

SERVICE CONTRACT

This document sets forth the entire Contract between the Service Contract Obligor and Administrator, hereinafter referred to as We, Us, and Our, and the Purchaser, as You and Your. No representation, promise or condition herein shall modify these terms. The Obligor under this Plan is SNAAdmin of Canada, Inc. in all provinces with the exception of Alberta, British Columbia and Saskatchewan. Chartis Insurance Company of Canada ("CICC") is the Obligor in Alberta, British Columbia and Saskatchewan. CICC may be contacted at 145 Wellington Street West, Toronto, ON M5J 1H8, Attn. Warranty Department. The administrator under this Plan is SNAAdmin (Canada) Inc ("Service Net").

1. WHAT IS COVERED. Depending on the coverage You purchased, and as shown on the reverse side of this Contract, We will furnish labour, parts, parts and labour, or replacement equipment (or pay for same) necessary to repair operational or mechanical breakdowns of the Product specified in this Contract, provided such service is necessitated by Product failure during normal usage. The Product specified and covered includes the Product only as originally configured and charged for in this Contract. Coverage also applies to the parts and accessories that are necessary to the covered Product's functionality, but does not apply to accessories that are used in conjunction with or to enhance the performance of the covered Product.

a) COMPRESSOR ONLY. If You purchased compressor only coverage and compressor only is listed as the type of coverage on the face of this Contract, We will cover the cost of one replacement compressor up to the original compressor retail value only. Any/all other costs, including but not limited to labour, parts mark-up, trip or diagnosis charges, refrigerant recovery or replacement, and other miscellaneous costs will not be covered under this Contract.

b) PARTS ONLY. If You purchased a parts only coverage, and parts only is listed as the type of coverage on the face of this Contract, We will cover the cost of replacement parts, unless excluded in Section 15, up to Your Product's original retail value. Any/all other costs, including but not limited to labour, parts mark-up, trip or diagnosis charges, refrigerant, and other miscellaneous parts and costs will not be covered under this Contract.

c) LABOUR ONLY. If You purchased a labour only coverage, and labour only is listed as the type of coverage on the face of this Contract, We will cover trip or diagnosis charges and labour costs, unless excluded in Section 15, for covered repairs up to Your Product's original retail value. Any/all other costs, including but not limited to parts, parts mark-up, refrigerant, and other miscellaneous parts or costs will not be covered under this Contract.

d) PARTS AND LABOUR. If You purchased parts and labour coverage, and parts and labour is listed as the type of coverage on the face of this Contract, We will cover trip or diagnosis charges, labour costs, cost of replacement parts, unless excluded in Section 15, refrigerant, miscellaneous parts, and parts mark-up for covered repairs up to Your Product's original retail value.

2. ELIGIBILITY. To be eligible for coverage, the Product must be in good working order at time of Contract purchase. If it is determined that a claim results from a pre-existing condition, the payment of that claim may be denied. Information regarding the original installation date of the Product must be correct. Inaccurate information regarding installation date may result in the Product being ineligible for coverage. We reserve the right to inspect Your Product at any time to determine eligibility for coverage.

3. WAIT PERIOD. CUSTOMERS WILL BE SUBJECT TO A 90 (NINETY) DAY WAIT PERIOD, IN WHICH NO CLAIMS THAT OCCUR PRIOR TO THE CONTRACT PURCHASE DATE OR WITHIN THE FIRST 90 (NINETY) DAYS OF THE CONTRACT PURCHASE DATE WILL BE COVERED.

4. ANNUAL MAINTENANCE. All Products covered by this Contract require annual maintenance performed by Your servicing dealer or a licensed service technician. You or Your servicing dealer may be required to submit proof of annual maintenance. Lack of annual maintenance or failure to provide proof of proper annual maintenance may result in denial of payment for claims under Your Contract. You will be responsible for payments of denied claims due to the lack of annual maintenance or proof of it.

5. TO OBTAIN SERVICE. If service is required, contact Your servicing dealer at the phone number shown on the reverse side of this Contract and explain the problem. Prior to any repair being made, Your dealer must follow authorization procedures. Any claim for repairs or replacement without authorization will not be covered except as provided under emergency repairs.

6. AVAILABILITY OF SERVICE. Neither Us nor the servicing dealer shall be liable for any damages whatsoever arising out of delays, either before or after a day or time of service is agreed upon.

7. ACCESSIBILITY OF PRODUCT. If onsite service is required, You agree to make the Product reasonably accessible to the repair person. If the Product is not accessible, the repair person will have the option of declining to provide service or assessing You an additional charge, which will not be covered by Us, for making the Product accessible, commensurate with the difficulty in working on the Product.

8. TERMINATION FOR OTHER CAUSE. If We cannot provide service due to removal or alteration of the serial number of the covered Product, if You have committed fraud upon Us, or if You attempt to repair or alter the Product, We may, at our discretion, result in the termination of this Contract without liability. If We exercise this right, We shall refund to You the remaining pro rata unearned portion of one hundred percent (100%) of the net premium paid for this Contract minus claims paid.

9. IMPORTANT NOTE. Repairs recommended by the repairing facility not necessitated by mechanical breakdown are not covered unless specifically authorized by Us. We reserve the right to inspect the items to be covered, or the items covered, as the case may be, prior to coverage or during the coverage period. Model number, serial number and original date of purchase of all Products to be covered must be provided to execute application for service. If You request a service call for a non-covered repair or "no failure found" diagnosis is determined for the same problem on a second trip, You may be responsible for all costs associated with the repair/call. In the event You are unable to meet the service for an onsite repair, if applicable, You must call to cancel the appointment one (1) business day prior to the agreed upon time of service or You may be responsible for paying the second trip charge for the subsequent rescheduled repair. If We replace the product or buyout the contract, the covered product becomes property of Service Net and We may, at Our discretion, require the product to be returned to Us (or our designee) at Our expense.

10. TIME FOR SERVICE. Service will be performed during the hours of 8:00 a.m. to 5:00 p.m. local time Monday through Friday, excluding holidays or during the hours of operation of the participating servicing dealer. Any additional costs above the authorized service providers authorized hourly rate (premium or overtime charges) or after hours service will be at Your expense with exception of health related or severe weather related emergencies.

11. PLACE OF SERVICE. Onsite service will be provided at the location of Product installation. If You are located more than fifty (50) miles from the servicing dealer, additional travel costs to reach the covered Product's location may be covered under Your Contract and will go against Our maximum liability owed to You under this Contract.

12. UNABLE TO REPAIR. If We determine that We are unable to repair Your Product due to the unavailability of functional parts, service or technical information, or if the cost to repair will exceed the Limit of Liability as described herein, the total liability owed to You under this Contract will be the lesser of (I) the current market value of a Product of comparable specifications; or, (II) the retail price paid for Your Product including customary installation charges, unless excluded in Section 15, minus sales tax and claims paid, in lieu of service repairs or replacement of a Product of comparable specifications. In all cases where parts or technical information are on extended backorder for a minimum of sixty (60) calendar days, We will determine if a replacement or reimbursement will be made. All contractual obligations are fulfilled, in lieu of repairs, upon Product replacement, reimbursement or Contract term expiration and the covered Product becomes the property of Service Net and We may, at Our discretion, require the Product to be returned to Us (or Our designee) at Our expense.

13. DEDUCTIBLE. A deductible per each claim made applies to Your Contract. You will be responsible for paying Your deductible in full on the date of service to Your servicing dealer. It is Your responsibility to confirm acceptable payment methods (cash, check or credit card) with Your servicer prior to the date of service.

14. RENEWABILITY. This Contract is renewable at Our sole discretion.

15. LIMITATIONS OF COVERAGE – This Contract Does Not Cover:

a. Any Product located outside Canada.

b. Service required as a result of any alteration of the equipment, or repairs made by anyone other than an authorized service provider. This would include any unauthorized alterations made by You to the Product.

c. Damage or other equipment failure due to corrosion or rust caused by moisture in the Product's location, or due to causes beyond Our control including, but not limited to, repairs necessary as a result of operator negligence, the failure to maintain the equipment according to the owner's manual instructions, abuse, vandalism, theft, fire, flood, wind, freezing, power failure, inadequate power supply, unusual atmospheric conditions, acts of

war or acts of Nature (a sudden uncontrollable event produced by natural forces, e.g. an earthquake, hurricane or a tornado, etc...)

d. Service necessary because of improper storage, improper ventilation, or any utilization of the equipment that is inconsistent with either the design of the equipment, the specifications set by the manufacturer or Air Conditioning and Refrigeration Institute, or the way the manufacturer intended the equipment to be used.

e. Any and all cases in which the manufacturer of the equipment would not honor any warranty regarding the equipment.

f. Cosmetic defects, damage, or failures of non-operational components that do not inhibit the proper operation and performance of the covered items.

g. Consumable items are defined as any part that is considered consumable by the manufacturer or any item that is designed to be consumed (wear out) during the life of the Product, regardless if it is consumer replaceable or not.

h. Repairs to Product, including parts, or Product replacement covered by the manufacturer's warranty, manufacturer's recall, or similar manufacturer's incentive or repair program (regardless of whether or not the manufacturer is doing business as an ongoing enterprise).

i. Consequential damages as a result of malfunctioning of or damage to an operating part of the covered equipment, or damages as a result of any repairs or replacements under this Contract.

j. Loss of use, loss of business, loss of profits, down-time and charges for time and effort.

k. Damages caused by delays in rendering service or loss of use during the period that the Product is awaiting parts are not covered.

l. Damage or failure caused by animals or insects.

m. Operational or mechanical failure which is not reported prior to expiration of this Contract or within 30 days of Product failure.

n. Equipment sold without a manufacturer's warranty, sold "as is" or refurbished Products.

o. Normal, periodic or preventative maintenance and/or checkups, including but not limited to customer education, adjustments, cleanings, and convergence.

p. Pre-existing conditions incurred prior to the Contract purchase date or during the Wait Period (refer to Section 3), known to You.

q. Equipment where the serial plate attached to the equipment is removed, defaced or made illegible.

r. Damage resulting from user facilitated minor adjustments and settings outlined in the Product's owners manual, electrical or wiring connections, inaccessible products or parts, negligence, misuse or abuse whether willful or not.

s. Transit or delivery damage, damage caused by packing, unpacking, assembly, installation, or removal. We will not pay for adjustments or repairs required because of conditions at the Product's location.

t. Regular maintenance parts including, but not limited to, filters and lubricants. Repairs needed due to lack of proper maintenance by an authorized service technician.

u. Loss or damage as a result of violation of existing federal, state or municipal codes including repairs to covered Products not complying with said codes. Repairs to alter the equipment to meet changes in federal, state or local codes and regulations, or repairs which require additional parts and labor to bring the equipment into working condition as a result of such Government Regulations.

v. Products over 60 (sixty) months of age on the date of Contract purchase.

w. Periphery installation/repair costs, including but not limited to, duct work, circuit boxes, line sets, or additional labour hours needed to modify an area to allow for installation/repair or the covered Product(s) when determining claims limitations.

x. Any cost recoverable under any other warranty, guarantee, or under an insurance policy (in such case, this Contract will cover any applicable deductible).

y. Product that has been rented or leased to You.

16. CANCELLATION AND REFUND. You may cancel this Contract at any time for any reason. If You cancel this Contract within sixty (60) days of the date purchased You will receive a refund of the full purchase price less any claims. If You cancel this Contract thereafter, You will be refunded the remaining days of coverage on a monthly prorated basis, less costs for service performed (if applicable). Neither You, the Dealer nor We are obligated to renew this Contract beyond the current term.

17. CLAIMS LIMITATIONS. The maximum liability owed to You under this Contract will be the lesser of (I) the current market value of a Product with comparable specifications; or, (II) the retail price of Your Product including reasonable and customary installation costs, unless excluded in Section 15, minus sales tax and claims paid, in lieu of service repairs. In the event We (I) replace Your Product with a Product of comparable specifications; (II) reimburse You for the retail amount of Your Product including reasonable and customary installation costs, unless excluded in Section 15, minus sales tax and previous claims; or (III) reimburse for labour costs associated with the installation of Your replacement Product, We shall have satisfied all obligations owed under this Contract.

18. BUYOUT. We may elect, at Our option, to buyout the Contract during the coverage term for the lesser of (I) current market value of a Product with comparable specifications, (II) purchase price of Your Product minus sales tax and claims paid, or at Your request (III) cost of covered repair in lieu of repair. You have up to forty-five (45) days from the date of authorization to complete your Product buyout transaction. We will have satisfied all obligations under this Contract if any one of the buyout options is accepted by You.

19. GOVERNING LAW. Unless otherwise governed by applicable provincial law, Your service Contract will be interpreted and enforced according to the laws of the province of Ontario.

20. CURRENCY. All references to currency shall be restricted to Canadian denominations and all monies to be paid pursuant to this Contract shall be in Canadian dollars.

21. TRANSFERABILITY. You may transfer this Contract to any person by sending written notice to: Service Net, P.O. Box 1411, Jeffersonville, IN 47131-1411.

22. RIGHT TO RECOVER FROM OTHERS. If We make any payment, We are entitled to recover what We paid from other parties. By accepting settlement of a claim, You transfer to Us Your right to recovery against any other party.

23. THIS IS NOT AN INSURANCE POLICY. As the Administrator, Service Net will assist You in understanding Your warranty and coverage benefits from the day You purchase Your Plan. If Your Covered Product needs repair, You should call the phone number located on the reverse side or You may submit Your claim in writing to Service Net, 650 Missouri Ave., Jeffersonville, IN 47130, USA. With any correspondence, please provide Your daytime phone number and claim number if applicable. The Obligor under this Plan is insured by an A rated insurance carrier. The expiration date and price of this Contract are listed on the face of this Contract. There are some limitations of coverage. You should review the limitations of coverage paragraph for details.

24. RESIDENTS OF BRITISH COLUMBIA: Disclosure Notice under the British Columbia Financial Institutions Act. The British Columbia Financial Institutions Act requires that the information contained in the Disclosure Notice be provided to a customer in writing prior to the customer entering a financial transaction. This transaction is between you and Chartis Insurance Company of Canada. In arranging the transaction described above, dealer, by whom this sales associate is employed, is representing Chartis Insurance Company of Canada. The nature and extent of the interest of dealer in Chartis Insurance Company of Canada is none. The nature and extent of the interest of Chartis Insurance Company of Canada in dealer is one. Upon completion of this transaction, dealer will be remunerated by way of a fee paid out of the purchase price of the Contract. The Financial Institutions Act prohibits Chartis Insurance Company of Canada, dealer and/or the sales associate from requiring you to transact additional or other business with the financial institution or any other person or corporation as a condition of this transaction.

25. ENTIRE CONTRACT. This is the entire Contract and no other written or oral modifications are valid.

26. LIMITATION OF LIABILITY. THE DEALER/RETAILER, SERVICE NET, THEIR AGENTS, CONTRACTORS OR LICENSEES WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME, LOST DATA RESULTING FROM THE BREAKDOWN OR FAILURE OF ANY EQUIPMENT OR FROM DELAYS IN SERVING OR THE INABILITY TO RENDER SERVICE ON ANY COVERED EQUIPMENT. EXCLUSION IS MADE OF ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES MADE HEREIN.

If You have any questions, require customer service, or wish to report a claim, please contact: Service Net, 650 Missouri Ave., Jeffersonville, IN 47130. Phone 1-866-525-2451.