

TERMS & CONDITIONS

Definitions — In these Terms and Conditions (the "Agreement or Plan") is defined as one or more of the following: Custom Plan, Platinum Plan, Gold Plan, Silver Plan, Silver Plan Plus, Bronze Plan, Fireplace Plan, Boiler Plan and any combination of these plans. Bundled plans combine two or more of the Plan(s) for a single retail price plus HST. Accessory plans are defined as Humidifier, HRV/ERV, Hot Water Tank, Tankless Flush and are priced as an addition to other plans only, not a stand alone product. "You" and "your" mean the account holder who signed up for the Plan. "We", "us", "our" and "supplier", mean Furnace Factory Direct Inc., "Authorized Repair Technician" means the designated licensed repair person we will dispatch in the event of a repair. "FFD" refers to Furnace Factory Direct Inc, or FFD Plus. Platinum Plans cover parts, labour and an annual cleaning. Gold plans cover parts and labour with no annual cleaning. Silver Plus Plans have an annual cleaning and parts coverage up to a maximum of 10 year old equipment. Silver and Bronze plans are an annual cleaning only

GENERAL TERMS & CONDITIONS

Parts & Labour Coverage on Equipment, Appliances & Systems — We, as an independent contractor, will endeavour to render prompt and efficient service hereunder, but it is expressly agreed that we shall in no event be liable for damage or loss caused by delay or any loss arising out of the performance of this agreement. The customer must provide us with booking availability between Monday to Friday 9am-5pm, not during statutory holidays, for annual cleaning/maintenance. We reserve the right to reject any agreement if on inspection by service person, equipment is found in such condition that service will be unsatisfactory to either party. It is mutually agreed that this agreement covers only mechanically or electrically operated units inside the equipment such as, if applicable; **FURNACES** - High limit control, fan control, fan motor (max. 1/3hp), fan belt, fan pulley, air circulating fan & bearings, all manufacturer's wiring, gas manifold, thermo couple, main gas valve, manual shut off valve, regulator pressure valve, transformer, pilot tubing and valve, air shutter, burner and orifices, flamerod, automatic vent damper, automatic vent operator, ignition module, electrode, high voltage lead, wiring harness, inducer fan, air pressure switches, hot surface ignitor, ventor motor, and hot surface ignitor. **AIR CONDITIONERS** - condensor fan motor, condensor fan shaft & bearings, contactor, transformer, fan center, manufacture wiring, run capacitors, start capacitors, fan blades, disconnect box, all safety switches, schrader valves, control boards, Lo & Hi cutoff switches.

These plans do not cover ductwork and vent pipe, heat exchangers, compressors, evaporator coil, tubing, electrical or plumbing work, balancing beyond unit. Any work required because of negligence, misuse of equipment or because of fire, flood, acts of God, shortage of electrical or water supply, sabotage or damage caused by freezing is also not included. The customer must provide written permission to Furnace Factory Direct Inc. to cancel this insurance plan on their furnace if the customer chooses not to continue with it. Accessory plans never include labour or parts, only annual maintenance.

Unavailable Parts and Non-Repairable Equipment, Appliances and Systems — We will attempt to obtain a replacement part or an appropriate substitute as quickly as possible to repair your equipment, appliances or systems, but limited availability of certain parts may result in delays from time to time. In the event that a part is no longer available or we cannot obtain it at an economically reasonable cost, we will not be liable for the related replacement. If the part is no longer available or the equipment, appliance or system cannot be repaired, you or we may terminate your Plan and if there has not been a prior service call in the current coverage, year, your payments relating to the current coverage year for which you are not covered will be refunded in full upon termination of your Plan.

Unauthorized Work — All service work covered by the Plan, including parts and labour must be arranged by us and provided by our Authorized Repair Technicians. We will not reimburse you for service work performed by someone other than one of our Authorized Repair Technicians.

Transferrable — If you choose to have your Plan remain at the residence which you have sold, you and the new homeowner agree to complete and fax or mail the Plan Ownership Transfer Form to us no later than **fifteen (15)** days before the closing date of the sold residence. You also agree to pay any remaining installments (if applicable) relating to the current Plan coverage to the furthest date of, the closing date of sale of your sold residence, a preferred date beyond the closing date of your sold residence, or as outlined in the cancellation notice section. A discount may be offered to existing customers who choose to leave their paid Plan with their sold residence and who agree to set-up a new Plan of equal or greater value at their newly acquired residence, assuming the residence is within our service coverage area.

Warranty and Liability — Problems cannot always be diagnosed and repaired on the first service visit. We are not liable for losses or damages resulting from your service need, or misdiagnosis or delays in, completing diagnosis and/or repairs. If we fail to correct a repair problem covered by your Plan or if a replacement part fails, our sole liability will be to correct the problem and, if necessary and available, to provide an additional replacement part. Emergency service applies to heating equipment only, not air conditioning, and begins September 15th each year extending to April 1st or next business day. If your Plan has expired, this obligation will continue, with respect to labour pertaining to, and including defective parts replacement, for **30 days** after the date of the repair. This only assumes the exact same part requires replacement beyond the plan date and within 30 days of the last identical repair. You will be liable for 100% parts and labour costs for assumed warranty calls that prove not to be the identical service repair issue as experienced within previous 30 days. Parts that are failed due to abnormal use such as water damage, physical damage not associated with normal wear and tear or damage caused from other defective parts are considered consequential. We will not, under any circumstances, be liable for indirect, consequential or economic damages. Parts that are "noisy" are at our sole discretion whether they are deemed defective and therefore replaceable.

Eligibility: Equipment must be in a safe environment for our technician and have adequate clearance. Equipment must have no code infractions.

Pre-Inspection — It is our discretion to request pre-inspection prior to the commencement of Plan coverage.

Effective Date — Your Plan coverage becomes effective **fifteen (15)** days after you have enrolled in the Plan ("Effective Date") and we have received your completed and signed application and remains in effect until you choose to cancel your Plan or is cancelled by us, as long as all Plan payments are made by you as required (see Late Payments and Cancellation).

Billing Payment and Frequency — No service will be rendered under this agreement if customer has a past due account. You have two payment frequency options to choose from, namely **annual or monthly**. We will only issue a bill/renewal notice if you have selected to pay your premium on an annual basis. If you choose to pay for your Plan on an **annual basis**, your first year's premium is due with the application form. In subsequent years, we will issue you a renewal notice and your payment; either by cheque or credit card will be due to us within 30 days of the issue date of the renewal notification. If we do not receive your annual renewal payment within the 30 days, we will suspend your Plan and you will not be eligible to receive service until payment is received. If you choose to pay for your Plan on a **monthly basis**, either through Pre-Authorized Monthly Payments, post dated cheque, or through credit card, your payment is due on the 30th of each month or the next business day.

Terms of Agreement — Terms of the Plan are rolling month-to-month terms assuming continued and ongoing coverage. Applicable taxes (including HST) will be added to each payment installment when billed.

Payment Options — You have the option to pay Plan payments by one of the following Payment Methods: Personal cheque, Visa or Pre-Authorized Monthly Payments (PAP or PAD) (drawn from a personal Canadian bank account only). Payments made by personal cheque should be made payable to Furnace Factory Direct Inc., so long as there is no interruption in postal service, sent by mail to 17 Grenfell Crescent, Unit 6, Nepean, ON K2G 0G3. If you have authorized us to have your payments deducted from your bank account (a pre-authorized monthly payment "PAP or PAD") you will only receive another bill if the amount of the PAP or PAD changes. On approximately the same day (a "PAP or PAD Date") each month, the charges set out on your bill are due and we will debit your account for those charges and all other amounts you owe us. If the PAP or PAD date falls on a statutory holiday or weekend your account will be debited on the next business day.

Returned Cheque Penalty — You will be charged \$40 for any cheque that is returned unpaid by your bank of for any PAP that cannot be processed for any reason.

Late Payments — If a payment is overdue by more than **thirty (30)** days, we may terminate your Plan without notice and you forfeit any refund to your past payments. If your payments are not up to date, we will automatically refuse service for Plan coverage. Except as specifically stated in this Agreement, your payments are non-refundable.

Cancellation Notice — Your coverage under any of the Plans will be in effect until cancelled by either us or by you upon **written notice** to the other party, unless as otherwise stated in payment clauses. Such cancellation will be effective **immediately** after the date written notice is received and you will **not be eligible** to receive repairs/service after such date. In the event that we cancel this Agreement, our liability will be restricted to a refund, if any of the unexpired portions of any payments made and to completing any repairs or parts replacements covered by your plan for which you have notified us up to the date of the termination of this Agreement. Your notice must be provided to us either through the Plan Cancellation Form or letter from you. If you are submitting your cancellation notice via letter, please ensure to include your name, residence address and clear direction to cancel. If you wish to cancel your Plan, you will be responsible for the payment of an Administration Fee of **3 months premium**. If you selected to pay your premium annually and have paid 23 months premium, we will refund you the unexpired portion of payments made, less the Administration Fee of 3 months premium. A refund, in the form of a cheque will be issued to you within **fifteen (15) business days** of us receiving your cancellation notice.

Notice to Change Terms (Provider) — We have the right to change, from time to time, any term of this Agreement, including any plan rates and charges by sending you prior notice of the change and such change will be effective thirty (30) days after the date set out in that notice. We may, at any time, immediately cancel your Plan for material misrepresentation without prior written notice. You will be informed of this cancellation and the reason for it.

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 the agreement. You do not need to give the supplier a reason for cancelling during this 10-day period. If the supplier does not make delivery within 30 days after the delivery date specified in this agreement or if the supplier does not begin performance of his, her or its 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 the supplier does 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. 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 Consumer and Business Services. To cancel this agreement, you must give notice of cancellation to the supplier, at the address set out in the agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you. If you cancel this agreement, the supplier has 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 the supplier and having requested delivery be made or performance be commenced within to (10) days after the date this agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the cancellation to the supplier, or the date that you received the goods or services.