



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"). The Customer's first Rental Payment is due on the due date of the Customer's first Saint John Energy utility bill after installation of the Equipment, followed by a minimum of 35 Rental Payments due on the due date of 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.** This Rental Agreement shall commence on the date specified above and shall continue for a minimum period of 36 months (the "Minimum Rental Period"). 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; and 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.
  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 representations, 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.

TERMS AND CONDITIONS FOR MAINTENANCE AND WARRANTIES: Please see Homeowner's Manual attached.