

Achosa Home Warranty, LLC

5438 Lockwood Ridge Road, #301, Bradenton, FL 34203

Standard Homeowner's Terms and Conditions

PLEASE CAREFULLY READ THESE STANDARD HOMEOWNER'S COVERAGE TERMS AND CONDITIONS PLUS YOUR INVOICE (COLLECTIVELY, THIS "CONTRACT").

Throughout this Contract, the words (i) "we", "us", "our", and the "Company" refer to Achosa Home Warranty, LLC, and (ii) "you", "your" and "Homeowner" refer to the person contracting for services covered by this Contract identified on the Company's invoice executed by you (the "Invoice") describing the real property (the "Property"), duration of this Contract, and amount owed by you in consideration for our agreement to provide the services. These terms and conditions apply to all Contracts between the Company and homeowners who elect a Core, Prime, Prime Plus or Pro Plan, and any Add-On coverage as indicated on your invoice. As provided below, certain terms and conditions may differ depending on the coverage level indicated on your invoice.

1. **General.** This is a contract for the repair or replacement of the home appliances and systems specified in this Contract (the "**Equipment**") that break down due to normal wear and tear. This is not a contract for insurance. **This Contract covers only the Equipment specifically identified as covered herein and excludes all other items, whether specifically identified as excluded or not.**
2. **Customer Service; Procedure.** This Contract allows you to select your own licensed contractor to make covered repairs. All selected contractors must be licensed and insured. You must call our customer service department at (888) 509-2916 to initiate all claims. At your request, the Company will provide you with names of licensed contractors in your area. If no covered defects are discovered or repaired during a service call, you are responsible for the entire cost of the service call.
3. **Coverage; Coverage Period; Payment.** Subject to the Limitation of Liability set forth in Section 6 of this Contract:
 - a. This Contract covers only the Equipment located at the Property as specifically identified in Sections 4 and 5 of the Contract for the service(s) on your Invoice. Repair or replacement of covered Equipment is subject to maximum annual dollar limits as provided in this Contract. **In aggregate, and notwithstanding anything to the contrary as may be set forth in this Contract, the**

Company will pay no more than \$25,000 per year for covered Equipment in this Contract.

- b. Subject to purchase of Contracts for multiple-unit properties in accordance with Section 5(e) and Section 10, the purchaser of this Contract agrees and acknowledges that coverage described in these terms and conditions are solely available to Real Estate Buyers of owner-occupied Property. The Company provides an optional add-on coverage for use in conjunction with this Contract for a Property that is not owner-occupied. The Company reserves the right to cancel this Contract or require the purchase of the optional add-on coverage prior to covering any service request should it determine that the Property is not owner-occupied.
- c. The Company has the sole right to decide whether to repair or replace the Equipment. All replacements authorized by Company will be of a similar or equivalent quality to the covered Equipment. Should you decide to replace any Equipment with respect to which the Company has decided to cover the repair, the Company will only pay the amount the repair would have cost (less the applicable service fee), and you will be responsible for the difference in cost between repair and replacement.
- d. Coverage under this Contract begins after existing coverage expires for Properties with existing Company warranties, or thirty (30) days after Company acceptance of your order for new Properties, and continues for one (1) year thereafter (the "**Coverage Period**"). Payment of the fees required for coverage under this Contract as specified in the Invoice are due and payable monthly. If payment is not received within fourteen (14) days after any due date, the Company has a right to cancel this Contract and pursue reimbursement for any claims previously paid, subject to any state specific cancellation limitations. At the Company's discretion, it will provide you options for continuation of service prior to the end of your Coverage Period. The Company's standard method for continuation is described in the Section 9. ("**Renewals**").
- e. You will be required to pay the lesser of the applicable service fee (\$100) or the actual cost of the service to

your selected contractor for each service request. Further, if your selected contractor repairs or replaces Equipment that is not covered by this Contract, or charges more for the service than our coverage limits, you will be required to pay the excess expenses.

- f. You continue to be responsible for normal maintenance on all covered Equipment. **Equipment is not covered under this Contract unless it is in proper working order at the beginning of coverage.** To be covered, Equipment must be installed and located within the interior of the main foundation of the primary dwelling (except for air conditioning) of the Property. **This Contract provides coverage for unknown defects only if the defect is not detectable through visual inspection or simple mechanical test.**

4. **Covered Equipment.**

a. **Attic & Exhaust Fans**

Included: Motors, switches, controls, bearings
Excluded: Shutters, filters and lights, range hoods
Maximum annual coverage: \$500

b. **Central Air Conditioning**

Included: Ducted electric central air conditioning units
Excluded: Window units, circulation/recirculation pumps, condensation pumps, ductwork, non-ducted wall units, humidifiers, chillers, outside or underground piping, zone controls, dampers
Maximum annual coverage:
Core = \$1,000 Prime = \$2,000
Prime Plus = \$2,500 Pro = \$3,500

c. **Central Heating System**

Included: Ducted and water sourced primary central heating units (this equipment includes heat pump systems and packaged HVAC systems)
Excluded: Space heaters, circulation/recirculation pumps, ductwork, ductless systems, filters, humidifiers, electronic air cleaners, UV lights, registers, fuel storage tanks, grills, chimneys, flues, vents, outside or underground components, zone controls, dampers
Maximum annual coverage:
Core = \$1,000 Prime = \$2,000
Prime Plus = \$2,500 Pro = \$3,500

d. **Code Violations**

Included: When the correction of code violation(s) is required for a covered repair or replacement, **the Company will pay up to \$250 to correct it**

e. **Dishwasher**

Included: All, except specifically excluded below
Excluded: Racks, baskets, rollers, springs, removable trays, interior lining, lock assemblies
Maximum annual coverage:
Core = \$500 Prime = \$500
Prime Plus = \$1,000 Pro = \$1,500

f. **Electrical System**

Included: Main electrical panel, outlets, switches, wiring, subpanels, and doorbells
Excluded: Solar components, damage due to power surges, inadequate capacity, low voltage systems
Maximum annual coverage:
Core = \$500 Prime = \$500
Prime Plus = \$1,000 Pro = \$1,500

g. **Garage Door Opener**

Included: All, including hinges and springs, except specifically excluded below
Excluded: Garage doors, sensors, chains, tracks, rollers, wiring, loss of remote devices, batteries, lights
Maximum annual coverage: \$500

h. **Garbage Disposal**

Included: All, except specifically excluded below
Excluded: Problems or jams caused by bones, glass or non-food objects
Maximum annual coverage: \$500

i. **Kitchen Refrigerator**

Included: All for the refrigerator that is located in the kitchen, except specifically excluded
Excluded: Racks, shelves, lighting, handles, water line restrictions, interior thermal shells, wine coolers, mini refrigerators, door seals and gaskets, hinges, glass, AV equipment, internet connections, units moved out of the kitchen
Maximum annual coverage:
Core = \$500 Prime = \$500
Prime Plus = \$1,000 Pro = \$1,500

j. **Microwave**

Included: For built in microwaves only, all, except specifically excluded below

Excluded: Interior lining, door glass, clocks, racks, knobs, meat probes, rotisseries

Maximum annual coverage: \$500

k. **Oven/Range/Cooktop**

Included: All, including range hoods, except specifically excluded below

Excluded: Rotisseries, lights, knobs, dials, racks, baskets, removable trays, door glass, interior lining, meat probe assemblies and clocks, glass or ceramic cooktops, accessories, self-cleaning mechanisms

Maximum annual coverage:

Core = \$500 Prime = \$500

Prime Plus = \$1,000 Pro = \$1,500

l. **Plumbing & Drains**

Included: Within the interior of the main foundation of the home: leaks to drains, leaks to water lines, leaks to sewer lines, assemblies within toilet tank, fixtures and faucets, valves to shower, pressure regulators, pressure relief valves, interior hose bibs, risers, clearing of stoppages

Excluded: Sinks, bathtubs, exterior hose bibs, filters, ejector pumps, grinders, shower pans or enclosures, tub enclosures, toilet bowl or tank, toilet flanges, caulking or grouting, root damage, loss due to chemical or mineral deposits, water softeners, whirlpool tub pumps, access through/restoration of water damaged areas, anything outside of the main foundation

Maximum annual coverage:

Core = \$500 Prime = \$500

Prime Plus = \$1,000 Pro = \$1,500

Maximum annual coverage is inclusive of up to \$500 for access to concealed plumbing and restoration thereof.

m. **Roof Leaks**

Included: Asphalt or clay shingles, slate, metal roofing and flashing

Excluded: Skylights, acts of God, chimney caps, improper installations

Maximum annual coverage: \$500

n. **Sump Pump (Ground Water Only)**

Included: Mechanical parts and components that are permanently installed

Excluded: Ejector pumps, backup power assemblies and portable units

Maximum annual coverage: \$500

o. **Washer & Dryer**

Included: All, except specifically excluded below

Excluded: Plastic mini-tubs, soap dispensers, filter/lint screens, knobs & Dials, venting and damage to clothing

Maximum annual coverage per Washer and per Dryer:

Core = \$500 Prime = \$500

Prime Plus = \$1,000 Pro = \$1,500

p. **Water Heater**

Included: All, including issues related to water pressure, except specifically excluded below

Excluded: Oil hot water tanks, auxiliary holding or storage/expansion tanks, circulation/recirculation pumps, losses from chemical or mineral deposits, insufficient capacity

Maximum annual coverage:

Core = \$500 Prime = \$750

Prime Plus = \$1,000 Pro = \$1,500

5. **Add-On Coverage.** You may elect to purchase any one or more of the following add-on benefits, which will be provided by the Company in accordance with the terms of this Section if such coverage is listed on your invoice.

a. **Additional Refrigerator**

Included: All except specifically excluded

Excluded: Racks, shelves, lighting, handles, water line restrictions, interior thermal shells, door seals and gaskets, hinges, glass, AV equipment, internet connections

Maximum annual coverage: \$1,000

b. **Conserve**

Included: When Equipment requires replacement, this Add-On allows you to replace the Equipment with new Equipment that is more energy efficient. This only applies when the replacement Equipment is more energy efficient than the existing Equipment.

Excluded: This Add-On may only be used once for Equipment in each Covered Equipment section in the Standard Terms & Conditions.

Maximum Annual Coverage: Up to \$200 more than the Standard Terms & Conditions coverage for a “like for like” Equipment replacement.

c. **Conserve Plus**

Included: When Equipment requires replacement, this Add-On allows you to replace the Equipment with new Equipment that is more energy efficient. This only applies when the replacement Equipment is more energy efficient than the existing Equipment.

Excluded: **This Add-On may only be used once for Equipment in each Covered Equipment section in the Standard Terms & Conditions.**

Maximum Annual Coverage: Up to \$400 more than the Standard Terms & Conditions coverage for a “like for like” Equipment replacement.

d. **Ductless Mini-Split System**

Included: Outdoor compressor/condenser, indoor air handling unit, conduit

Excluded: **Maintenance, air filters, handheld remotes**
Maximum annual coverage: \$1,000

e. **Jetted Bathtub**

Included: Mechanical parts such as accessible controls, accessible plumbing lines, air pumps, drains, gaskets, circulation pump motor

Excluded: **Bathtub shell, caulking, grout, gaining access to equipment, tiles, tub enclosure, failures due to improper operation, rust**

Maximum annual coverage: \$600

f. **Major Appliances Maximum Cap Replacement Enhancement**

Included: Replacements due to items included in 4. **Covered Equipment** for Dishwasher, Kitchen Refrigerator, Oven/Range/Cooktop, Washer & Dryer.

Excluded: **All repairs, and replacements due to items excluded in 4. Covered Equipment for Dishwasher, Kitchen Refrigerator, Oven/Range/Cooktop, Washer & Dryer.**

Maximum Annual Coverage: Up to \$500 more than the Standard Terms & Conditions coverage for a “like for like” Equipment replacement.

g. **Non-Owner-Occupied Property**

Included: Waiver of the owner-occupied requirement in Section 3.b.

h. **Pool and Spa**

Included: Components of the heating, pumping and filtration system for the pool and spa where both utilize

common equipment. If the pool and spa utilize different equipment, additional coverage must be purchased to cover both the pool and the spa.

Excluded: **skimmers, pool sweeps, lights, liners, jets, underground/inaccessible lines, cleaning equipment, solar equipment, structural defects, timers, remote controls**

Maximum annual coverage: \$800

i. **Saltwater Pool and Spa**

Included: Components of the heating, pumping and filtration system for the saltwater pool and spa where both utilize common equipment. If the saltwater pool and spa utilize different equipment, additional coverage must be purchased to cover both the pool and the spa.

Excluded: **skimmers, pool sweeps, lights, liners, jets, underground/inaccessible lines, cleaning equipment, solar equipment, structural defects, timers, remote controls**

Maximum annual coverage: \$1,200

j. **Additional Pool or Spa**

Included: Components of the heating, pumping and filtration system for the additional pool or spa where both utilize different equipment.

Excluded: **skimmers, pool sweeps, lights, liners, jets, underground/inaccessible lines, cleaning equipment, solar equipment, structural defects, timers, remote controls**

Maximum annual coverage: \$800

k. **Septic System**

Included: Septic tank and line from house, baffles, sewage ejector pump and switches

Excluded: **Drain field, tile fields, leach beds, clean out, insufficient capacity, blockages from tree roots or foreign objects, pumping, leach lines, field lines**

Maximum annual coverage: \$500

l. **Stand Alone Freezer**

Included: All except specifically excluded

Excluded: **Racks, shelves, lighting, handles, water line restrictions, interior thermal shells, door seals and gaskets, hinges, glass, AV equipment, internet connections**

Maximum annual coverage: \$500

m. **Stand Alone Ice Maker**

Included: All except specifically excluded

Excluded: **Racks, shelves, lighting, handles, water line restrictions, interior thermal shells, door seals and gaskets, hinges, glass, AV equipment, internet connections**

Maximum annual coverage: \$500

n. **Water Softener**

Included: Mechanical parts & components of a single unit water softener and connecting water lines

Excluded: **Water pressure issues, water purity or clarity, odor control, resin beds, salt replacement, corrosion, normal maintenance, purification systems, rented/leased equipment**

Maximum annual coverage: \$600

o. **Well Water Pump**

Included: Pump, valves and regulators for main dwelling

Excluded: **Holding or storage tanks, digging, locating pump, re-drilling of wells, well casings, pressure tanks, pressure switches or gauges, piping, electrical lines, screens, pumps used for lawn sprinklers or other like systems**

Maximum annual coverage: \$500

6. **Limitation of Liability.** Notwithstanding anything to the contrary set forth in this Contract:

a. **The Company will not cover any services performed on Equipment without Company's prior authorization or outside of the Coverage Period. Further, the Company will not cover costs related to previous improper installations of Equipment or the failure of Equipment to meet any code or legal requirements.**

b. **The Company will not cover any damage to Equipment due to failure to maintain Equipment as instructed by manufacturers. Further, the Company is not liable for repairing any Equipment with manufacturer's defects or under manufacturer's warranty. The Company is not liable for indirect, incidental, special, or consequential damages, fire damage, water damage, failures due to power surge, damage due to weather/acts of God, lost or imputed profits or revenues, or personal injury from a covered item even if advised of the possibility.**

c. **The Company is not responsible for failure to provide reasonable service due to circumstances beyond its control. The Company will not be obligated to cover repairs to commercial grade or leased Equipment. Valuing systems beyond normal life expectancy will be at the sole discretion of the Company.**

7. **Dispute Resolution.** Any controversy, dispute or claim arising out of or relating to this Contract, including whether the controversy, dispute or claim is arbitrable (each, collectively, a "Dispute"), shall be submitted to arbitration administered by the American Arbitration Association ("AAA") or its successor under the AAA rules in effect at the time the

arbitration commences. The arbitration shall be conducted before a panel of three arbitrators selected and appointed in accordance with AAA rules, and will take place in the county where the Property is located. Each Party may be represented by one or more attorneys or other selected representative(s). Each Party will bear and pay equally the fees and expenses of AAA and each party will bear its own attorneys' fees, costs and other expenses in connection with arbitration. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

8. **Cancellation.** You may void this Agreement within 30 (thirty) days of the coverage effective date for a full refund of the contract fees paid if no claim has been made.

You may cancel this Contract within 30 (thirty) days of the coverage effective date if a claim has been made, or at any time thereafter, at which time you may be entitled to a refund of unearned contract fees paid less a processing fee of twenty-five dollars (\$25) and less the cost of any services performed pursuant to the Contract, where permitted by law. If the refund calculation results in you owing us payment for services provided, we may bill you for the lesser of the net amount due to us or the unpaid annual term contract fee. We will bill or charge you any balance owed to us through the same mechanism as any previous installment billings, or we will direct bill you if such a mechanism is not available. We may terminate this Agreement immediately, after any applicable notice provisions, for non-payment, fraud or material misrepresentation. In the event of such termination, we may pursue all available remedies.

9. **Renewals.** This Agreement will automatically renew at Company's option and where permitted by state law for successive one (1) year periods unless cancelled by you or us in accordance with the cancellation provisions above. You will be notified of any rate and/or coverage changes not less than thirty (30) days prior to the expiration of the warranty.

10. **Multiple Units.** If this contract is for a Property that is a duplex, triplex, or fourplex dwelling, the invoice must reflect said property type in order for all of the units to be covered. Equipment that serves multiple units will only be covered if all Property units are covered by a Contract as of the repair request date. When multiple units are covered, each individual unit is subject to its own maximum annual coverage limits as identified above.

11. **New Construction.** If this contract is for a Property that is newly constructed and the new construction option is

selected, coverage begins on day one (1) of month thirteen (13) after the home purchase.

12. **Transfer of Contract.** If ownership of the Property changes during the Coverage Period, you must notify the Company promptly, but in no event later than thirty (30) days after the Property is transferred, at (888) 509-2916, in order for this Contract to be transferred to the new owner. This Contract is assignable by the Company without consent.

13. **Miscellaneous.**

- a. **Personally Identifiable Information.** By submitting any of your personally identifiable information, such as your name, address, email address, phone number or fax number, to us, you consent to our privacy policy located at www.achosahw.com/terms.
- b. **Severability.** If any term or provision of this Contract is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.
- c. **Headings.** The headings in this Contract are for reference only and shall not affect the interpretation of this Contract.
- d. **Governing Law.** All matters arising out of or relating to this Contract shall be governed by and construed in accordance with the internal laws of the state in which the Property is located without giving effect to any choice or conflict of law provision or rule.
- e. **Entire Agreement.** This Contract (including the Invoice and all documentation related to Add-Ons), constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

14. **Specific State Requirements.** The following state specific requirements apply if your Contract covers a Property located in one of the following states and supersede any other provision within your Contract to the contrary.

- a. **Arizona.** Obligations under this service contract are backed by the full faith and credit of the Company.

This service contract cannot be reinstated after it has been cancelled.

The Company will cover costs related to improper installations of Equipment or the failure of Equipment to meet any code or legal requirements if the Equipment was installed or repaired under this Contract.

Cancellation: You may void this Agreement within 30 (thirty) days of the coverage effective date for a full refund of the contract fees paid if no claim has been made. You may cancel this Contract within 30 (thirty) days of the coverage effective date if a claim has been made, or at any time thereafter, at which time you may be entitled to a refund of unearned contract fees paid less a processing fee of the lesser of twenty-five dollars (\$25) or 10% of the purchase price, and less the cost of any services performed pursuant to the Contract. If the refund calculation results in you owing us payment for services provided, we will provide no refund. We may terminate this Agreement immediately, after any applicable notice provisions, for non-payment, fraud or material misrepresentation. In the event of such termination, we may pursue all available remedies.

You have a right to file a complaint with the Arizona Department of Insurance & Financial Institutions by contacting the Department at 602-364-2499 or difi.az.gov.

- b. **Nevada.** The following is added to the contract:
The company is the obligor to this contract. Obligations of the company under this contract are backed by the full faith and credit of the company and are not guaranteed under a reimbursement insurance policy.

In the event of a claim outside normal business hours to appliances or systems that are essential to the health and safety of the contract holder, call our customer service department, (888) 509-2916. The customer service department is available 24 hours a day 7 days a week.

In the event you do not receive satisfaction under this Service Contract, complaints or questions about this Plan may be directed to the Nevada Department of Insurance, telephone (888) 872-3234.

If a claim renders the dwelling unfit for a person to live in because of defects that immediately endanger the health and safety of the occupants of the dwelling, and

a contractor determines that repairs cannot practicably be completed within 3 calendar days after the report of the claim, then the provider will provide a status report to the customer via email.

The first sentence in Page 1 3.D. is changed to **“COVERAGE UNDER THIS CONTRACT BEGINS AFTER EXISTING COVERAGE EXPIRES FOR PROPERTIES WITH EXISTING COMPANY WARRANTIES, OR THIRTY (30) DAYS AFTER COMPANY ACCEPTANCE OF YOUR ORDER FOR NEW PROPERTIES, AND CONTINUES FOR ONE (1) YEAR THEREAFTER (THE “COVERAGE PERIOD”).”**

You may void this Agreement within 30 (thirty) days of the coverage effective date for a full refund of the contract fees paid if no claim has been made.

You may cancel this Contract within 30 (thirty) days of the coverage effective date if a claim has been made, or at any time thereafter, at which time you may be entitled to a refund of unearned contract fees paid less a cancellation fee of twenty-five dollars (\$25) and less the cost of any services performed pursuant to the Contract, where permitted by law. If the refund calculation results in you owing us payment for services provided, we may bill you for the lesser of the net amount due to us or the unpaid annual term contract fee. We will bill or charge you any balance owed to us through the same mechanism as any previous installment billings, or we will direct bill you if such a mechanism is not available.

If We fail to refund you within 45 days after a Contract is returned, We shall pay You a penalty of 10 percent of the amount due for each 30-day period or portion thereof that the refund and any accrued penalties remain unpaid.

After the contract has been in effect for at least 70 days it can only be canceled by the company for the following reasons:

- 1) Failure by you to pay an amount when due;
- 2) Conviction of you of a crime which results in an increase in the service required under the contract;
- 3) Discovery of fraud or material misrepresentation by you in obtaining the contract, or in presenting a claim for service thereunder;
- 4) Discovery of:
 - i) An act or omission by the contract holder; or
 - ii) A violation by You of any condition of the contract, which occurred after the effective date of the contract and which substantially and materially increases the service required under the contract; or
- 5) A material change in the nature or extent of the required service or repair which occurs after the effective date of the service contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time the contract was issued or sold.

No cancellation fee will be charged if the provider cancels the policy.

No cancellation of this contract may become effective until at least 15 days after the notice of cancellation is mailed to you.