effect for a one month term, which term shall automatically be renewed for successive one month terms until cancelled by either us or by you upon written notice to the other party. Such cancellation will be effective on the date written notice is given unless the party giving the notice indicates otherwise within such notice. If you cancel this Agreement, you will remain liable to us for any outstanding amounts owing on your account. In the event that we cancel this Agreement, our liability will be restricted to a refund, if any, of the unexpired portion of any payments made, and to completing any repairs or parts placements covered by your plan for which you have notified us up to the date of the termination of this Agreement.

BILLING AND PAYMENT

Your bill will be sent by us to you on a quarterly basis or, if permitted by us, on a monthly basis. Your 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. For your convenience, we have arranged the various payment options. Your payment may be made by cheque or money order payable to Reliance Home Comfort and, so long as there is no interruption in postal service, sent by mail to Reliance Home Comfort, P.O. Box 2305 STN A, Oshawa, Ontario L1H 7V5. Your account number should be included on the front of your cheque or money order. Cash should not be sent through the mail. Payments may also be made through a financial institution in the manner of your choice (including paying at an automated teller machine, through telebanking or internet banking). If you have authorized us to have your payments deducted from your bank account (a pre-authorized 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 we will debit the account identified in the banking 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 PAP. The Plan services are 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 your Plan. 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 PAP debit agreement or on your recourse rights, contact your financial institution or visit www.cdnpay.ca. You will pay us on demand interest on all amounts payable by you (including interest) and not paid when due, both before and after judgment, at a rate equal to 1.5% per month (or 19.6% per annum), compounded monthly. You will be charged \$25 for any cheque that is returned unpaid by your bank or for any PAP that cannot be processed for any reason. 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.

NOTICE OF CHANGES

You agree to promptly inform us of any change of your mailing address at least 30 days in advance of such change. If you have chosen to make your payments under this Agreement by PAP, you must inform us in writing of any changes in the bank account information you provided. Notice of any change should be sent to us at Reliance Home Comfort, P.O. Box 2305 STN A, Oshawa, Ontario L1H 7V5 or call us at 1-866RELIANCE (1-866-735-4262) or visit us at reliancehomecomfort.com.

UNAVAILABLE PARTS AND PART REPLACEMENT; TEAM MEMBER SAFETY

If a part is unavailable, we will attempt to obtain a replacement part or an equivalent substitute as quickly as possible, but limited availability of certain parts may result in delays from time to time. In the unusual event that we cannot provide a part replacement or an equivalent substitute, we will not be liable for such part

replacement, equivalent substitute or for any resulting damages. Parts replacement or equivalent substitutes are solely at our discretion. Any part that is found to be defective and is replaced under your Plan coverage becomes our sole property and may be disposed of at our discretion.

No service or repairs under the Plan will be provided if the plumber assigned refuses to enter a residence due to the presence of animals, insects, unsanitary conditions or unsafe conditions, or is unable to provide service due to a lack of accessibility. In the event of such unsanitary or unsafe conditions, as determined by us acting reasonably, we may, in our sole discretion, terminate your Plan.

LIMIT ON LIABILITY

We are not the manufacturer or supplier of the the plumbing and drain system and we make no representations, warranties or conditions as to the performance of such system. We will not be liable for any loss, damage or injury of any type arising out of or related to your Plan or caused or contributed in any way by the use and operation of the plumbing and drain system or any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are not able to perform any of our obligations 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. These plans are not insurance and do not cover any losses, repairs or replacements arising from abuse, accidental or deliberate damage, theft, vandalism, fire, flood, freezing, earthquake, other natural disasters, acts of war, acts of God, unauthorized repair, if components of the plumbing and drain system have been turned off, improper settings, or household electrical problems.

You will indemnify us from all claims, losses and costs that we may suffer or pay, or may be required to pay, including legal expenses, in connection with the the plumbing and drain system, your Plan or the use and operation of the system, including any claims against us for any injury or death to individuals or damage to property. You will pay, when due, all taxes and other charges imposed by any governmental authority on or in connection with the Plan or your payments made regarding it.

Your Consent Regarding Information:

We may collect and use personal information provided by you for the purposes of verifying your identity (including for regulatory compliance purposes) and your creditworthiness (including by obtaining and using credit reports). Birth dates, Social Insurance Numbers or other personal identifiers, if provided, may be used to verify your identity, including matching credit records. We may collect credit, financial and related personal information for these purposes from you, your product dealer, our affiliates, credit bureaus and credit reporting agencies, and from references you may have provided to us. You consent to the disclosure of such information by these parties to us. You agree that we may, from time to time, use the above information and other personal information collected or compiled by us in connection with this agreement (including account status and payment history) (collectively, the "information") for the purposes of opening, administering, servicing and enforcing this agreement, collecting amounts owing to us, verifying and evaluating your current and ongoing creditworthiness and financial status, responding to your inquiries and otherwise communicating with you regarding your account. For the purpose of maintaining your credit history and providing credit references, we may from time to time disclose credit-related Information to credit bureaus, credit reporting agencies and to your current or future creditors. If you have provided your banking information, we may use and exchange it with your and our financial institutions for payment processing purposes. We may otherwise use your information and disclose your information to third parties as necessary, to enforce this agreement and otherwise collect amounts owing to us; for the purposes of detecting and preventing fraud; in connection with audits; and generally for the purposes of meeting legal, regulatory, risk management and security requirements. We may use and disclose your information to assignees, prospective assignees and other third parties that are connected with the proposed or actual financing, insuring, sale, securitization, assignment or other disposal of all or part of our business or assets (including this agreement and/or amounts owing to us) for the purposes of permitting a prospective assignee to evaluate your creditworthiness and otherwise determine whether to proceed or continue with the transaction, fulfilling any reporting or audit requirements to such parties, and/or completing the transaction. Our successors and assigns may collect, use and disclose your information for substantially the same purposes as described in this paragraph. We may use agents and service providers (including affiliates acting in that capacity) to collect, use, store and/or process personal information on our behalf, and your information may be transferred to these entities for the purposes described in this paragraph. In addition to the purposes set out above, we and our corporate affiliates may use your contact information to provide you with occasional information about other products and services. However, you may refuse consent for this purpose by contacting us within thirty days after you receive this agreement at 1-866-RELIANCE, and we will not use your information for this purpose until a reasonable period of time has passed after we have sent this agreement to you. You may at any time thereafter withdraw consent to our use of personal information for this purpose by calling the above number (please allow a reasonable time for us to process your request). You may request access and correction of your information, subject to applicable legal restrictions, or make other inquiries regarding your personal information by writing to us at P.O. Box 2305 STN A, Oshawa, Ontario, L1H 7V5, Attention: Privacy Matters. You consent to the collection, use and disclosure of your personal information as may be further described in our Privacy Policy, available at <http://www.reliancehomecomfort.com>, and which we may amend from time to time, and as otherwise permitted or required by law. The consents provided above shall be valid for so long as required to fulfill the purposes described in this paragraph.

OTHER TERMS

- We will not reimburse you for the costs of services or parts replacement performed by contractors that have not been authorized by us.
- Except as specifically provided, your Plan coverage is non-refundable. Your Plan coverage is not transferable to another residence.
- We have the right to change, from time to time, any term that applies to your Plan, including any Plan rates and charges, by sending you prior notice of the change and such change will be effective 30 days after the date set out in that notice.
- We may sell, assign or otherwise dispose of, or grant a security interest in, all or part of our right and interest in this agreement to anyone else, without notice to you or your consent. To the extent not prohibited by law, you will not assert against any transferee any claims, defences, setoffs, deductions or counter-claims which you may now or in the future be entitled to assert against us.
- The costs of redecoration and restoration costs required as a result of any work performed in connection with any of the Plan are not covered. This includes wall-coverings, drywall, plaster, wallpaper, paint, floor coverings, tile, cabinetry, countertops, landscaping or repair of any structural or cosmetic defects.