

Water Heater Rental Agreement Terms & Conditions

The water heater you rent from us is backed fully by Direct Energy Home Services. Our commitment to you, our rental customer, is to provide a reliable, trouble-free water heater.

Our commitment includes:

- Service and repair of the water heater with no service charges or parts replacement charges except in the following circumstances:
 - i) if you (or a third party not authorized by us) damage the water heater or if repairs are necessary because of use for which the water heater was not intended;
 - ii) unless you are paying our hard water rental rate, if the water heater requires de-liming, flushing or other repair due to water conditions (we cover only diagnostic work in these situations, hard water conditions are as determined by Direct Energy);
 - iii) where venting, piping, wiring, plumbing, and/or electric service requires cleaning, repair or replacement;
 - iv) in the circumstances described below under "Customer Commitment" and under "Customer Advisory";or
 - v) if you fail to notify us as described below under "Duty to Maintain".
- Our 24-hour-per-day, 7-days-per-week emergency phone number at 1-800-266-3939.
- A rental arrangement that can be transferred to the next homeowner if you sell your home.
- A buy-out option under which you may elect to purchase your water heater at any time, for a price discounted to take into account the age of the water heater. (See details below.)
- A termination option allowing you to have your water heater removed. (See details below.)

Customer commitment

We will honour our commitment over the useful life of the water heater.^{††}

In return, you agree that:

- You will pay your rental charges when due, together with interest on any late payments at interest rates we may set, acting reasonably. Rental charges will generally commence on the day the water heater is installed.
- Your rental charges will be included on your utility bill, or we may choose to bill you separately through our service provider. Methods of payment will be set out on the bill you receive.
- We may change our rental rates from time to time by announcing rate changes in advance in bill inserts, by letter or by any other method permitted by law.

You will use your water heater safely and responsibly, and in particular you will:

- i) ensure that no combustible, hazardous or flammable materials are used or stored in the same room or near the water heater;
 - ii) ensure that the water heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
 - iii) ensure that the vents and openings are kept clear and clean and otherwise kept well maintained by you; and
 - iv) provide us with access to the water heater whenever reasonably required for purposes of inspection, repair or removal.
- It is your responsibility to ensure that the water heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open and unrestricted, and we will therefore not be responsible for damage caused if the water heater leaks.

you to read your water heater Use & Care Manual to determine if the unit in your home is equipped with FVIR technology.

Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the water heater causing it to no longer function until reset by a qualified service technician. Resetting the water heater caused * Ontario regulation 212/01 Section 15

- Except as permitted by your buy-out option and termination option under this agreement, you will not permit anyone who has not been authorized by us to service, repair, modify, move or disconnect the water heater.
- You will be responsible for any damage to the water heater if caused by you or unauthorized third parties or by fire, flood, accident or other insurable risks.
- During the term of this agreement the water heater remains our property, does not become a fixture and you will not tamper with any tag(s) or sticker(s) identifying the water heater as rented equipment.
- If you sell your home, you will advise the purchaser that the water heater is rented pursuant to this

agreement. We will permit the purchaser to assume your rights and obligations under this agreement, effective from the date of sale, provided that (i) the purchaser is notified in the agreement of purchase and sale that the water heater is rented and is subject to these terms and conditions, and (ii) you advise us in advance of the purchaser's name and the intended date of sale. We may also accept performance of your obligations (including payment obligations) from other parties (such as tenants) but will not be required to do so.

- We may inquire about your credit history.
- You agree that we may terminate this agreement and, in addition to any other remedies that we may have, we may remove the water heater if you fail to meet any of your commitments.
- At the end of the useful life^{††} of your present water heater, you are not obligated to rent and we are not obligated to supply replacement equipment, unless we mutually agree at the time.

Customer Advisory

Your water heater may be equipped with flammable vapor ignition resistant ("FVIR") technology. Direct Energy encourages by FVIR "lockout" is not covered by Direct Energy under the rental terms and conditions set forth herein and, if applicable, you will be charged for both parts and labour.

Duty to Maintain

- As the user of the appliance you are required under law to ensure that the equipment is maintained in a safe operating condition.* In the event that a service or repair is required please call 1-800-266-3939.

Personal information about you

We collect and use personal information about you in order to establish and manage our business relationship with you. You authorize us to review information about your Direct Energy bill payments or, if you are billed by your gas utility, you authorize your gas utility to provide us with any charges and payment information. Other than to our authorized service providers, we won't knowingly share this information with third parties without your permission, other than a party that we transfer or assign this agreement to.

Your privacy is important to us. As a current customer, we are committed to offering you more value in the future. So every once in a while we, or an authorized service provider, may mail or call you about other products and services that may be of interest to you. If you don't want us, or an authorized service provider, to contact you about such products and services or if you would simply like more information about how we use personal information, please contact us using the information set out in the section "How to Contact Us".

Your buy-out option

- You may purchase your rental water heater at any time for the applicable age reduced price shown on the buy-out schedule on the reverse side of this brochure. You may exercise your buy-out option by notifying us in writing or by calling a Direct Energy Rental Specialist at **(416) 495-3979** or toll free outside Toronto at **1-800-493-3034**.
- When you exercise your buy-out option, you accept the water heater in "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume responsibility for the water heater and its repair and maintenance. You also agree to pay the buy-out price when invoiced by Direct Energy.
- Once payment has been received for the buy-out price, this Agreement will end and you will have no further obligation to pay rent and we will have no further obligation to you.

Your termination option

- You may terminate your rental and return your rental water heater to us at any time by notifying us in writing at the address set out in the section below entitled "How to Contact Us" or by calling a Direct Energy Rental Specialist at **(416) 495-3979** or toll free outside Toronto at **1-800-493-3034**. Depending on the circumstances, there may or may not be charges associated with this termination of your rental as provided for below.
- If you terminate the rental during the useful life^{††} of your water heater and do not exercise your buy-out option, you agree to arrange for the safe return of the water heater to us. You have two alternatives:
 - i) you may call us and arrange for Direct Energy to disconnect and/or retrieve the water heater; or
 - ii) you may have a qualified third party disconnect your rental water heater and then return it, along with the rating plate, safely to a designated Direct Energy location during return hours. (Call Direct Energy for the nearest location for returns.)
- If you choose to disconnect and/or return the water heater yourself or through a third party, you do so at your own risk and you agree that you will accept responsibility for all damages or claims resulting from the

disconnection, removal and return of the water heater.

- If you choose to have Direct Energy disconnect, remove or retrieve the rental water heater, in most cases there will be a \$75.00 charge for these services. (There is no charge if you are more than 32km (20 miles) from a Direct Energy return location or if we fail to retrieve your water heater within two weeks of your request or your water heater has been rented for 15 years or more.)
- Your rental (including your obligation to make rental payments for subsequent months) ends upon the return of the water heater in reasonable condition reflecting its age, normal use and local conditions. (If we fail to retrieve the water heater within two weeks of your request, we will not charge for subsequent months.)

Limitation on Liability

We are not liable for consequential, indirect or economic losses.

Entire Agreement

You understand that this Agreement contains all our commitments and promises in connection with your rental water heater

How to Contact Us

80 Allstate Parkway
Markham, Ontario L3R 6H3
Attention: "Rental Group"
1-800-266-3939

†† Useful life of the rental water heater ends when Direct Energy or its Authorized service provider deems the rental water heater cannot be reasonably repaired (for instance, when there is a terminal failure of the internal lining of the tank).

DE.206.FOR (REV.SEPT/09)