

TERMS AND CONDITIONS

1. General

This Agreement is a legal agreement entered into between Enercare Home and Commercial Services Limited Partnership ("Enercare") and the Lessee and any Owner.

In this Agreement:

- "Premises" means the Installation Address set out on the first page of this Agreement;
- "you" and "your" means the Lessee or its tenants and, if applicable, the Owner(s);
- "we", "our" and "us" means Enercare and/or our authorized service providers; and
- The "Useful Life" ends when we determine in our reasonable discretion that it is no longer commercially reasonable to repair the Equipment, having regard to the age of the Equipment, the cost of repair or other relevant factors and notice of such determination is given to you. If there is more than one Core Equipment Type marked or listed on the first page of this Agreement (being an air conditioner, furnace and/or boiler), then each such Core Equipment Type will have its own Useful Life. If we determine that less than all Core Equipment Types have reached the end of their Useful Lives, the monthly rental rate set out on the first page of this Agreement will be reduced by us and the list of Equipment on the first page of this Agreement and/or on any schedule attached to this Agreement will be modified by us, in each case, so as to reflect the fact that you will no longer be renting the applicable Core Equipment Type (and all necessary pipes and parts related to the applicable Core Equipment Type as determined by us) that has reached the end of its Useful Life.

2. Term of Rental

You agree to rent from us the Equipment from when we install the Equipment until this Agreement ends. This Agreement (as it relates to a particular piece of Core Equipment Type) will end upon the end of the Useful Life of the applicable Core Equipment Type (but it will continue, as amended as referenced above in the definition of Useful Life, in respect of the remaining Core Equipment Type(s) and related Equipment) unless terminated earlier by you through your buy-out option (see "Your Buy-out Option" below) or by us if you fail to meet any of your commitments (see "Termination of Agreement by Us" below). After this Agreement is terminated, we will not be required to supply, service or maintain, and you will not be required to rent, any replacement equipment. If you want to change the Equipment or rent additional equipment, a new agreement will be required to replace this Agreement and a new rental rate will be calculated. If not fully satisfied, all obligations owed by you prior to the termination of this Agreement shall survive termination until fully satisfied, as determined by us.

3. Enercare's Commitment

In consideration of the rent paid by you, we agree:

- New Equipment: the Equipment delivered under this Agreement will not be used or reconditioned.
- Installation: to install the Equipment. All normal installation costs will be included within the monthly rental rate, except the cost of any permits or inspections local laws may require and for any extraordinary installation costs incurred by us. We will make reasonable efforts to tell you in advance if there are any additional installation costs, but it may not always be possible for us to do so. You agree to pay all of these additional costs, and understand that we may terminate this Agreement if you do not pay them.
- Service & Maintenance: to provide repair and maintenance on the Equipment during the Useful Life of the applicable Equipment with no service charges or part replacement charges except (i) in the circumstances described in paragraph 4, (ii) if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect the Equipment or if repairs are necessary because of use for which the Equipment was not intended, (iii) where venting, piping, wiring, ducting and/or electrical services require cleaning, repair or replacement, or (iv) as described below. Our 24-hour per day, 7-days-per-week emergency phone number is 1-800-266-3939.
- Periodic Inspection: to, from time-to-time (which may be more or less frequently than annually), contact you to arrange a mutually agreeable time for us to attend at the Premises to inspect the state of maintenance and repair of the Equipment and to confirm compliance by you with your obligations in this Agreement.
- Ancillary Piping, Venting: that you will own any related piping, venting, wiring or ducting we install on the Premises, unless it is expressly itemized and included within the Equipment you are renting. We are not required to remove these items after this Agreement ends and have no responsibility for them if any of the Equipment is removed.

Our commitment specifically does not cover any costs of diagnosis, service, repair, parts replacement or adjustment to the extent that/in respect of, or otherwise cover:

- Repairs needed as a result of abuse, tampering, alterations or repairs by persons other than us;
- Repairs needed as a result of accidental or deliberate damage, loss, theft, freezing weather conditions, subsidence, structural repairs, fire, lightning, explosion, earthquake, tornado, flood, storm, acts of war or other insurable risks;
- The thermostat is not at the proper setting;
- The pilot light has been extinguished by someone other than us;
- The household or building electrical fuse or breaker required for the Equipment is blown;
- The Equipment has been turned off;
- Renovation related work;
- The costs of redecoration and restoration costs required as a result of any work performed in connection with this Agreement, including, but not limited to, wall coverings, drywall, plaster, wallpaper, paint, floor coverings, tile, cabinetry, counter tops, landscaping or repair of any structural or cosmetic defects. If it is necessary for us to dig on your property in connection with work performed in connection with this Agreement, we will fill any holes and leave the ground level or mounded, but we will not restore the original surface or construction, including upgrades or the cost of construction, carpentry, or other modifications made necessary by the Equipment;
- Loss or damage to property caused by the heating, cooling, appliance, electrical or plumbing or drains system breaking down (e.g., damage to furniture caused by water leaks);
- Repairs needed as a result of lack of reasonable maintenance (e.g., pipe bursts due to cold weather or inadequate heating within the home or equipment failure due to a lack of regular filter replacement);
- Service or repairs that are related to design or any modification to the Equipment, unless performed by us under this Agreement;
- Electronic, computerized or energy management systems or devices, such as "Smart House";
- Providing for or closing access to covered items;
- Service, maintenance, repair, or replacement necessitated by any loss or damage resulting from any cause other than normal usage. Loss or damage due to chemical or sedimentary build-up, misuse or abuse, unauthorized repair by others, failure to clean or maintain the Equipment, rust, corrosion, insect infestation, mould, mildew or bacterial manifestations, missing parts, structural change, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, tornado, soil movement, windstorms, hail, theft, negligence (other than by us), intentional acts (other than by us), riot, accidents (other than caused by us), pet or pest damage, acts of God, or failure due to excessive water pressure or any other perils are not considered loss or damage by normal use;
- Preventative maintenance other than to the extent noted above; and
- Consumable items, including but not limited to filters and fuses.

If, after installation, building or other code violations are discovered before or during the diagnosis or repair of Equipment, we will not be required to repair or service such Equipment until the necessary corrective work is completed at your own expense. If additional costs are incurred in order to comply with local, provincial, or federal law, we shall not be responsible for that additional expense and you shall pay for same. We are not responsible for service or repair of Equipment when permits cannot be obtained and we will not pay any costs relating to permits.

Our commitment does not cover any service involving hazardous or toxic materials, asbestos, lead or the disposal of refrigerants or contaminants.

If a thermostat that is included in the Equipment fails, we will provide a replacement thermostat with a make/model, of our choice, that enables like operation of your dependent heating, ventilation and/or air conditioning equipment. Zone thermostats/controls and energy management controls are not covered by our commitment.

We are not responsible for insufficient air distribution due to existing ductwork design or clogged duct work or for insufficient water flow due to existing piping or radiators or clogged piping or radiators. Costs of refrigerant recovery, vacuuming and refill are excluded from our commitment.

If the monthly rental rate includes a charge for duct cleaning performed by us, it is a one-time service and our commitment is limited to a 30-day limited satisfaction guarantee (from the date of performance by us of the duct cleaning), pursuant to which we will redo your duct cleaning.

4. Customer's Commitment

In consideration of receiving and using the Equipment, you agree that:

- You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will promptly inform us of any change in i) your mailing address at least 30 days in advance of such change; and/or ii) if previously provided, bank account or credit card information you provided us promptly after such change is made.
- Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non-sufficient funds ("NSF"), you agree to pay a NSF charge of \$25. A late payment charge will apply to all overdue amounts on your bill, including applicable federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.
- **Late Payment Charges on your Enbridge Gas Distribution ("EGD") Bill** (applicable only if your charges are included on your EGD bill): A late payment charge will apply to all overdue amounts on your EGD bill, including applicable federal and provincial taxes. The late payment charge will be calculated and applied as approved by the Ontario Energy Board ("OEB"). The current OEB-approved late payment rate is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your EGD bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your EGD bill, a late payment charge equal to the late payment rate multiplied by a total of all unpaid charges will be added to your EGD bill.
- The current monthly rental charge is the amount set out on the first page of this Agreement. You agree that we may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will provide us with timely access to the Equipment whenever required by us to perform our obligations or exercise our rights under this Agreement.
- You will use the Equipment safely and responsibly, and in particular you will:
 - ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Equipment;
 - ensure that the Equipment is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
 - ensure that the filters, vents and openings are kept clear and clean and are otherwise kept well maintained by you;
 - provide us with access to the Equipment whenever reasonably required for purposes of inspection, maintenance, repair or removal and in connection therewith will authorize site personnel at your location to permit us access to the Premises; and
 - obtain our approval before you connect any add-on equipment, such as air handlers, humidifiers, storage tanks, air duct systems or hydronic baseboards to the Equipment. We are not responsible for the installation or maintenance of any add-on equipment, or for any damage caused by this add-on equipment or the Equipment if the damage occurred because of the add-on equipment.
- You will notify us promptly if the Equipment breaks down or is damaged.
- You will not permit anyone but us to service, repair, modify, move or disconnect the Equipment.
- You will be responsible for any damage to, or loss of, the Equipment, including if caused by you or third parties, unless caused by us or otherwise part of Enercare's commitment described above. You will also be responsible for any damage to, or loss of, the Equipment if caused by fire, flood, accident or other insurable risks.
- You will maintain in good working order the ancillary piping, venting, wiring or ducting owned by you that relate to, but are not included within the Equipment.
- During the term of this Agreement, the Equipment remains our property, is not intended to become a fixture and you will not tamper with any plate(s), tag(s) or sticker(s) identifying the Equipment as rented Equipment owned by us.
- If you sell, lease or otherwise transfer the Premises, you will, in addition to your obligations in Section 9 (Transferring This Agreement), advise us in advance and advise the transferee that the Equipment is rented pursuant to this Agreement.
- At the end of the Useful Life of any Equipment, you are not obligated to rent and we are not obligated to supply replacement Equipment therefor, unless we mutually agree at the time pursuant to a new agreement.
- If the Equipment is gas-fired, you are required, as the user of the Equipment, under law to ensure that it is maintained in a safe operating condition [Ontario regulation 212/01 Section 15]. In the event that a service or repair is required please call 1-800-266-3939.
- This Agreement is binding upon and will enure to your heirs, personal representatives, successors and permitted assigns.

5. Ownership of Equipment

- During the Term, the Equipment remains the property of Enercare or its assignee and although it may be affixed to the Premises, is not intended to become a fixture.
- You agree to assist in protecting our ownership interest by signing and providing any further documents we may reasonably require and you acknowledge that we may register notices of security or ownership as we deem appropriate, including on title to the Premises.
- You agree to keep the Equipment free of all liens, security interests, mortgages and other claims.

6. Personal Information About You

- We collect personal information about you in order to establish and manage our, and our authorized service provider's, business relationship with you. We won't knowingly share this information with third parties without your permission, other than to service providers, parties that provide us with credit information, parties to whom we transfer, assign, encumber or otherwise dispose of this Agreement or

the Equipment or otherwise in accordance with our Privacy Policy, which is available at enercare.ca/privacy-policy or can be obtained from our Privacy Officer. In light of this, you hereby: (i) consent to the collection, use, disclosure and maintenance of personal information and to receiving commercial electronic messages and promotional offers (such as tips to help you run your home or place of business more efficiently and reliably, special money-saving offers available to our customers and news about products and services that may be of interest to you) in accordance with the terms of our Privacy Policy (you may opt out at any time by contacting our Privacy Officer using the information below); (ii) authorize us to use and disclose your personal information to: verify your identity when you request information about your account by telephone or email; bill, collect payment, manage your account and/or supply services to you under this Agreement; review information about your bill payments; provide to our authorized technicians and other companies that provide service under this Agreement; comply with law enforcement and/or a legal requirement; process past due accounts of yours which have been passed to a debt collection agency; and undertake a credit reference check and we agree that the results thereof, any other personal information provided by or about you shall be handled by us in accordance with applicable laws and the Privacy Policy; and (iii) if your Equipment is billed by your gas utility, you authorize your gas utility to provide us with any information about your Equipment, including charges and payment. We may record our telephone conversations with you and disclose the recordings to achieve the purposes set out in this section.

- You may contact our Privacy Officer to discuss any questions or concerns related to the Privacy Policy, how your information is being handled, or to request that your personal information be revised or removed from our promotional list by telephone at: 416-649-1862, e-mail at: Privacy@enercare.ca, or mail at: Privacy Officer, Enercare Inc., 7400 Birchmount Road, Markham, ON, L3R 5V4.

7. Your Buy-out Option

- **You may not terminate this Agreement except as provided below.**
- **You may purchase the Equipment at any time for a price calculated in accordance with the Buy-out Schedule below. You may not purchase less than all of the Equipment.** You may exercise your buy-out option by notifying us in writing or by calling 1-800-266-3939. If you tell us you want to buy the Equipment, we will calculate and tell you the purchase price. The purchase price is based on, among other things, the unpaid cost of the Equipment and related installation, finance, service and maintenance costs.

Buy-out Schedule			
Age of Equipment	Buy-out Price ¹ (% of Retail/Total Installed Cost)	Age of Equipment	Buy-out Price ¹ (% of Retail/Total Installed Cost)
0 to less than 1 yr. old	100%	8 to less than 9 yrs. old	74%
1 to less than 2 yrs. old	98%	9 to less than 10 yrs. old	68%
2 to less than 3 yrs. old	96%	10 to less than 11 yrs. old	61%
3 to less than 4 yrs. old	92%	11 to less than 12 yrs. old	53%
4 to less than 5 yrs. old	89%	12 to less than 13 yrs. old	43%
5 to less than 6 yrs. old	86%	13 to less than 14 yrs. old	31%
6 to less than 7 yrs. old	83%	14 to less than 15 yrs. old	15%
7 to less than 8 yrs. old	79%	15+ yrs. old	5%

¹ The buy-out price for the HVAC rental equipment is based on the percentage of its original "Retail/Total Installed Cost". All applicable taxes will be added to the stated buy-out price.

- When you exercise your buy-out option, you accept the Equipment in "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume responsibility for the Equipment and its repair and maintenance. You also agree to pay the buy-out price, plus any applicable taxes, when invoiced by us.
- Once we receive payment of the buy-out price, this Agreement will terminate and you will have no further obligation to pay rent and we will have no further obligation to you.

8. Removal and Disposal

- If any Equipment has reached the end of its Useful Life and we are not installing replacement equipment and you wish us to disconnect and/or dispose of the Equipment you should contact us by calling 1-800-266-3939.
- We will charge you in accordance with our then current fee schedules for removals or disconnections.
- We are not responsible for replacing the Equipment or re-connecting any ancillary or other equipment, venting, piping, wiring or ducting, nor are we responsible for any of such ancillary items.

9. Transferring This Agreement

If you are the Owner and you sell or otherwise transfer the Premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Equipment installed in the Premises. We will permit the purchaser to assume your rights and obligations under this Agreement, effective from the date of sale, or other transfer, provided that (i) you or your representative notify the transferee in the sale or transfer agreement that the Equipment is rented and is subject to this Agreement, (ii) you or your representative advise us in advance of the transferee's name and the intended date of sale or other transfer, (iii) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer, (iv) the transferee agrees in writing or by conduct with us to assume your obligations, and (v) you have paid us all amounts owing under this Agreement. Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible (individually or jointly and severally with the Lessee, as applicable) for the Equipment rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee. 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.

10. Termination of Agreement by Us

Each of the following will be events of default (a "Default") by you:

- If any bankruptcy, insolvency or receivership proceedings are commenced with respect to you; and/or
- If you breach any provision of, or fail to perform any of your obligations under, this Agreement, including but not limited to any failure to pay any amount when due.

At any time while there is a Default, we may, on 30 days written notice require that you immediately purchase the Equipment at the buy-out price and on the other terms set out in paragraph 7. If we choose not to exercise this option, or if you fail to pay the buy-out price, then we may also exercise one or more of the following rights without further advance notice:

- Terminate this Agreement;
- Enter the Premises and disconnect, remove and use or dispose of the Equipment for our own account; and/or
- Pursue any other remedies we may have at law.

If we choose to terminate this Agreement and/or remove the Equipment as a result of a Default, you agree to pay a removal charge in accordance with our then current fee schedules for removals or disconnections. You also acknowledge that we have no obligation to remove or re-sell the Equipment and you are not entitled to any proceeds of sale.

Upon termination of this Agreement and/or removal of the Equipment, all amounts owing hereunder are due and payable.

11. Protecting Our Rights To The Equipment

To protect our rights to the Equipment, we may register a notice of security or ownership of the Equipment as we deem appropriate, including a notice on title to the Premises. You agree to sign and give us any documents or guarantees we need to preserve our rights to the Equipment and protect us against any claims to it.

12. Warranties

We make no representations, warranties or conditions as to the performance of the Equipment except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Equipment, except as provided below. Subject to you carrying out your obligations under this Agreement (including those under "Customer's Commitment") and subject to the limitations set out under "Limitations of Liability", we hereby warrant that the Equipment will work for the term of this Agreement. We are not the manufacturer of the Equipment and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Equipment, including whether the Equipment is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.

13. Limitation on liability

We will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Equipment. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. 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.

14. Indemnification

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 this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Equipment including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Equipment. This obligation survives the termination of this Agreement for any reason.

15. Insurance

During the term of the Agreement, you are responsible for any loss or damage to the Equipment from any cause, whether or not insured, until all of your obligations under the Agreement have been fulfilled.

16. Assignment

We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Equipment to another party at any time without notice to you and without your permission. To the extent permitted 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. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Equipment without our prior written consent (see Section 9 (Transferring This Agreement)).

17. Invalidity of Provision

If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

18. Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein.

19. Entire Agreement and Amendments

You understand that this Agreement is the entire agreement between you and us and supercedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law.

20. How To Contact Us:

7400 Birchmount Road
Markham, Ontario L3R 5V4
Attention: Customer Operations
1-800-266-3939/Enercare.ca

Your Rights under the Consumer Protection Act, 2002

You may cancel this Agreement at any time during the period that ends ten (10) days after the day you receive a written copy of this Agreement. You do not need to give us a reason for cancelling during this 10-day period.

If we do not make delivery within 30 days after the delivery date specified in this Agreement or if we do not begin performance of our obligations within 30 days after the commencement date specified in this Agreement, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery date or commencement date is not specified in this Agreement and we do not deliver or commence performance within 30 days after the date this Agreement is entered into, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance. In addition, there are other grounds that allow you to cancel this Agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Government and Consumer Services.

To cancel this Agreement, you must give notice of cancellation to us, at the address set out above, by any means that allows you to prove the date on which you gave notice. If no address is set out in this Agreement, use any of our addresses that are on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this Agreement, we have fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

However, if you cancel this Agreement after having solicited the goods or services from us and having requested that delivery be made or performance be commenced within 10 days after the date this Agreement is entered into, we are entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this Agreement was entered into and the date on which you gave notice of cancellation to us, except goods that can be repossessed by or returned to us.

If we request in writing repossession of any goods that came into your possession under this Agreement, you must return the goods to our address, or allow us or a person designated by us in writing to repossess the goods at your address.

If you cancel this Agreement, you must take reasonable care of any goods that came into your possession under this Agreement until one of the following happens:

- we repossess the goods;
- we have been given a reasonable opportunity to repossess the goods and 21 days have passed since this Agreement was cancelled;
- you return the goods; or
- we direct you in writing to destroy the goods and you do so in accordance with our instructions.

TERMS AND CONDITIONS

1. General

This Agreement is a legal agreement entered into between Enercare Home and Commercial Services Limited Partnership ("Enercare") and the Lessee and any Owner.

In this Agreement:

- "Premises" means the Installation Address set out on the first page of this Agreement;
- "you" and "your" means the Lessee or its tenants and, if applicable, the Owner(s);
- "we", "our" and "us" means Enercare and/or our authorized service providers; and
- The "Useful Life" ends when we determine in our reasonable discretion that it is no longer commercially reasonable to repair the Equipment, having regard to the age of the Equipment, the cost of repair or other relevant factors and notice of such determination is given to you. If there is more than one Core Equipment Type marked or listed on the first page of this Agreement (being an air conditioner, furnace and/or boiler), then each such Core Equipment Type will have its own Useful Life. If we determine that less than all Core Equipment Types have reached the end of their Useful Lives, the monthly rental rate set out on the first page of this Agreement will be reduced by us and the list of Equipment on the first page of this Agreement and/or on any schedule attached to this Agreement will be modified by us, in each case, so as to reflect the fact that you will no longer be renting the applicable Core Equipment Type (and all necessary pipes and parts related to the applicable Core Equipment Type as determined by us) that has reached the end of its Useful Life.

2. Term of Rental

You agree to rent from us the Equipment from when we install the Equipment until this Agreement ends. This Agreement (as it relates to a particular piece of Core Equipment Type) will end upon the end of the Useful Life of the applicable Core Equipment Type (but it will continue, as amended as referenced above in the definition of Useful Life, in respect of the remaining Core Equipment Type(s) and related Equipment) unless terminated earlier by you through your buy-out option (see "Your Buy-out Option" below) or by us if you fail to meet any of your commitments (see "Termination of Agreement by Us" below). After this Agreement is terminated, we will not be required to supply, service or maintain, and you will not be required to rent, any replacement equipment. If you want to change the Equipment or rent additional equipment, a new agreement will be required to replace this Agreement and a new rental rate will be calculated. If not fully satisfied, all obligations owned by you prior to the termination of this Agreement shall survive termination until fully satisfied, as determined by us.

3. Enercare's Commitment

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- i. New Equipment: the Equipment delivered under this Agreement will not be used or reconditioned.
- ii. Installation: to install the Equipment. All normal installation costs will be included within the monthly rental rate, except the cost of any permits or inspections local laws may require and for any extraordinary installation costs incurred by us. We will make reasonable efforts to tell you in advance if there are any additional installation costs, but it may not always be possible for us to do so. You agree to pay all of these additional costs, and understand that we may terminate this Agreement if you do not pay them.
- iii. Service & Maintenance: to provide repair and maintenance on the Equipment during the Useful Life of the applicable Equipment with no service charges or part replacement charges except (i) in the circumstances described in paragraph 4, (ii) if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect the Equipment or if repairs are necessary because of use for which the Equipment was not intended, (iii) where venting, piping, wiring, ducting and/or electrical services require cleaning, repair or replacement, or (iv) as described below. Our 24-hour per day, 7-days-per-week emergency phone number is 1-800-266-3939.
- iv. Periodic Inspection: to, from time-to-time (which may be more or less frequently than annually), contact you to arrange a mutually agreeable time for us to attend at the Premises to inspect the state of maintenance and repair of the Equipment and to confirm compliance by you with your obligations in this Agreement.
- v. Ancillary Piping, Venting: that you will own any related piping, venting, wiring or ducting we install on the Premises, unless it is expressly itemized and included within the Equipment you are renting. We are not required to remove these items after this Agreement ends and have no responsibility for them if any of the Equipment is removed.

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- Repairs needed as a result of accidental or deliberate damage, loss, theft, freezing weather conditions, subsidence, structural repairs, fire, lightning, explosion, earthquake, tornado, flood, storm, acts of war or other insurable risks;
- The thermostat is not at the proper setting;
- The pilot light has been extinguished by someone other than us;
- The household or building electrical fuse or breaker required for the Equipment is blown;
- The Equipment has been turned off;
- Renovation related work;
- The costs of redecoration and restoration costs required as a result of any work performed in connection with this Agreement, including, but not limited to, wall coverings, drywall, plaster, wallpaper, paint, floor coverings, tile, cabinetry, counter tops, landscaping or repair of any structural or cosmetic defects. If it is necessary for us to dig on your property in connection with work performed in connection with this Agreement, we will fill any holes and leave the ground level or mounded, but we will not restore the original surface or construction, including upgrades or the cost of construction, carpentry, or other modifications made necessary by the Equipment;
- Loss or damage to property caused by the heating, cooling, appliance, electrical or plumbing or drains system breaking down (e.g., damage to furniture caused by water leaks);
- Repairs needed as a result of lack of reasonable maintenance (e.g., pipe bursts due to cold weather or inadequate heating within the home or equipment failure due to a lack of regular filter replacement);
- Service or repairs that are related to design or any modification to the Equipment, unless performed by us under this Agreement;
- Electronic, computerized or energy management systems or devices, such as "Smart House";
- Providing for or closing access to covered items;
- Service, maintenance, repair, or replacement necessitated by any loss or damage resulting from any cause other than normal usage. Loss or damage due to chemical or sedimentary build-up, misuse or abuse, unauthorized repair by others, failure to clean or maintain the Equipment, rust, corrosion, insect infestation, mould, mildew or bacterial manifestations, missing parts, structural change, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, tornado, soil movement, windstorms, hail, theft, negligence (other than by us), intentional acts (other than by us), riot, accidents (other than caused by us), pet or pest damage, acts of God, or failure due to excessive water pressure or any other perils are not considered loss or damage by normal use;
- Preventative maintenance other than to the extent noted above; and
- Consumable items, including but not limited to filters and fuses.

If, after installation, building or other code violations are discovered before or during the diagnosis or repair of Equipment, we will not be required to repair or service such Equipment until the necessary corrective work is completed at your own expense. If additional costs are incurred in order to comply with local, provincial, or federal law, we shall not be responsible for that additional expense and you shall pay for same. We are not responsible for service or repair of Equipment when permits cannot be obtained and we will not pay any costs relating to permits.

Our commitment does not cover any service involving hazardous or toxic materials, asbestos, lead or the disposal of refrigerants or contaminants.

If a thermostat that is included in the Equipment fails, we will provide a replacement thermostat with a make/model, of our choice, that enables like operation of your dependent heating, ventilation and/or air conditioning equipment. Zone thermostats/controls and energy management controls are not covered by our commitment.

We are not responsible for insufficient air distribution due to existing ductwork design or clogged duct work or for insufficient water flow due to existing piping or radiators or clogged piping or radiators. Costs of refrigerant recovery, vacuuming and refill are excluded from our commitment.

If the monthly rental rate includes a charge for duct cleaning performed by us, it is a one-time service and our commitment is limited to a 30-day limited satisfaction guarantee (from the date of performance by us of the duct cleaning), pursuant to which we will redo your duct cleaning.

4. Customer's Commitment

In consideration of receiving and using the Equipment, you agree that:

- You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will promptly inform us of any change in i) your mailing address at least 30 days in advance of such change; and/or ii) if previously provided, bank account or credit card information you provided us promptly after such change is made.
- Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non-sufficient funds ("NSF"), you agree to pay a NSF charge of \$25. A late payment charge will apply to all overdue amounts on your bill, including applicable federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.
- *Late Payment Charges on your Enbridge Gas Distribution ("EGD") Bill* (applicable only if your charges are included on your EGD bill): A late payment charge will apply to all overdue amounts on your EGD bill, including applicable federal and provincial taxes. The late payment charge will be calculated and applied as approved by the Ontario Energy Board ("OEB"). The current OEB-approved late payment rate is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your EGD bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your EGD bill, a late payment charge equal to the late payment rate multiplied by a total of all unpaid charges will be added to your EGD bill.
- The current monthly rental charge is the amount set out on the first page of this Agreement. You agree that we may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will provide us with timely access to the Equipment whenever required by us to perform our obligations or exercise our rights under this Agreement.
- You will use the Equipment 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 as, or near, the Equipment;
 - ii. ensure that the Equipment is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
 - iii. ensure that the filters, vents and openings are kept clear and clean and are otherwise kept well maintained by you;
 - iv. provide us with access to the Equipment whenever reasonably required for purposes of inspection, maintenance, repair or removal and in connection therewith will authorize site personnel at your location to permit us access to the Premises; and
 - v. obtain our approval before you connect any add-on equipment, such as air handlers, humidifiers, storage tanks, air duct systems or hydronic baseboards to the Equipment. We are not responsible for the installation or maintenance of any add-on equipment, or for any damage caused by this add-on equipment or the Equipment if the damage occurred because of the add-on equipment.
- You will notify us promptly if the Equipment breaks down or is damaged.
- You will not permit anyone but us to service, repair, modify, move or disconnect the Equipment.
- You will be responsible for any damage to, or loss of, the Equipment, including if caused by you or third parties, unless caused by us or is otherwise part of Enercare's commitment described above. You will also be responsible for any damage to, or loss of, the Equipment if caused by fire, flood, accident or other insurable risks.
- You will maintain in good working order the ancillary piping, venting, wiring or ducting owned by you that relate to, but are not included within the Equipment.
- During the term of this Agreement, the Equipment remains our property, is not intended to become a fixture and you will not tamper with any plate(s), tag(s) or sticker(s) identifying the Equipment as rented Equipment owned by us.
- If you sell, lease or otherwise transfer the Premises, you will, in addition to your obligations in Section 9 (Transferring This Agreement), advise us in advance and advise the transferee that the Equipment is rented pursuant to this Agreement.
- At the end of the Useful Life of any Equipment, you are not obligated to rent and we are not obligated to supply replacement Equipment therefor, unless we mutually agree at the time pursuant to a new agreement.
- If the Equipment is gas-fired, you are required, as the user of the Equipment, under law to ensure that it is maintained in a safe operating condition [Ontario regulation 212/01 Section 15]. In the event that a service or repair is required please call 1-800-266-3939.
- This Agreement is binding upon and will enure to your heirs, personal representatives, successors and permitted assigns.

5. Ownership of Equipment

- During the Term, the Equipment remains the property of Enercare or its assignee and although it may be affixed to the Premises, is not intended to become a fixture.
- You agree to assist in protecting our ownership interest by signing and providing any further documents we may reasonably require and you acknowledge that we may register notices of security or ownership as we deem appropriate, including on title to the Premises.
- You agree to keep the Equipment free of all liens, security interests, mortgages and other claims.

6. Personal Information About You

We collect personal information about you in order to establish and manage our, and our authorized service provider's, business relationship with you. We won't knowingly share this information with third parties without your permission, other than to service providers, parties that provide us with credit information, parties to whom we transfer, assign, encumber or otherwise dispose of this Agreement or the Equipment or otherwise in accordance with our Privacy Policy, which is available at enercare.ca/privacy-policy or can be obtained from our Privacy Officer. In light of this, you hereby: (i) consent to the collection, use, disclosure and maintenance of personal information and to receiving commercial electronic messages and promotional offers (such as tips to help you run your home or place of business more efficiently and reliably, special money-saving offers available to our customers and news about products and services that may be of interest to you) in accordance with the terms of our Privacy Policy (you may opt out at any time by contacting our Privacy Officer using the information below); (ii) authorize us to use and disclose your personal information to: verify your identity when you request information about your account by telephone or email; bill, collect payment, manage your account and/or supply services to you under this Agreement; review information about your bill payments; provide to our authorized technicians and other companies that provide service under this Agreement; comply with law enforcement and/or a legal requirement; process past due accounts of yours which have been passed to a debt collection agency; and undertake a credit reference check and we agree that the results thereof, any other personal information provided by or about you shall be handled by us in accordance with applicable laws and the Privacy Policy; and (iii) if your Equipment is billed by your gas utility, you authorize your gas utility to provide us with any information about your Equipment, including charges and payment. We may record our telephone conversations with you and disclose the recordings to achieve the purposes set out in this section.

You may contact our Privacy Officer to discuss any questions or concerns related to the Privacy Policy, how your information is being handled, or to request that your personal information be revised or removed from our promotional list by telephone at: 416-649-1862, e-mail at: privacy@enercare.ca, or mail at: Privacy Officer, Enercare Inc., 7400 Birchmount Road, Markham, ON, L3R 5V4.

7. Your Buy-out Option

- **You may not terminate this Agreement except as provided below.**
- **You may purchase the Equipment at any time for a price calculated in accordance with the Buy-out Schedule below. You may not purchase less than all of the Equipment.** You may exercise your buy-out option by notifying us in writing or by calling 1-800-266-3939. If you tell us you want to buy the Equipment, we will calculate and tell you the purchase price. The purchase price is based on, among other things, the unpaid cost of the Equipment and related installation, finance, service and maintenance costs.

Buy-out Schedule			
Age of Equipment	Buy-out Price ¹ (% of Retail /Total Installed Cost)	Age of Equipment	Buy-out Price ¹ (% of Retail /Total Installed Cost)
0 to less than 1 yr. old	100%	8 to less than 9 yrs. old	74%
1 to less than 2 yrs. old	98%	9 to less than 10 yrs. old	68%
2 to less than 3 yrs. old	96%	10 to less than 11 yrs. old	61%
3 to less than 4 yrs. old	92%	11 to less than 12 yrs. old	53%
4 to less than 5 yrs. old	89%	12 to less than 13 yrs. old	43%
5 to less than 6 yrs. old	86%	13 to less than 14 yrs. old	31%
6 to less than 7 yrs. old	83%	14 to less than 15 yrs. old	15%
7 to less than 8 yrs. old	79%	15+ yrs. old	5%

¹ The buy-out price for the HVAC rental equipment is based on the percentage of its original "Retail/Total Installed Cost". All applicable taxes will be added to the stated buy-out price.

- When you exercise your buy-out option, you accept the Equipment in "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume responsibility for the Equipment and its repair and maintenance. You also agree to pay the buy-out price, plus any applicable taxes, when invoiced by us.
- Once we receive payment of the buy-out price, this Agreement will terminate and you will have no further obligation to pay rent and we will have no further obligation to you.

8. Removal and Disposal

- If any Equipment has reached the end of its Useful Life and we are not installing replacement equipment and you wish us to disconnect and/or dispose of the Equipment you should contact us by calling 1-800-266-3939.
- We will charge you in accordance with our then current fee schedules for removals or disconnections.
- We are not responsible for replacing the Equipment or re-connecting any ancillary or other equipment, venting, piping, wiring or ducting, nor are we responsible for any of such ancillary items.

9. Transferring This Agreement

If you are the Owner and you sell or otherwise transfer the Premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Equipment installed in the Premises. We will permit the purchaser to assume your rights and obligations under this Agreement, effective from the date of sale, or other transfer, provided that (i) you or your representative notify the transferee in the sale or transfer agreement that the Equipment is rented and is subject to this Agreement, (ii) you or your representative advise us in advance of the transferee's name and the intended date of sale or other transfer, (iii) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer, (iv) the transferee agrees in writing or by conduct with us to assume your obligations, and (v) you have paid us all amounts owing under this Agreement. Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible (individually or jointly and severally with the Lessee, as applicable) for the Equipment rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee. 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.

10. Termination of Agreement by Us

Each of the following will be events of default (a "Default") by you:

- If any bankruptcy, insolvency or receivership proceedings are commenced with respect to you; and/or
 - If you breach any provision of, or fail to perform any of your obligations under, this Agreement, including but not limited to any failure to pay any amount when due.
- At any time while there is a Default, we may, on 30 days written notice require that you immediately purchase the Equipment at the buy-out price and on the other terms set out in paragraph 7. If we choose not to exercise this option, or if you fail to pay the buy-out price, then we may also exercise one or more of the following rights without further advance notice:
- Terminate this Agreement;
 - Enter the Premises and disconnect, remove and use or dispose of the Equipment for our own account; and/or
 - Pursue any other remedies we may have at law.

If we choose to terminate this Agreement and/or remove the Equipment as a result of a Default, you agree to pay a removal charge in accordance with our then current fee schedules for removals or

Your Rights under the Consumer Protection Act, 2002

You may cancel this Agreement at any time during the period that ends ten (10) days after the day you receive a written copy of this Agreement. You do not need to give us a reason for cancelling during this 10-day period.

If we do not make delivery within 30 days after the delivery date specified in this Agreement or if we do not begin performance of our obligations within 30 days after the commencement date specified in this Agreement, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery date or commencement date is not specified in this Agreement and we do not deliver or commence performance within 30 days after the date this Agreement is entered into, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

In addition, there are other grounds that allow you to cancel this Agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Government and Consumer Services.

To cancel this Agreement, you must give notice of cancellation to us, at the address set out above, by any means that allows you to prove the date on which you gave notice. If no address is set out in this Agreement, use any of our addresses that are on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this Agreement, we have fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

However, if you cancel this Agreement after having solicited the goods or services from us and having requested that delivery be made or performance be commenced within 10 days after the date this Agreement is entered into, we are entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this Agreement was entered into and the date on which you gave notice of cancellation to us, except goods that can be repossessed by or returned to us.

If we request in writing repossession of any goods that came into your possession under this Agreement, you must return the goods to our address, or allow us or a person designated by us in writing to repossess the goods at your address.

If you cancel this Agreement, you must take reasonable care of any goods that came into your possession under this Agreement until one of the following happens:

- we repossess the goods;
- we have been given a reasonable opportunity to repossess the goods and 21 days have passed since this Agreement was cancelled;
- you return the goods; or
- we direct you in writing to destroy the goods and you do so in accordance with our instructions.

disconnections. You also acknowledge that we have no obligation to remove or re-sell the Equipment and you are not entitled to any proceeds of sale. Upon termination of this Agreement and/or removal of the Equipment, all amounts owing hereunder are due and payable.

11. Protecting Our Rights To The Equipment

To protect our rights to the Equipment, we may register a notice of security or ownership of the Equipment as we deem appropriate, including a notice on title to the Premises. You agree to sign and give us any documents or guarantees we need to preserve our rights to the Equipment and protect us against any claims to it.

12. Warranties

We make no representations, warranties or conditions as to the performance of the Equipment except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Equipment, except as provided below. Subject to you carrying out your obligations under this Agreement (including those under "Customer's Commitment") and subject to the limitations set out under "Limitations of Liability", we hereby warrant that the Equipment will work for the term of this Agreement. We are not the manufacturer of the Equipment and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Equipment, including whether the Equipment is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.

13. Limitation on liability

We will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Equipment. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. 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.

14. Indemnification

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 this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Equipment including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Equipment. This obligation survives the termination of this Agreement for any reason.

15. Insurance

During the term of the Agreement, you are responsible for any loss or damage to the Equipment from any cause, whether or not insured, until all of your obligations under the Agreement have been fulfilled.

16. Assignment

We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Equipment to another party at any time without notice to you and without your permission. To the extent permitted 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. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Equipment without our prior written consent (see Section 9 (Transferring This Agreement)).

17. Invalidity of Provision

If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

18. Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein.

19. Entire Agreement and Amendments

You understand that this Agreement is the entire agreement between you and us and supercedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law.

20. How To Contact Us:

7400 Birchmount Road
Markham, Ontario L3R 5V4
Attention: Customer Operations
1-800-266-3939Enercare.ca