



HEAT PUMP RENTAL, INSTALLATION and SERVICE CONTRACT

Customer Number, Account Number, Customer Name, Phone Number, Service Address, Outside Unit Serial #, Model #, Size (BTU), Inside Unit Serial #, Model #, Size (BTU), Rental Rate: \$, Date

I/We confirm that I/we are the registered owner(s) of the Premises and agree that the conditions below and reverse sided hereof shall form part of the contract and that I/we will observe and perform the said conditions accordingly.

I/We acknowledge receipt of the manufacturer's manual. / initial

Dated this day of , 20

Customer Signature, Witness (Installer), Accepted for the Commission

CONDITIONS

- 1. Rental. The Customer rents from Saint John Energy and Saint John Energy rents to the Customer the heat pump model identified above. The heat pump is rented to supply heating and cooling services at the Premises identified above and is comprised of the following: an exterior condenser unit; an interior evaporator unit; a line set connecting the two; wiring and a remote control (the "Equipment").
2. Installation. If the Equipment is not currently installed at the Premises, a subcontractor of Saint John Energy ("Installer") will provide all labor and materials for installation of the Equipment.
(a) Saint John Energy reserves the right to refuse to rent the Equipment where: i) the proposed installation site is unsafe and/or impractical; ii) Saint John Energy determines, at its own discretion, that the Customer has an unacceptable payment history with Saint John Energy; iii) where the Equipment is to be the only source of heating in the Premises; or iv) the rental is otherwise unacceptable to Saint John Energy.
(b) The Installer shall meet with the Customer to inspect the Premises and to determine the adequacy of the electrical panel and to ensure the Equipment can be installed no further than 15ft between the exterior condenser and the interior evaporator unit. Any modifications to the Premises or additional materials required for installation of the Equipment or additional after market goods shall be the sole responsibility of the Customer.
(c) The Customer acknowledges that the Equipment must be installed as directed by the Manufacturer and will require the installation of piping extending from the interior to the exterior of the Premises. By accepting installation of the Equipment, the Customer hereby agrees that Saint John Energy shall not be liable for any damages of any kind whatsoever caused directly or indirectly by the installation of the Equipment or resulting modification to the Premises.
3. Maintenance, Repair and/or Replacement. Saint John Energy or the Installer will provide annual maintenance of the Equipment. The Customer will promptly notify Saint John Energy if other maintenance or repair of the Equipment is needed, particularly as described in Paragraph 5 below. Following such notice, and within a reasonable time, an Installer will make necessary repairs, or replacement, if necessary, during regular service hours. The cost for the repair(s) shall be the responsibility of Saint John Energy or the Installer unless repairs or replacement are due to: a) damage or other equipment failure due to causes beyond Saint John Energy's control including, but not limited to, repairs necessary due to operator negligence, breach of this Agreement, 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; b) any modifications or alterations to the Equipment; or c) any defect in materials, suitability, workmanship or design of the materials associated with the Equipment that were not provided for or installed by Saint John Energy or the Installer under this contract. In no event shall Saint John Energy be responsible for the repair or maintenance of any wiring, piping, siting, support, foundation, covers or any other matter that was not a part of Saint John Energy's installation of the Equipment.
4. Access and Care.
(a) The Customer will provide reasonable access to the Equipment, including access to the internal evaporator unit for Saint John Energy's annual maintenance, to Saint John Energy, its Installers, representatives, employees and agents for necessary maintenance, repair, removal and exchange.
(b) The Customer shall not permit removal, relocation, alterations, or repair of or tampering with the Equipment without the written permission of Saint John Energy, except for repairs in case of emergency when it is impossible or impracticable to obtain permission. Saint John Energy must be notified after any emergency repairs have been made.
5. Customer Responsibilities.
The Customer acknowledges receipt of the Equipment manufacturer's manual (the "Manual") and the Customer agrees to:
(a) read the Manual and maintain the Equipment as explained in the Manual;
(b) keep the exterior condenser unit, and the area above, below and around the exterior condenser unit, free of debris, ice, snow, vegetation, or other material that could impede airflow through and around the Equipment;
(c) promptly call Saint John Energy or the Installer regarding operating system issues that cannot be resolved by the Customer using the troubleshooting section of the Manual or in the event of a malfunction such as a burning smell, or leakage of refrigerant; and
(d) maintain effective operation of the backup heating system(s) in the Premises.

6. **Monthly Rental Payment.** The Customer shall pay Saint John Energy rent for the use of the Equipment and the maintenance and repair services in the amount of \$[_____] per month (the "Rental Payment") which shall be due on the due date specified the Customer's Saint John Energy utility bills. Saint John Energy reserves the right to increase or decrease the Rental Payment without any advance notice to the Customer, and all present Equipment rentals will be subject to the rate change provided that the cumulative increase shall not be more than the annual increase in cost of living plus 3%.
 7. **Minimum Rental Period.** The rental of the Equipment shall be subject to a minimum rental period of 36 months (the "Minimum Rental Period") which shall commence from the date of the initial installation of the Equipment at the Premises. At the end of the Minimum Rental Period and any date thereafter, the Customer may either (a) request removal of the Equipment as set forth in Paragraph 9 and pay the associated removal fees in connection therewith; (b) leave the Equipment in place and continue to make Rental Payments due on the due date of the Customer's Saint John Energy utility bills and this contract shall remain in force during that period.
 8. **Termination.** Saint John Energy may terminate this Rental Agreement for the Customer's failure to comply with any provision of this Rental Agreement including the failure to pay the Rental Payment when due. Upon termination, Saint John Energy has the right, but not the obligation, to disconnect the Equipment, remove the Equipment and/or pursue any other remedies at law. Saint John Energy's failure to exercise these rights is not a waiver of default or any future default. Upon an event of termination by Saint John Energy, the Customer shall pay the applicable termination fee set out in paragraph 9.
 9. **Request for Removal and Termination Fees.** The Customer has an option to cease renting the Equipment upon sixty (60) days' notice to Saint John Energy and the payment of the following amounts:
 - (a) **Prior to expiry of Minimum Rental Period.** i) all payments which were due or overdue at the time of termination; ii) the sum of the remaining Rental Payments in the Minimum Rental Period; iii) the difference between the original Equipment cost to Saint John Energy minus the fair market value of the Equipment as of the removal date; and iv) a removal and disposition fee in the amount of \$[_____] representing the actual cost of removal and disposal of the Equipment (the "Removal Fee").
 - (b) **Following Minimum Rental Period.** i) the amount, if any, by which the original Equipment cost to Saint John Energy exceeds the sum of 1) the fair market value of the Equipment as of the removal date; plus 2) 50% of the amount of Rental Payments made following the Minimum Rental Period; and ii) the Removal Fee.
- If the Customer disagrees with the fair market value that Saint John Energy assigns to the Equipment, the Customer may obtain, at its own expense from an independent third party agreeable to both Saint John Energy and the Customer, a professional appraisal of the fair market value of the Equipment which could be realized at sale. The appraised value shall then be used as the fair market value of the Equipment.
10. **Customer Obligation on Removal.** Upon an event of termination, or upon a request by the Customer for removal of the Equipment in accordance with paragraph 9, the Customer shall arrange for the admittance of Saint John Energy employee or agents or an Installer to the Premises for the purpose of removing the Equipment. Any holes on the interior walls will be capped with an interior grade cap; no repairs to interior or exterior surfaces will be made following removal of the Equipment. Saint John Energy shall not remove the line set connecting the exterior condenser unit and the interior evaporator unit.
 11. **Ownership of Equipment.** The Equipment on the Premises of the Customer shall be and remain the property of Saint John Energy and shall not be or become fixtures and/or part of the said Premises of the Customer; the Equipment shall not form or be part of any security or be encumbered under any mortgage, charge, lien, or other encumbrance of any kind or nature whatsoever of the Premises of the Customer or of anything therein contained; nor shall the Equipment of Saint John Energy be liable to be seized for arrears or taxes, or under execution, bankruptcy proceeding or other legal process against the Customer.
 12. **Liability.** Saint John Energy shall not be liable for any direct, indirect, special or consequential damages to any persons or property resulting from or arising out of any installation, use, repair, delay in repairing, replacement, modification or removal of the Equipment, including, without limitation, any damages caused by water leakage, or in connection with Saint John Energy's supply of electricity to the Customer (including any interruption or disconnection thereof), and the Customer hereby agrees that his or her sole remedy is the repair and maintenance by Saint John Energy of the Equipment as provided herein.
 13. **Warranties.** Except as expressly stated herein, or as provided by the manufacturer in the Manual, to the extent permitted by law, Saint John Energy expressly waives any and all warranties, express or implied, including the warranty of merchantability and fitness for a particular purpose.
 14. **Indemnification.** The Customer shall indemnify and hold harmless Saint John Energy for any injury or damage to any persons or property, including the Equipment, arising from the installation or use of the Equipment and/or caused by any breach of this Agreement by the Customer or by the negligence of the Customer or of his or her household members, agents servants, employees, tenants, licensees, invitees, or independent contractors. The Customer shall not permit the removal, relocation, tampering with, alteration, modification or repairing of the Equipment or the removal or defacing of the nameplate identifying the Equipment as the property of Saint John Energy.
 15. **Insurance.** During the entire term of rental, the Customer shall maintain property insurance on the property where the Equipment is installed. In the event that Equipment is damaged or destroyed, the Customer agrees it shall pay to Saint John Energy the termination fee in accordance with paragraph 9.
 16. **Sale of Premises.** A sale of the premises where the Equipment is installed shall be considered an Early Termination as set forth in paragraph 9 unless the Customer arranges for the new owner to assume all of the Customer's rights and obligations under this Agreement. The Customer shall notify Saint John Energy of any sale or transfer of the premises fourteen (14) days in advance of said sale. The Customer consents to the disclosure of this executed Agreement to the new owner.
 17. **Binding Effect.** This Rental Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, administrators, successors and assigns. The Customer agrees that no affirmation, representation or warranty by any agent, employee, or representative of Saint John Energy or the Installers shall bind Saint John Energy or be enforceable by the Customer unless it is specifically included in this Agreement. This agreement may not be waived, altered or modified except by written agreement of both of the parties. This Rental Agreement contains the entire Agreement between the parties.
 18. **Assignment.** Saint John Energy may assign all or any portion of its rights, benefits, and obligations under this agreement to any third party.

TERMS AND CONDITIONS FOR MAINTENANCE AND WARRANTIES: Please see the Manual attached.