

HEATING OIL TANK REPAIR OR REPLACEMENT SERVICE CONTRACT

Obligor: Marc Nelson Oil Products, Inc.
PO Box 7135
Salem, OR 97303

Service Contract Number: _____

Issued to: Name
Address
City, State, Zip
Phone Number

Tank Location if Different Than Address:
Address
City, State, Zip

Contract Period: _____ to _____

YOU MUST NOTIFY THE OBLIGOR IMMEDIATELY OF ANY SUSPECTED TANK FAILURE. THE UNDERTAKING OF ANY TANK REPAIR OR REPLACEMENT, SOIL TESTING OR OTHER INVESTIGATION DURING THE CONTRACT PERIOD WITHOUT THE PRIOR APPROVAL OF THE OBLIGOR WILL RESULT IN THIS CONTRACT BEING VOIDED.

TOTAL PAYMENT UNDER THIS CONTRACT WILL NOT EXCEED \$4,000, AFTER YOUR PAYMENT OF A \$500 DEDUCTIBLE.

We agree to repair or replace your heating oil tank due to confirmed tank failure during the Contract Period subject to the terms, conditions and exclusions of this service contract.

All obligations of the **obligor** under this service contract shall be completed in full when **your heating oil tank** has been **repaired or replaced**, or when the service contract limit has been paid.

LEVEL 1 – We will pay according to the terms and conditions of the contract to repair or replace your Heating Oil Tank as a result of a confirmed operational or structural tank failure.

Special Note Regarding The Service Contract Limits-Level 1:

If this is your first contract or if you have not been an automatic fill customer during the past 12 months, the service contract limits will be phased in as follows.

0-90 days- 25%
91-180 days- 50%
181-270 days- 75%
271-365 days- 100%

For all continuous renewals, the service contract limits will be 100% from the first day.

LEVEL 2 – We will pay according to the terms and conditions of this contract to repair or replace your Heating Oil Tank as a result of a confirmed operational or structural tank failure discovered as a result of a Real Estate Transaction.

Special Note Regarding The Service Contract Limits-Level 2:

The first year, the service contract limits will be 0%.

The second year, upon renewal of the contract, the service contract limits for a real estate transaction will be phased in as follows:

0-90 days - 0%
91-180 days - 25%
181-270 days - 50%
271-365 days - 75%

The third year, upon renewal of the contract, the service contract limit will be 100% for a real estate transaction.

TERMS AND CONDITIONS

In consideration of this service contract, **you** agree to the following conditions:

- A.) **Your heating oil tank** is and has been **in use** and in **good working condition** for the past 12 months.
- B.) **You** will purchase all **your heating oil** on an automatic fill basis from the **obligor** for the duration of the service contract. If **your** tank has been repaired or replaced under this contract, **you** agree to purchase all your heating oil from the **obligor** on an automatic fill basis for a minimum of 12 months.
- C.) Deductible: **You** agree to pay the first \$500.00 of any covered costs incurred pursuant to this service contract.
- D.) **You** may cancel this service contract at any time prior to the renewal date by notifying the **obligor** of **your** intent to cancel. However, no portion of the payment for this service contract will be returned unless the service contract is voided by the **obligor** in accordance with the terms of this agreement.
- E.) **You** may transfer this service contract to the new property owner upon sale of the property on which the **heating oil tank** covered by this service contract is located. The new owner must notify the **obligor** of the change in ownership, and must agree to the terms of the service contract, including but not limited to the 12 month automatic fill requirement.

DEFINITIONS

Confirmed Tank Failure means the **heating oil tank** has been investigated by the **obligor**, or a **qualified service provider** designated by the **obligor**, and operational failure of, or a leak in the **heating oil tank** system, has been verified.

Good Working Condition means that **your heating oil tank** has shown no evidence of **heating oil** leaking out or water leaking in and there is no reason to believe that the tank or its connective piping has operationally or structurally failed.

Heating Oil means petroleum refined as #1 or #2 diesel oil or bio fuel used for space heating in oil-fired furnaces, heaters or boilers. Any other petroleum product is not included.

Heating Oil Tank means any unregulated storage tank less than 1,800 gallons, and its connected piping, whether below ground, above ground or in a basement. **Heating oil tank** does not include any tank that is decommissioned, disconnected from the heating system, abandoned, or used in any type of industrial process.

In Use means that **your heating oil tank** is currently being used for the purpose for which it was intended and has been in continuous use for the past 12 months.

Obligor means the organization selling this contract and contractually responsible for the service contract, also referred to as "**We**" in this service contract.

Operational or Structural Tank Failure means the **heating oil tank** does not perform as intended and there is a reasonable basis to believe the tank has failed, based on a loss of **heating oil**, the presence of water in the **heating oil tank**, a malfunction of the heating system or visual or olfactory evidence of tank failure warranting further investigation by the **obligor** or an entity designated by the **obligor**

Qualified Service Provider means a Provider as defined by the Department of Environmental Quality, and/or approved by the **obligor**.

Real Estate Transaction means **selling, refinancing, renting or leasing of real property upon which your heating oil tank** is located.

Repair the Tank means to make any repairs, if possible, to restore the tank to operational condition.

Replace the Tank means to install a new tank of like kind and quality, including any reasonable and necessary environmental considerations or costs required by any state, county or municipal organization in order to complete the job and establish the new tank to operational condition. Any changes in the size or location of the new tank will be left to the discretion of the **obligor**. The **heating oil tank** will be replaced only if it cannot be repaired, or if the cost to repair exceeds the cost to replace.

You and **Your** means the person to whom this service contract is issued, or any transferee of the service contract.

EXCLUSIONS

The following conditions are not covered under this service contract:

- A.) Any repairs to or replacement of **your heating oil tank**, soil testing or other environmental investigations performed while this contract is in effect without the prior approval of the **obligor** will void this service contract.
- B.) Any known environmental damage that occurred prior to the inception of this service contract.
- C.) Abandoned tanks, inactive tanks or tanks that have not been continually in use for the past 12 months and any damage caused by such tanks.
- D.) Tank failure caused by human actions or acts of God.
- E.) Any resulting bodily injury, sickness or disease, including death to a person or animal.
- F.) Any legal costs to defend **you** or any other person or organization from any criminal or civil action. This includes any attorney fees, cost for fines, penalties or similar legal actions.
- G.) Loss to and/or loss of use of property, including loss of **heating oil** from the **heating oil tank**.
- H.) Any costs covered by any insurance, warranty or other third party liability.
- I.) Costs in excess of the applicable service contract limit.
- J.) Any leak, damage or **operational or structural tank failure** not reported to the **obligor** during the contract period of this service contract.
- K.) Any costs incurred by **you** without the prior consent of the **obligor**.
- L.) Any costs to investigate **operational or structural tank failure**.
- M.) Any leak or damage discovered by an investigation conducted in anticipation of, or in connection with, a real estate transaction. "Real estate transaction" means the selling, refinancing, renting or leasing of real property upon which **your heating oil tank** is located. *This only applies to Level 1.*

CLAIMS

Any **operational or structural tank failure** must be reported immediately to the **obligor** of this service contract. All claims must be pre-approved by the **obligor**. The **obligor** will promptly arrange for a **qualified service provider** to investigate **your** claim. This service contract will apply only if tank failure is confirmed. Do not hire or contract with third parties without the prior consent of the **obligor**.

After **your** claim has been investigated, **we** will notify **you** in writing of investigative results and applicable options. If **operational or structural tank failure** is confirmed, all payments will be made directly to **your** service provider. **You** will be responsible to the service provider for any costs not covered by this service contract including **your** deductible.

To report **your** claim or for emergency repairs, during business hours or non-business hours, call the **obligor** at (503) 363-7676 or (800) 523-7676. In the event the **obligor** can't be reached, you can call Environmental Insurance in Portland at (800) 977-3335.

Note: Our obligations under this service contract are insured by a policy issued by Colony Specialty Insurance Company, 8720 Stony Point Parkway, Suite 300, Richmond, VA, 23235, (800) 577-6614. If a covered claim is not paid within sixty days **you** may file a claim directly with Colony Specialty Insurance Co.

I acknowledge by this signature that I have read, understand and agree to comply with all terms and conditions of this **Heating Oil Tank** Service Contract.

Property Owner Signature: _____