

GRANBY FURNACES INC.

LIMITED LIFETIME WARRANTY FOR OIL-FIRED WARM AIR FURNACES

A. FIRST YEAR WARRANTY

Granby Furnaces Inc. ("Granby") warrants the heat exchanger of the oil-fired furnace registered by this certificate (the "Appliance") and the installation of components installed by Granby on the Appliance to remain free from defects in material and workmanship during the first five (5) years of ownership under normal usage so long as it is owned by the original owner or subsequent owners at its original place of installation. In the event that a component manufactured by Granby is found to be defective in material or workmanship during this period, Granby will, at its option, either repair or replace the Appliance free of charge (except labour costs, which shall be borne by homeowner) f.o.b. Granby's factory at Cross Roads, Nova Scotia, or such other Granby factory as Granby shall designate provided Granby is notified of such defect within five (5) years after the date of installation of the Appliance. In the event that a component affixed to the Appliance but not manufactured by Granby is found to be defective in material or workmanship during this period, Granby will correct any defect in material and/or workmanship of such component provided Granby is notified of such defect within five (5) years of the date of original installation of the Appliance, but only if and only to the extent that the manufacturer of such component, at its sole cost and expense, provides and will honour such a warranty with respect to such component.

B. LIMITED LIFETIME WARRANTY FOR THE HEAT EXCHANGER:

Granby warrants the heat exchanger of its oil-fired warm air furnace to remain free from defects in material and workmanship under normal usage so long as it is owned by the original owner or subsequent owner at its original place of installation. In the event that such heat exchanger is found to be defective in material or workmanship during this period, Granby will, at its option, either repair or replace the heat exchanger free of charge during the first ten (10) years (except labour costs, which shall be borne by the homeowner) f.o.b. Granby's factory at Cross Roads, Nova Scotia, or such other Granby factory as Granby shall designate, and thereafter upon payment of a proportionate charge based upon the time the defective heat exchanger has been in service. The proportionate charge will be equal to a percentage of the retail price of such heat exchanger at the time the warranty claim is made, as determined by the following schedule.

YEARS INSTALLED	0-10	11 th	12 th	13 th	14 th	15 th	16 th	17 th
% OF RETAIL PRICE	0%	5%	10%	15%	20%	25%	30%	35%
YEARS INSTALLED	18 th	19 th	20 th	21 st	22 nd	23 rd	24 th	25 th
% OF RETAIL PRICE	40%	45%	50%	55%	60%	65%	70%	75%
YEARS INSTALLED	26 th and Above							
% OF RETAIL PRICE	75%							

If an identical heat exchanger is no longer available due to product obsolescence, the value used to establish the retail price will be the published price of the product closest in design and application to the original.

THE WARRANTY SET FORTH IN PARAGRAPH "A" AND THE LIMITED EXTENSION THEREOF SET FORTH IN PARAGRAPH "B" ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN PARAGRAPHS "C" THROUGH "E" AND ARE EXCLUSIVE AND IN LIEU OF ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR PURPOSE, OR OTHER WARRANTY OF QUALITY, DESIGN, OR CONDITION, WHETHER EXPRESS OR IMPLIED, AND IN LIEU OF ALL OTHER LIABILITIES AND OBLIGATIONS ON THE PART OF GFI AND SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER RESULTING FROM BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR NEGLIGENCE OR ANY OTHER REASON.

EXCLUSION OF WARRANTIES: The IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, other than those expressly set forth herein, are EXCLUDED from this transaction and shall not apply to the goods sold.

MERGER CLAUSE: the seller's salespeople may have made oral statements about the merchandise described in this contract. The statements do not constitute warranties, shall not be relied upon by the Buyer, and are not part of the contract for sale. The entire contract is embodied in this writing and written limited warranty provided with the product. This writing and the written limited warranty constitute the final expression of the party's agreement and it is a complete and exclusive statement of the terms of that agreement.

C. THE WARRANTIES SET FORTH IN PARAGRAPHS "A" AND "B" SHALL APPLY ONLY IF THE APPLIANCE:

- (1) Is used only for the specific purpose for which it was intended, namely internal (not external) heating system and for no other purpose and only within the Continental United States and Canada.
- (2) Is operated in accordance to Granby's installation and service manual (an installation and service manual was attached to the Appliance when it left Granby's plant and should accompany this warranty and if not, customer must order one by mailing a written request to Granby.
- (3) Has been properly installed in accordance with Granby's installation and service manual by an experienced and qualified heating mechanic skilled in installation of Granby Appliance.

- (4) Has been installed and operated in accordance with
 - (a) all applicable Federal, State, Provincial and Local Laws, including but not limited to local ordinances and building codes; and
 - (b) all the practices and procedures recommended by applicable trade and technical organizations including, without limitation, Federal Housing Administration and Underwriters Laboratories.
- (5) Has been operated
 - (a) utilizing the particular fuel for which it was designed and equipped, as set forth in Granby's installation and service manual; and
 - (b) at an output rate not in excess of the rate showing on the rating plate attached to the Appliance and not less than 80% of said rate and with appropriate automatic operating and controls.
- (6) Has been serviced on a periodic basis, at least once a year, to assure that it is working properly and has had all repairs performed on it, as and when needed, by an experienced and qualified heating mechanic or oil dealer serviceman.
- (7) Has adequate ventilation and sufficient source of air, is not exposed to any unusual atmospheric conditions including, without limitation, exposure to foreign particles such as saw dust and exposure to chlorine or other corroding substances.
- (8) Has not been modified, neglected, altered, tampered with, vandalized, abused or misused, nor otherwise been subjected to accident, fire, flood or other casualty.

D. THE WARRANTIES HEREUNDER DO NOT APPLY TO DEFECTS RESULTING FROM:

- (1) Labour or other costs incurred for diagnosing, repairing, removing, install, shipping, servicing or handling of either defective parts, or replacement parts, or new or reconditioned units.
- (2) Damage caused by the use of fuel not meeting the ASTM D396 and/or CAN/CGSB 3.2 specification.
- (3) Any Product purchased over the Internet.
- (4) Normal maintenance as outlined in the installation and servicing instructions, including, but not limited to, air filter replacement, burner nozzle replacement or condensate neutralizer replacement (if applicable to Product).
- (5) Failure, damage or repairs due to faulty installation, misapplication, abuse, improper serving, unauthorized alteration or improper operation.
- (6) Failure to start due to voltage conditions, blown fuses, open circuit breakers, or damages due to the inadequacy or interruption of electrical service.
- (7) Failure, damages or repairs caused by use of an incompatible electrical generator.
- (8) Failure of damage due to floods, winds, fires, lightning, accidents, vandalism, corrosive external environments or other conditions beyond the control of Company.
- (9) Parts not supplied or designated by Company or damages resulting from their use.
- (10) Products installed outside the continental USA, Alaska and Canada.
- (11) Failure, damage or repairs caused by conditioned air (return air) supplied to the furnaces being greater than 20% from out-of-doors (55°F minimum return air temperature)
- (12) Product installed downstream of an AC Coil.
- (13) Increase in fuel and/or utility costs.
- (14) ANY SPECIAL, INDIRECT OR CONSEQUENTIAL PROPERTY OR COMMERCIAL DAMAGES OF ANY NATURE WHATSOEVER. Some states or provinces do not allow the exclusion of incidental or consequential damages, so the above limitation may not apply to you.

E. THE WARRANTIES HEREIN SHALL NOT BE EFFECTIVE UNLESS:

- (1) Any notice of a defect together with proof of defect is mailed to Granby by certified mail, return receipt requested, postage prepaid, to Granby Furnaces Inc., PO Box 637, Parrsboro, Nova Scotia, B0M 1S0 Canada, or such other address as Granby shall notify customer from time to time. (Only a return receipt card executed by a representative of Granby shall be satisfactory evidence of mailing).
- (2) Any notice of defect (or request for information form Granby) is accompanied by this warranty document and contains the following information: heating appliance serial number, model number, date of original installation, original installing contractor and contractor's address, and name of builder and builder's address.
- (3) The defective part or parts are returned only upon written authorization from Granby, with transportation charges repaid (except that Granby may, at its option, appoint a qualified representative to make field inspection of the unit of any defect for which purpose the customer shall permit such representative to enter upon their premises and examine the Appliance and all other parts of the heating system as such representative shall deem advisable).

NO WARRANTY OTHER THAN THE FOREGOING, EXPRESSED OR IMPLIED, IS AUTHORIZED BY GRANBY AND NOT REPRESENTATIVE OF GRANBY OR OF THE MANUFACTURER OF ANY COMPONENT HAS ANY AUTHORITY TO AMEND, EXTEND, MODIFY, ENLARGE OR CONTRACT THE FOREGOING WARRANTIES AND DISCLAIMERS OF WARRANTIES IN ANY WAY WHATSOEVER.