



Heating & Cooling Systems

March 5, 2008

Dear Bryant Dealer:

As you are aware, a small number of consumers recently filed class-action lawsuits claiming premature failure on the secondary heat exchanger found in Bryant high-efficiency condensing gas furnaces (90% AFUE or greater) produced after 1989.

We firmly deny these claims and maintain that we did not act wrongfully or unlawfully. Bryant is extremely proud of our durable, safe, high-efficiency gas furnaces. We stand behind our products and the performance of secondary heat exchangers in Bryant high-efficiency gas furnaces that use polypropylene-laminated (PPL) steel. These products are some of the most reliable and energy-efficient furnaces on the market today.

Carrier Corp. has the largest installed base of ducted heating and cooling equipment in North America and we stand behind all of our products in terms of quality, safety, reliability and benefits for our customers.

In the interest of a timely resolution of this issue and to provide peace of mind for our customers, Bryant has agreed to a proposed settlement which provides enhanced warranty coverage in the unlikely event of a failure of the secondary heat exchangers on our 90% AFUE or greater high-efficiency gas furnaces.

While we have seen an extraordinarily low national warranty rate in Canada, the settlement we have agreed to would provide customers an industry-leading 20-year parts and labor warranty for the secondary heat exchanger. In the event of a failure, customers would have the option of coverage of the parts and labor for the replacement of the secondary heat exchanger, or a credit towards the purchase of a new, more energy-efficient system that can provide greater comfort and energy savings. For customers who have already been required to replace their secondary heat exchanger, we would provide monetary compensation to them.

This proposed settlement is before the courts now, and will be reviewed in court hearings on June 9, 2008, following notification of all potential class members. However, in the interest of customer satisfaction, if you should find a failure of a secondary heat exchanger prior to the ruling, we will honor the terms of the proposed settlement effective immediately. SB #07-0055CA and #07-0056CA, available on HVACpartners, contain details on how to honor the enhanced warranty.

We realize that you may have many questions about the process for fulfilling these claims if a customer calls you, being reimbursed for service calls, and answering customer questions. We encourage you to contact the Bryant Solution Center by phone at **1-877-574-0173** or by e-mail at **bryantprograms@bryant.com**. You can also find additional information that will be posted for consumers at www.furnaceclaims.ca

The court settlement agreement includes notifying potential class members, which will occur through letters and an intense media campaign including

magazine and newspaper ads and radio announcements running from March 10 through June 6.

This campaign may generate consumer calls to your company.

Please let callers know:

- We are extremely proud of our high-efficiency furnaces, which have won numerous awards. Rigorous scientific testing demonstrated that the patented PPL-laminated design improves durability against acidic condensation.
- The current family of condensing gas furnaces, in production since 1993, has a history of high consumer satisfaction and an extraordinarily low warranty rate.
- Our confidence in this material is evidenced by the introduction of the new Modulating Gas Furnace this fall, based on our current condensing furnace platform with the PPL-laminated secondary heat exchangers.
- To further demonstrate our confidence in this product line, we have extended the warranty on the secondary heat exchanger to an industry-leading twenty (20) years for parts AND labor for all included furnaces installed prior to the court's final ruling on the settlement on June 9, 2008.
- We offered a settlement in the lawsuit for three reasons:
 - 1 – To bring the matter to a timely resolution
 - 2 – To provide our customers with peace of mind
 - 3 – Because we stand behind all of our productsThe settlement agreement was a business decision, based in large part on the low failure rate of the products.

What you should do:

If the consumer calling you has already paid to have their secondary heat exchanger repaired or to have their furnace replaced, and wishes to receive reimbursement of up to \$270, please refer them to www.furnaceclaims.ca for claim forms and complete details on their options. They can also call 1-877-574-0173 for details.

If the consumer has a furnace that is working fine, but could potentially be impacted in the future, please let them know that in addition to the standard lifetime parts warranty on their secondary heat exchanger that they received when they purchased their furnace, they now automatically receive a 20-year labor warranty on this part as well. Instructions on how to properly inspect a furnace are listed in Dealer Service Bulletin SB07-0049CA to help you identify whether a secondary heat exchanger has failed. If their secondary heat exchanger has failed, they can have the repair made using the enhanced parts and labor warranty described above, or they can receive a credit towards the purchase of new equipment. For details on this offer, please contact your distributor.

We've never been more committed to delivering quality products and supporting your business. You are the face of our brand and we're doing everything we can to accommodate our customers. We're proud of our dealers and we appreciate your loyalty

to our company. Our commitment to high-quality products and services and honest transactions is reflected in your business. Thank you for your continued support.

Sincerely,

Adrian Trotman
President
Bryant Canada