

RHEEM MANUFACTURING COMPANY
Water Heater Division
800 Interstate Park Drive
Montgomery, Alabama 36109

SERVICE CONTRACT

Rheem Manufacturing Company, Water Heater Division, is willing to engage you as an independent contractor to service and repair products of our manufacture on the terms and conditions hereinafter set forth:

1. The geographical area within which you shall perform such services. Zip Codes

See Attached SCZC-1

2. You and/or your employees shall render prompt, efficient, workmanlike and courteous repair service with respect to the following products of our manufacture (the "Products"):

Rheem, Ruud, Richmond, GE, Grainger, gas and electric, residential, tankless and commercial water heaters

3. All service work, which you perform on the Products on which our limited warranty has not expired ("that is within the applicable warranty period"), must comply with our warranty provisions as outlined in the product warranty and/or additionally explained in warranty bulletins. For this work, subject to the conditions set forth in paragraph 5, we shall, pay to you the following amounts for your services:

- (a) **\$125.00** for each completed local repair call for residential products located within the limits of paragraph 1. **\$125.00** for each completed local repair call for commercial or tankless products located within the limits of paragraph 1. Anything over this must have an authorization number from 877-882-0682.
- (b) In addition, any special conditions as outlined herein:

No Rheem, Ruud or Richmond change outs without prior authorization. Not to exceed contract

rate without authorization from Rheem 800 service department @ 877-882-0682

Residential replacement labor not to exceed \$400.00 without authorization from Rheem.

Commercial replacements will require a written quote.

4. You shall make a reasonable charge in accordance with the customs of the territory to the owner for your services with respect to products as to which our limited warranty has expired, except that if we have agreed to pay a labor allowance for services with respect to such Products beyond the applicable warranty period, your charge to the owner shall be reduced by the amount of the applicable labor allowance. Except for such labor allowances, if any, we shall not be liable in any way for the payment of your charges to the owner or for any services rendered by you under this paragraph 4.

5. Not later than the 15th day of each month during the term of this agreement, you shall complete and forward to our Rheem Montgomery Parts Department one copy of our standard service report covering all warranty service performed during the preceding month. The top copy of the report (White) is to be returned with the defective parts, if no part has been replaced, enclose only the White copy. The part tag is to be attached to the defective part. The 2nd copy (Yellow) is the contractors and the bottom section is the customers receipt. For each service call made during the preceding month the report must contain; the model and serial number of the Product; name and address of owner; whether the service call was made within or beyond the city limits referred to in (a); name and address of installer; name of distributor; date of installation; the reason for service call; the nature of work performed; name of person requesting service and other pertinent data. Defective parts replaced "in-warranty" must be reported in accordance with Rheem's current "in-warranty" procedure. Within 30 days after receipt and approval of this report, we agree to pay you the amount due under paragraph 3; provided, however, that we shall not be liable to pay you for any services for which you are unable to provide to us, satisfactory evidence that the services described were actually rendered by you within the applicable warranty period. Rheem shall have no obligation to pay you if you fail to submit a complete and satisfactory service report within sixty (60) days after the service is performed. Rheem shall be exempt from all sales/labor tax.

6. You shall carry at all times an adequate inventory of Rheem replacement parts for the repair and service of the Products in order to ensure prompt and proper service in your territory. We shall sell you such replacement parts at the current single, bulk, or discounted published distributor prices and on the other terms and conditions set forth on Rheem's current parts price list. For any Rheem replacement parts which you install without charge to the owner during the "in-warranty" period with respect to the parts replaced, we shall give you proper credit or replacement upon return of the defective replaced parts to Rheem Montgomery Parts Department.

7. You shall operate your business in connection with the servicing of the Products under the

name of Company Name and you are a Corporation
(corporation, partnership, sole-proprietorship)

You agree not to use the name "Rheem" in any manner, in advertising or otherwise, without our prior written consent.

8. All services performed by you hereunder shall be at your sole risk and you shall be liable for, and you agree to defend, indemnify and hold Rheem harmless from and against any loss, damage, liability, expense, claims or demands, arising out of or by reason of such services.

9. You hereby guarantee your workmanship for a period of 90 days, and material you supply, other than Rheem warranted parts, for a period of ONE (1) year after the service is performed. If such workmanship or material proves defective within such periods, you shall render such further services or furnish such replacement materials, without charge to us or the owner of the Products, as shall be necessary to correct the defective condition.

10. You shall act solely as an independent contractor. You and your employees shall under no circumstances represent yourselves as, or be deemed to be, agents, employees or representatives of Rheem, and you shall have no right or authority to enter into any contracts or commitments in the name or on behalf of Rheem or to bind us in any respect whatsoever. You shall carry a one million dollar comprehensive general liability insurance policy. You shall carry workman's compensation and other insurance on your employees, and comply with all applicable Federal, State, local or municipal laws or statutes.

11. You shall not give opinions or advice to owners of our Product with respect to the application or meaning of our warranty of such Products, and shall not give opinions or advice as to any claim by such owners who have or claim to have been injured or sustained a loss through use of our Products. You shall not discuss any financial disclosures you have between Rheem and yourself with any customer but Rheem Manufacturing Company. You shall maintain a satisfactory quality of service as measured by a general survey or audit of customers who have received service from you. All inquiries of this nature shall be referred by you to the Rheem Administrator of Support Services.

12. This agreement shall continue from year-to-year, unless sooner terminated as hereinafter provided. Either of us may terminate this agreement at any time, with or without cause, upon a notice in writing to the other at least 30 days prior to the effective date of termination specified in said notice. Such notice shall be delivered or sent by registered mail to the other party at its regular business address set forth herein. You shall render the same services during such 30-day period as were rendered by you prior to the notice of termination. Any change of service rates serves to terminate this agreement and must be the subject of a new agreement between the parties.

In the event of termination by Rheem, you agree to resell to us, and we agree to purchase from you, your entire usable inventory at the date of termination of new replacement parts theretofore purchased from us upon delivery of such inventory to us or upon our order following the receipt and verification by us of a detailed list of such inventory. The price of such inventory shall be the cost thereof to you of the new replacement parts which are then usable in Products currently being manufactured by us, less 20% handling charge.

13. This agreement is personal in nature and cannot be assigned or delegated by you except by prior written consent of Rheem. This agreement may not be modified except by an instrument in writing executed by parties hereto.

If the foregoing terms and conditions of this Service Contract are acceptable to you, please sign and return to us the enclosed copy hereof.

Very truly yours,

RHEEM MANUFACTURING COMPANY
Water Heater Division

ACCEPTED:

Company Name
Name of Firm or Corporation

By Tito Peterson
Contractor Business Analyst – Tito Peterson

By _____
Sign

By James Stoppelbein
Manager, Field Service Network – James Stoppelbein

Print

Capacity of Signer (President, Vice President, General Partner)

Phone Phone

Address Address

City, State Zip zip

Date Date

Resale Certificate No. N/A

Federal I.D. Number. 12-3456789

Social Security No. N/A