



**Service Experts**  
HEATING & AIR CONDITIONING

**800.281.0749**

Toll-free 855-816-8616

ServiceExpertsPalmBeach.com

840 Jupiter Park Drive, Suite 110  
Jupiter, FL 33458

License #: CAC1817129, Plumbing CFC056645

**SERVICE EXPERTS WATER PRODUCTS ADVANTAGE PROGRAM AGREEMENT**

<b>Sales Representative:</b>		<b>Sales Rep. Telephone Number:</b>		<b>Credit Approval Number:</b>	
<b>Customer Billing Email Address:</b> <input type="checkbox"/> Opt Out of Ebill					
<b>Lessee and Home Owner</b>		Mr. Mrs. Ms. First Name:	Middle Name:	Last Name or Corporate Name:	
<b>Spouse or Co-Home Owner</b>		Mr. Mrs. Ms. First Name:	Middle Name:	Last Name or Corporate Name:	
<b>Installation Address:</b> Number, Street Name, Unit Number			<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>
<b>Mailing Address:</b> (If different than installation address) Number, Street Name, Unit Number			<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>
<b>Equipment Replace:</b> <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> N/A			<b>Total Installed Cost (excl. taxes):</b>		
<b>Preferred delivery and installation date (Delivery and installation on specified date if possible):</b>					
<b>1.</b>	<b>Equipment</b>	<b>Quantity</b>	<b>Manufacturer</b>	<b>Model Number</b>	<b>Monthly Lease Rate(\$) (excl. taxes)</b>
<b>2.</b>					
<b>3.</b>					
<b>4.</b>					
<b>5.</b>					
<b>6.</b>					

**FEDERAL CONSUMER LEASING ACT DISCLOSURES**

<b>Lessor: SERVICE EXPERTS</b>			
<b>Lessee and Home Owner(s):</b>		<b>Lessee and Home Owner(s) Mailing Address:</b>	
<b>Customer Email Address:</b>		<b>Installation Address:</b>	
<b>Telephone Number:</b>			
<b>A. Description of Leased Item(s):</b>			
<b>B. Amount Due at Lease Signing or Delivery:</b> Total: \$ N/A	<b>C. Monthly Lease Payments:</b> (including tax on lease payments) Your First Monthly Lease Payment of: \$ _____ is due date set forth on the invoice (customer will receive notice of the exact due date at least 15 days in advance of the due date), followed by: 11 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ 12 payments of \$ _____ is due on the date set forth on the invoice (customer will receive notice of the exact due date at least 15 days in advance of the due date). The total amount of monthly payments is \$ _____	<b>D. Other Charges:</b> (not part of your monthly payment) Total: \$ 0.00	<b>E. Total of Payments:</b> (The amount you will have paid by the end of the lease term): \$ _____
<b>F. Purchase Option at End of Lease Term:</b> You do not have an option to purchase the leased property at the end of the lease term.		<b>G. Other important Terms:</b> See your Lease for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest.	
<b>Official Fees and Taxes:</b> The total amount you will pay for official fees, and taxes over the Terms of this Agreement, whether included with your monthly payments or assessed otherwise: \$ _____. Note that the actual total of fees and taxes may be higher or lower depending on the tax rates in effect at the time a fee or tax is assessed.			

**Exhibit A State-Specific Addendum: Florida**

**1. NOTICES RELATING TO HOME SOLICITATION SALES:** If this Agreement was solicited and executed anywhere other than in a fixed Service Experts' business location, the following notices are made part of this Agreement:

**1.1 BUYER'S RIGHT TO CANCEL:** This is a home solicitation sale, and if you do not want the goods or services, you may cancel this agreement by providing written notice to the seller in person, by telegram, or by mail. This notice must indicate that you do not want the goods or services and must be delivered or postmarked before midnight of the third business day after you sign this agreement. If you cancel this agreement, the seller may not keep all or part of any cash down payment.

**1.2 Contact Information**

Parent Company: Name: \_\_\_\_\_ Employee: Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

**2. NOTICE RELATING TO CONSTRUCTION CONTRACTS:** Because you are leasing the Equipment set forth in this Agreement, it should not be considered a construction contract or a home improvement contract under Florida law. To the extent that the Agreement might nevertheless be so considered, we are providing you with certain notices required for such contracts. By providing these notices, Service Experts does not concede that it is required to provide them or that it is a contractor under Florida law nor does it waive any rights contained in the Agreement.

**2.1 Opportunity to Repair:** ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE SUBJECT TO THE NOTICE AND CURE PROVISIONS OF CHAPTER 558, FLORIDA STATUTES.

**2.2 FLORIDA HOMEOWNERS' CONSTRUCTION RECOVERY FUND:** PAYMENT, UP TO A LIMITED AMOUNT MAY BE AVAILABLE FROM THE FLORIDA HOMEOWNERS' CONSTRUCTION RECOVERY FUND IF YOU LOSE MONEY ON A PROJECT PERFORMED UNDER CONTRACT, WHERE THE LOSS RESULTS FROM SPECIFIED VIOLATIONS OF FLORIDA LAW BY A LICENSED CONTRACTOR. FOR INFORMATION ABOUT THE RECOVERY FUND AND FILING A CLAIM, CONTACT THE FLORIDA CONSTRUCTION INDUSTRY LICENSING BOARD AT THE FOLLOWING TELEPHONE NUMBER AND ADDRESS: (850) 487-1395 • 1940 North Monroe Street • Tallahassee, FL 32399-2215

**2.3 Construction Lien Law**

**ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR PROVIDE MATERIALS AND SERVICES AND ARE NOT PAID IN FULL HAVE A RIGHT TO ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. THIS CLAIM IS KNOWN AS A CONSTRUCTION LIEN. IF YOUR CONTRACTOR OR A SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR MATERIAL SUPPLIERS, THOSE PEOPLE WHO ARE OWED MONEY MAY LOOK TO YOUR PROPERTY FOR PAYMENT, EVEN IF YOU HAVE ALREADY PAID YOUR CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR CONTRACTOR, YOUR CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR PROPERTY. THIS MEANS IF A LIEN IS FILED YOUR PROPERTY COULD BE SOLD AGAINST YOUR WILL TO PAY FOR LABOR, MATERIALS, OR OTHER SERVICES THAT YOUR CONTRACTOR OR A SUBCONTRACTOR MAY HAVE FAILED TO PAY. TO PROTECT YOURSELF, YOU SHOULD STIPULATE IN THIS CONTRACT THAT BEFORE ANY PAYMENT IS MADE, YOUR CONTRACTOR IS REQUIRED TO PROVIDE YOU WITH A WRITTEN RELEASE OF LIEN FROM ANY PERSON OR COMPANY THAT HAS PROVIDED TO YOU A "NOTICE TO OWNER." FLORIDA'S CONSTRUCTION LIEN LAW IS COMPLEX, AND IT IS RECOMMENDED THAT YOU CONSULT AN ATTORNEY.**

**2.4 Anticipated Installation Dates:**

INSTALLATION WILL START ON: \_\_\_\_\_ INSTALLATION WILL BE COMPLETED ON: \_\_\_\_\_

**2.5 Notice to Owner:** Do not sign this home improvement contract in blank. You are entitled to a copy of the contract at the time you sign. Keep it to protect your legal rights. This home improvement contract may contain a mortgage or otherwise create a lien on your property that could be foreclosed on if you do not pay. Be sure you understand all provisions of the contract before you sign.

**I HAVE READ AND UNDERSTAND THIS EXHIBIT A**

Property Home Owner \_\_\_\_\_ Date \_\_\_\_\_ Service Experts \_\_\_\_\_ Date \_\_\_\_\_

Property Co-Home Owner (if needed) \_\_\_\_\_ Date \_\_\_\_\_

**I HAVE READ AND UNDERSTAND THIS AGREEMENT, FEDERAL CONSUMER LEASING ACT DISCLOSURE, STATE SPECIFIC ADDENDUM, TERMS AND CONDITIONS PROVIDED ON THIS AGREEMENT AND I ACKNOWLEDGE THAT I HAVE BEEN PRESENTED WITH MULTIPLE OPTIONS INCLUDING AN OPTION TO PURCHASE THE EQUIPMENT:**

<b>Lessee and Property Home Owner's Name (Print name as it appears on driver's license):</b> _____		
<b>Authorized Property Home Owner Signature:</b> _____		(I have authority to bind the Owner) <b>Date:</b> _____
<b>Name and Signature of Property Home Owner's Spouse or Property Co-Home Owner (If Applicable):</b>		
Name as it appears on driver's license	Signature	Date
<b>Service Experts RSC Signature:</b>		<b>Date:</b>



## TERMS AND CONDITIONS

**1. Definitions. "Equipment"** means the item(s) you lease from us, which are described in section A of the Federal Consumer Leasing Act Disclosures of this Agreement; **"Owner(s)"**, or **"Home Owner(s)"** means the owner of the Premises on which the Equipment will be installed; **"Premises"** means the Installation Address as set out on the first page of this Agreement and shall include the residence and all property thereon excluding the Equipment; **"Agreement"** means this Agreement between Service Experts and you; **"we"**, **"our"**, **"Service Experts"** and **"us"** means Service Experts LLC and its subsidiaries, affiliates and/or our authorized service providers; **"you"**, **"Customer"**, **"Customer"**, and **"your"** means the "Lessee and Owner(s)" named in the Federal Consumer Leasing Act Disclosures of this Agreement.

**2. Term.** This Agreement will have a term of 120 months ("**Original Term**") commencing on the date you agreed to this Agreement (as indicated above). This Agreement will continue thereafter for successive one-month terms (each an **"Extension Month"**), unless otherwise terminated as provided herein or by either party during any such Extension Month with at least 30 days' prior written notice. For greater certainty, you do not have any right to subsequently request a different Equipment than the one you lease from us under this Agreement.

**3. Our Commitment to You.** In consideration of your commitment to the payment terms provided in this Agreement and your continued compliance with the terms and conditions contained herein, we agree to the following: a) Installation: to ensure proper installation of the Equipment, however, any and all costs and expenses arising beyond the normal and typical installation process, which may include any costs or expenses related to permits, licenses, inspections or other requirements of local laws or regulations, shall be the sole responsibility of you, the Customer. b) Service & Maintenance: during the Original Term, and subject to your continuous compliance with the terms and conditions of this Agreement, we will perform all normal and reasonable repair and maintenance on the Equipment with no additional service charges or part replacement charges beyond the monthly lease rate except (i) as may be caused by or arising from your failure to properly care for the Equipment, as more generally described in Section 4, below, or any other act of negligence, neglect, misuse, or abuse (ii) any alteration, modification, adjustment, damage, service, repair, moving or disconnection of the Equipment, of any use of the Equipment in a manner, way or purpose other than as intended (iii) where any ancillary or connecting equipment, materials, or elements (including, but not limited to, any venting, piping, wiring, ducting and/or electrical services) require cleaning, repair or replacement or otherwise contribute to the need for any service, repair or maintenance on the Equipment or (iv) as otherwise described in this Section 3. Our 24 hour per day, 7 days per week emergency phone number is 1-855-816-8616. c) Periodic Inspection: from time to time (which may be more or less frequently than annually), we will contact you to arrange a mutually agreeable time for us to have access to the Premises to inspect the Equipment and assess its condition and your compliance with your obligations and commitments contained in this Agreement. Your failure to provide us with access to the Premises and Equipment shall be deemed a breach by you of this Agreement and such breach shall entitle us to all rights and remedies provided in this Agreement or otherwise available to us in equity or law. d) Exclusions: Our commitments specifically do not cover, and we are not responsible for, any of the following: (i) replacement of Equipment cost during any Extension Month; (ii) repair, service or replacement of the Equipment or Premises (including any and all direct, consequential or resulting costs and expense) required, recommended or need as resulting from: (1) if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Equipment; (2) if service or repairs to the Equipment are necessary because the Equipment was used for an unintended or unauthorized purpose, including non-residential purposes; (3) where venting, piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair, replacement or installation, including to meet applicable laws or installation requirements; (4) where re-setting is required due to FVIR "lock-out" as described below under "Customer Advisory"; (5) if you fail to maintain the Equipment in accordance with the requirements set out below under "Customer Obligations and Commitments"; (6) for service charges or parts replacement related to the use of load control devices, peak savings, load timers and all other energy saving devices; or (7) if you fail to notify us as described below under "Customer Obligations and Commitments". Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is 1-866-397-3787. Should we update this phone number, the updated number can be found on the Service Experts website at www.serviceexperts.com. (8) weather conditions, substance, structural repairs, fire, freeze, power or electrical surge, riots, lightning, explosion, earthquake, tornado, flood, storm, acts of war, any insurable risks, and any and all acts of God; (9) abuse, tampering, alterations, improvements, or repairs by anyone other than us; (10) improper use or setting of the Equipment; (11) faulty or poor performing electrical wiring, breakers, fuses, piping, venting or any other element not included in the Equipment, including but not limited to any plumbing and draining systems; (12) the extinguishment of any pilot light (13) the Equipment has been turned off (14) renovation or repair work done at or to the Premises (15) failure to properly care for and clean the Equipment or otherwise perform reasonable maintenance (16) electronic, computerized or energy management systems (such as a smart house) applications or devices, including connected home systems, devices, and applications (17) chemical or sedimentary buildup, rust, corrosion, insect infestation, mold, mildew or bacterial manifestations, missing parts, structural change, (18) your failure to fully perform and comply with your obligations under this Agreement; (19) negligence, misconduct or any other acts or omission by parties other than us; (20) accidental or deliberate damage, loss or theft; (21) Redeclaration, restoration and/or repair costs or expenses that may be required or recommended 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 the 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 or the installation of the same; (22) Providing for or closing access to covered items; (23) service, maintenance, repair or replacement necessitated by any loss or damage resulting from any cause other than normal usage. Loss or damage due to failure to clean or maintain the Equipment, rust, water, damage, mud, soil movement, windstorms, hail, theft, intentional acts (other than by us), accident, pet or pest damage, acts of God, or failure due to excessive water pressure (24) Preventative maintenance other than to the extent noted in Section 3(b), above; (25) at our sole discretion, we may refuse and/or exclude the cost of replacement of any Equipment, any part of the Equipment and/or any replacement part cost ("Part") during the Extension Month and/or (26) consumable items. (iii) Ancillary Equipment & Materials: You acknowledge and agree that you own, or are otherwise responsible for, any and all costs and expenses arising from or related to the piping, venting, wiring and ducting on the Premises (regardless of who installs such material), unless it is expressly itemized and included within the Equipment, as better described in the Description of the Leased Item(s) in the Federal Consumer Leasing Act Disclosures. In addition to any lease charges under this Agreement, you are responsible for the costs of any ancillary piping, venting, wiring or ducting we install on the Premises. 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 or if this Agreement is terminated. (iv) Code & Permits: 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, state, or federal law, we shall not be responsible for that additional expense and you shall pay for the 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. (v) Hazardous Materials: Our commitment does not cover any service involving hazardous or toxic materials, asbestos, lead or the disposal of refrigerants or contaminants. (vi) we are not responsible for insufficient water flow or damage associated with back-wash and/or failure of any component not included as Equipment under this Agreement or due to existing piping or radiators or clogged piping, sanitary drainage, drains or radiators. Costs of vacuuming and refill are excluded from our commitment.

**4. Customer Obligations and Commitments.** In consideration of receiving and using the Equipment, you agree that: a) You will pay your charges billed under this Agreement when due. You agree to any taxes payable in connection with this Agreement. Payment is due on the date set forth on the invoice. Acceptable methods of payment currently include pre-authorized electronic payment and payment by check. If you choose to pay by check or pre-authorized electronic payment and any check is returned or pre-authorized electronic payment is not processed due to non-sufficient funds ("NSF"), you agree to pay a NSF charge of \$25. Late Payments: You will be charged a late payment of 1.5% per month of any amount past due or the maximum amount allowed under law whichever is less. Notwithstanding anything contrary herein, and without limiting any of our remedies set forth herein or otherwise allowed at law or equity, we reserve the right to turn any past-due amounts to a collections agency. Your bill is due on the date indicated on the bill. b) Unless otherwise specified by you on the first page of this Agreement, we will email your monthly bill to the e-mail address provided by you at least fifteen (15) days before the invoice is due. In the event that no email address is provided by you or you notify us that you wish to receive your bill by mail, we will mail your bill to the Service Address or the mailing address at least fifteen (15) days before the invoice is due, in the event a mailing address is provided by you. You may be subject to a paper bill charge in the event you wish to receive your bill by mail. You will promptly inform us of any change in (i) your mailing or email 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. c) You will provide us with timely access to the Equipment whenever requested by us to perform services or exercise our rights under this Agreement. d) You will use the Equipment safely and responsibly for its intended purpose only and in particular, you will: (i) maintain effective operation of any plumbing, sanitary drain and pumping systems supplying water to the Equipment; (ii) ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Equipment; (iii) ensure that the Equipment is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation; (iv) provide us with access to the Equipment whenever reasonably required for purposes of inspection, repair, maintenance or removal; (v) inspect the area around the Equipment on a regular basis for any sign of water leakage; (vi) contact us for service if you see any sign of carbon or rust on the bottom or sides of the Equipment or any signs of water leakage; (vii) ensure that the Equipment is located in an area with sufficient drainage in the vicinity, and that the drainage is open, unrestricted and effective; (viii) if the Equipment is gas-fired, ensure that the vents and openings for combustion air are kept clear and clean and otherwise well-maintained and there is adequate ventilation; and (ix) not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Equipment. e) If the Equipment is gas-fired, you may be required, as the user of the Equipment under applicable law to ensure that it is maintained in a safe operating condition. In the event that a service or repair is required please call 1-866-397-3787. If the Equipment requires the periodic addition of salt, we will provide instructions to you to add the salt to the Equipment. You agree to follow those instructions for your safety and for the proper operation and maintenance of the Equipment. We may add salt for you at an additional charge. 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. You will also be responsible for any damage to or loss of the Equipment if caused by fire, flood, accident or other insurable risks. We will only be responsible for damage to the Equipment outside of our warranty obligations if the damage is caused by our gross negligence. You will maintain sufficient insurance to cover any damage to the Equipment and upon our request, promptly provide us with evidence of such insurance. You are responsible for determining whether the installation of the Equipment affects your existing insurance coverage, as well as making any necessary additions or corrections to your insurance policy and for the consequences of failing to make such additions or corrections, if any were needed. You will maintain in good working order the ancillary piping, venting, wiring or ducting owned by you or otherwise on the Premises but that are not included within the Equipment. 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 leased Equipment owned by us unless and until you exercise your right to purchase the Equipment as provided in this Agreement. If you sell, lease or otherwise transfer the Premises you will, in addition to your obligations in Section 6 (Sale of your Home), advise us in advance and advise the transferee and any potential purchasers that the Equipment is leased pursuant to this Agreement. This Agreement is binding upon and will inure to your heirs, personal representatives, successors and permitted assigns.

**5. Ownership of Equipment/Customer Credit and Security Interest. THIS IS A LEASE AGREEMENT AND NO OWNERSHIP INTEREST IN THE EQUIPMENT IS BEING TRANSFERRED HEREBY. SERVICE EXPERTS OR ITS ASSIGNEE WILL REMAIN THE OWNER OF THE EQUIPMENT DURING THE EFFECTIVENESS OF THIS AGREEMENT AND EXPIRATION THEREOF. YOU WILL ONLY BE THE OWNER UPON THE PURCHASE OF THE EQUIPMENT PER SECTION 17. WE MAY REMOVE THE EQUIPMENT AT THE EXPIRATION OF THIS AGREEMENT OR UPON YOUR DEFAULT.** During the time that this Agreement is in force, the Equipment remains the property of Service Experts or its assignee and although it may be affixed to the Premise, 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, such as appropriate liens, including on title to the Premises. See Section 18 for further information regarding any security interest. You agree to keep the Equipment free of all liens, security interest, mortgages and other claims. You understand and agree that we may require a background and credit check in connection with this Agreement and, by signing this Agreement, you consent to and approve our solicitation of such information and our use of the same to make a determination as to certain terms required in this Agreement or to refuse to enter into or terminate this Agreement prior to the installation of the Equipment. In the event that Service Experts decides to take any action to terminate or refuse to enter into the Agreement, you would be provided with any and all required notices. You agree that if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by this Agreement;

**6. Sale of Your Home.** If you are the Owner and you sell or otherwise transfer the Premises, you are required to inform the buyer or transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the leased Equipment installed in the Premises. In the event the sale of the Premises requires the preparation of a residential property condition disclosure or similar document, you agree you will disclose this Agreement in that disclosure. We will permit the purchaser or transferee to assume your rights and obligations under this Agreement, effective from the date of sale or transfer; provided that: (a) you or your representative notify the transferee in the sale or transfer agreement that the Equipment is leased and is subject to this Agreement; (b) you or your representative advise us in advance of the transferee's name and the intended date of sale or transfer; (c) 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; (d) the transferee agrees in writing or by conduct to assume your obligations; and (e) you have paid us all amounts owing under this Agreement. Unless and until these conditions are satisfied, or unless Service Experts otherwise waives any or all of these conditions, which we are under no obligation to do, both you and/or the customer(s) as applicable, will remain responsible for the Equipment lease and your obligations under this Agreement, including making all lease 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.

**7. Limited Warranty.** This is a lease Agreement and not a sales contract and we make no representations or warranties as to the Equipment or its performance. As between you and Service Experts, the Equipment is "As-is". **WE HEREBY EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** However, we do warrant that the services performed by us as to the Equipment under this Agreement will be free from material defects. The duration of such warranty shall continue as long as this Agreement remains in effect, but no less than thirty (30) days from the date of performance. In the event any of our services fail to conform to this warranty we will repair or replace the defective service at our expense. We will also assign or provide coverage of the Equipment manufacturer's warranty. We make no representations or warranties as to the performance of the Equipment except for those which are given by statute and which you cannot waive. We are not the manufacturer of the Equipment and we are not making any warranty or guarantee on behalf of the supplier, or the manufacturer of the Equipment, including whether the Equipment is suitable for you, except as provided above. Subject to you carrying-out your obligations under this Agreement (including those under "Customer Obligations") and subject to the limitations set out under "Liability", we hereby warrant that if the Equipment is a water heater, it will work and provide hot water, and will not leak or rupture, for the term of this Agreement, reasonable wear and tear excepted. 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. During the term of this 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 this Agreement have been fulfilled.

**8. Limited Liability.** You understand and agree that (i) we will not be liable for any loss, damage, expenses, or injury of any type (including without limitation as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or otherwise caused or contributed to in any way by the supply, installation, use and/or operation of the Equipment; (ii) except in the event of injury to person(s), **WE WILL NOT BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF REASONABLY FORESEEABLE AND IF CAUSED BY US;** and (iii) if we are unable to perform any of our commitments under this Agreement because of circumstances or events beyond our control, we shall be excused from their performance until such time as we shall be able to perform and we shall not be liable for any such failure to perform or delay in performance.

**9. Indemnification.** You will indemnify and hold us harmless from and all its claims, losses, expenses, and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with or arising from this Agreement or the supply, installation, use and/or operation of the Equipment, including any claims for any injury or death to individuals or damages to the Premises or other property, regardless of the cause, to the fullest extent permitted by law. This obligation survives the termination of this Agreement for any reason.

**10. Termination and Default.** You may not terminate this Agreement before the end of the Original Term or Extension Month (as applicable), except as provided in Section 17, below. This Agreement may be terminated by us at any time in the event of a Default (as defined below) by you. Upon termination of this Agreement, (i) we may enter upon the Premises for the purposes of repossessing and removing the Equipment, and we will charge a \$500.00 removal fee if this Agreement is terminated during the Original Term; and (ii) all amounts owing hereunder are immediately due and payable and you will be deemed to be exercising your termination option as provided in Section 17 of this Agreement. When you no longer lease the Equipment, you will not be obligated to pay for the lease and we will not be obligated to supply replacement Equipment (including a water heater or water treatment product), unless we mutually agree at the time pursuant to a new agreement. Each of the following will be an event of default by you ("Default"). 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 or otherwise care for or maintain the Equipment. At any time while there is a Default, we may terminate this Agreement and/or pursue any other remedies we may have at law. In the event the Equipment is equipped with a device that allows us to access it remotely, either now or in the future, you agree that we may use that remote access to enforce our rights under this Agreement including, but not limited to, remotely disabling the Equipment.

**11. Assignments.** 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, defenses, 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 6 "Sale of your Home").

**12. Invalidity of Provision/Severability.** 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 provision and intent of this Agreement.

**13. Governing Law.** This Agreement shall be governed by the laws of the state where the property on which the Equipment is installed (without giving effect to internal principles of conflict of laws).

**14. Entire Agreement and Amendments.** You understand that this Agreement, together with any attachments, exhibits, and/or addendums, is the entire agreement between you and us and supersedes all prior agreements, understandings or discussions, whether oral or written and there are no warranties, representations or other agreement 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. Should there be any discrepancy between this Agreement and any prior, current, subsequent, and/or additional terms and conditions regarding this or similar programs, whether or not online, in additional documentation or otherwise, the terms and conditions of this Agreement shall prevail.

**15. Notices.** All notices and other communications required or permitted under this Agreement shall be properly given by the sending party when made in writing and: (i) delivered by a reputable courier service requiring signature for receipt; (ii) mailed by certified or registered first-class mail, postage prepaid, with a return receipt requested; (iii) sent by fax as evidenced by a printed confirmation from the sending party's fax machine; or (iv) emailed, in each case to our address on the first page of this Agreement or to Service Experts, 3820 American Drive, Suite 200, Plano, Texas 75075 Attn: Advantage Program or other such address notified by the other party in writing from time to time. The parties agree that any faxes or emailed document shall be deemed an original document, however all notices of arbitration must be sent according to (i) or (ii) in the preceding sentence.

**16. Mandatory Arbitration of Disputes.** Any dispute, disagreement or claim between you and Service Experts arising out of or in connection with this Agreement, or the Equipment, which cannot be amicably resolved by the parties shall be submitted to final and binding arbitration in a location that is a convenient distance from the Premises for you, in accordance with the Consumer Arbitration Rules of the American Arbitration Association (the "AAA Consumer Rules"), administered by the American Arbitration Association except as otherwise provided in this Section. This agreement to arbitrate is governed by the Federal Arbitration Act. While a dispute, disagreement or claim is being resolved under this Section, both parties shall continue to perform their obligations under this Agreement. **YOU AND SERVICE EXPERTS AGREE THAT BY ENTERING INTO THIS AGREEMENT, YOU AND SERVICE EXPERTS ARE WAIVING THE RIGHT TO SUE IN COURT AND WAIVING THE RIGHT TO A JURY TRIAL. IN ADDITION, EACH PARTY MAY BRING CLAIMS AGAINST THE OTHER PARTY IN ITS INDIVIDUAL CAPACITY ONLY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. OTHER RIGHTS THAT YOU OR SERVICE EXPERTS COULD HAVE IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.** The parties agree that the award of the arbitration (the "Arbitration Award"): (i) shall be conclusive, final and binding upon the parties; and (ii) shall be the sole and exclusive remedy between the parties regarding any and all claims and counterclaims presented to the arbitrator. The judgment on the Arbitration Award shall be based exclusively on the provisions of this Agreement. In addition, in the case of any conflict between the provisions of the AAA Consumer Rules and the provisions of this Agreement, the provisions of this Agreement shall govern. Prior to filing a demand for arbitration, a party must first give the other party at least fifteen (15) days' prior written notice of its intent to file the demand. All notices to be given in connection with the arbitration shall be as provided in Section 15(i) or (ii). Demand for arbitration must be filed within one (1) year after the event giving rise to the arbitration demand. If the complaining party fails to file the demand for arbitration within that time, the claims shall be deemed to be waived and shall be barred from either arbitration or litigation. If you provide a reasonable explanation why your claim is not frivolous and why you cannot afford to pay the arbitration filing fee in your written notice, we will pay the filing fee for you. The Arbitration Award shall be made and shall be payable free of any tax or any other deduction. The Arbitration Award shall include interest, at a rate determined as appropriate by the arbitrator, as of the date of the breach or other violation of this Agreement to the date of the Arbitration Award. In the event you are the prevailing party in any such arbitration, and the amount you are awarded is greater than any demand you submitted at least fifteen days prior to filing the demand for arbitration, you shall be awarded your costs of the arbitration, including reasonable attorneys' fees and court costs, in addition to the Arbitration Award. In the event of any breach by a party of this Agreement which would cause any non-breaching party to be irreparably harmed or for which such non-breaching party could not be made whole by monetary damages, then in such circumstances, such non-breaching party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to equitable relief, including injunctive relief and specific performance, in any action instituted in a court of applicable jurisdiction.

**17. Your Termination Option.** You may not terminate this Agreement except as provided below. Should you wish to terminate this Agreement prior to its expiration, at any time during the Original Term or Extension Month, you will be subject to an early termination fee. This early termination fee set forth, below, is based on (among other things), the unpaid cost of the Equipment and related installation, finance, service and maintenance costs. Should you terminate this Agreement prior to the expiration of the Agreement and pay the applicable early termination fee, you may keep the Equipment.

<b>SERVICE EXPERTS ADVANTAGE PROGRAM AGREEMENT - Early Termination Fee Schedule+</b>			
Age of Equipment	Early Termination Fee + (% of Total Installed Cost)	Age of Equipment	Early Termination Fee + (% of Total Installed Cost)
0 to less than 1 yr. old	100%	8 to less than 9 yr. old	74%
1 to less than 2 yr. old	98%	9 to less than 10 yr. old	68%
2 to less than 3 yr. old	96%	10 to less than 11 yr. old*	61%
3 to less than 4 yr. old	92%	11 to less than 12 yr. old*	53%
4 to less than 5 yr. old	89%	12 to less than 13 yr. old*	43%
5 to less than 6 yr. old	86%	13 to less than 14 yr. old*	31%
6 to less than 7 yr. old	83%	14 to less than 15 yr. old*	15%
7 to less than 8 yr. old	79%	15 years old and onward*	5%

\* this is applicable in Extension Months only  
 + The Early Termination Fee for the Equipment is based on the percentage of the original "Total Installed Cost" of the Equipment. All applicable taxes will be added to the stated Early Termination Fee.

If you choose to exercise the purchase option during and Extension Month, the purchase price can be determined by calling toll free 1-866-397-3787. When you exercise your termination 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 purchase price, plus any applicable taxes, when invoiced by us. Once we receive payment of the purchase price, this Agreement will terminate and you will have no further obligation to pay monthly lease price and we will have no further obligation to you.

**18. Security Interest – 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.

**19. Your Signature.** By signing this Agreement, you represent that you are both (a) at least eighteen (18) years of age and (b) an individual citizen or resident of the United States and that you have all needed authorization to sign.

**20. Notice of Right to Cancel.** You may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction, unless a different time period applies under state law. See the included notice of cancellation form for an explanation of this right.

**21. Title Search.** Service Experts expressly reserves the right, prior to or during any term of the Lease to perform a title search on the Premises. If anyone who has signed this Agreement is not found on the title of the Premises, Service Experts will provide an amended Agreement reflecting only those signatures found on the title of the Premises.

**22. Customer Advisory.** The Equipment may be equipped with flammable vapor ignition resistant ("FVIR") technology. Service Experts encourages you to read the Equipment Use & Care Manual provided to you upon or after installation of the Equipment. Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the Equipment causing it to no longer function until reset by a qualified service technician. Resetting the Equipment caused by FVIR "lockout" is not covered by Service Experts under this Agreement and, if applicable, you will be charged for both parts and labor at our then current rates.