

Achosa Home Warranty, LLC

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

Standard Homeowner's Essentials Terms and Conditions

PLEASE CAREFULLY READ THESE STANDARD HOMEOWNER'S COVERAGE TERMS AND CONDITIONS, YOUR INVOICE, AND ALL APPLICABLE UPGRADES AND ADD-ONS DOCUMENTATION (COLLECTIVELY, THIS "CONTRACT").

Throughout this Contract, the words (i) "we", "us" and "our" refer to Achosa Home Warranty, LLC (the "Company"), 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.

1. **General.** All upgrades and add on services described on the Invoice are subject to the additional terms attached hereto ("**Upgrades and Add-Ons**") and which are incorporated into this Contract by reference. This is a contract for the repair or replacement of the home appliances and systems specified in this Contract plus any Upgrades and Add-Ons (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 7 of this Contract:
 - a. This Contract covers only the Equipment located at the Property as specifically identified in Sections 4, 5 and 6 of these term Contract plus any Upgrades and Add-Ons. 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. 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.
 - c. 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 10. ("**Renewals**").
 - d. 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.
 - e. You continue to be responsible for normal maintenance on all covered Equipment. Equipment is not covered under this Contract unless it is in safe working order at the beginning of coverage. To be covered, Equipment must be installed and located within the confines of the perimeter of the 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

b. **Central Air Conditioning**

Included: Ducted electric central air conditioning units

Excluded: Window units, non-ducted wall units, humidifiers, chillers, outside or underground piping, components for geothermal systems, zone controls, dampers, refrigerant

Maximum annual coverage: \$2,400

c. **Central Heating System**

Included: Ducted central heating units

Excluded: Space heaters, ductless systems, filters, electronic air cleaners, UV lights, registers, fuel storage tanks, grills, chimneys, flues, vents, outside or underground components, components for geothermal systems, zone controls, dampers

Maximum annual coverage: \$2,400

d. **Dishwasher**

Included: All, except specifically excluded below

Excluded: Racks, baskets, rollers, springs, removable trays, interior lining, lock assemblies

Maximum annual coverage: \$1,000

e. **Electrical System**

Included: Main electrical panel, outlets and switches

Excluded: Solar components, wiring, damage due to power surges, auxiliary or sub-panels, inadequate capacity, low voltage systems

Maximum annual coverage: \$1,000

f. **Garage Door Opener**

Included: All, except specifically excluded below

Excluded: Garage doors, hinges, springs, sensors, chains, tracks, rollers, wiring, loss of remote devices, batteries, lights

g. **Garbage Disposal**

Included: All, except specifically excluded below

Excluded: Problems or jams caused by bones, glass or non-food objects

Maximum annual coverage: \$1,000

h. **Kitchen Refrigerator**

Included: All for the refrigerator that is located in the kitchen, except specifically excluded

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

Maximum annual coverage: \$1,000

i. **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: \$1,000

j. **Oven/Range/Cooktop**

Included: All, 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: \$1,000

k. **Plumbing & Drains**

Included: Within the perimeter of the main foundation of the home: drains, leaks to water lines, leaks to sewer lines, assemblies within toilet tank, valves to shower, interior hose bibs, risers, clearing of stoppages

Excluded: Sinks, bathtubs, fixtures, exterior hose bibs, filters, ejector pumps, shower pans or enclosures, tub enclosures, toilet bowl or tank, caulking or grouting, root damage, loss due to chemical or mineral deposits, water softeners, whirlpool tub pumps, anything outside of the perimeter of the main foundation

Maximum annual coverage: \$1,500 overall, including \$500 for access to concealed plumbing and restoration thereof

I. Roof Leaks

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

Excluded: Skylights, acts of God, improper installations

Maximum annual coverage: \$500

m. Sump Pump

Included: Mechanical parts and components that are permanently installed

Excluded: Backup power assemblies and portable units

n. Water Heater

Included: All, except specifically excluded below

Excluded: Oil hot water tanks, losses from chemical or mineral deposits, insufficient capacity

Maximum annual coverage: \$700

5. **Upgrades.** You may purchase the Homeowner's 1st Choice Upgrade Package, which (if purchased) entitles you to the additional coverage set forth in detail in the Homeowner's 1st Choice Upgrade Package addendum.

6. **Add-On Coverage.** You may purchase any of the following add-on coverages, the details of each of which are set forth in each applicable Add-On addendum.

- a. Additional Refrigerator
- b. Stand Alone Freezer
- c. Jetted Bathtub
- d. Pool & Spa
- e. Additional Pool or Spa
- f. Water Softener
- g. Well Water Pump
- h. Septic System
- i. Stand Alone Ice Maker
- j. Ductless Mini-Split System

7. **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, 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.

8. **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.

9. **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.

10. **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.

11. **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.

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.

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 Upgrades and 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.**

- a. 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.
- b. **State of Georgia.** The Company's obligations under this Contract for a Property located in the State of Georgia are insured by a Surety Bond issued by Philadelphia Indemnity Insurance Company, 4050 Crums Mill Road, Suite 201, Harrisburg, PA 17112. If a claim or refund for a Property is not paid within 60 days after a proof of loss has been filed, you shall be entitled to file a direct claim against the surety at the above address.

The Company may only cancel this Contract for fraud, material misrepresentation, or nonpayment. For cancellations by the Company, the Company will issue a pro-rata refund of the paid Contract fee for the unexpired term without any further deductions. For all other cancellations, the Company will issue a pro-rata refund of the paid Contract fee for the unexpired term less 10% of the refund amount due without any further deductions. Should the Company cancel this Contract, it will provide at least thirty (30) days written notice.

Arbitrations will be conducted in the county in which the Property is located. Arbitrations will be nonbinding.

- c. **State of Texas.**

This contract is issued by a Residential Service Company licensed by the Texas Real Estate Commission. Complaints about this contract or company may be directed to the Texas Real Estate Commission at P.O. Box 12188, Austin, TX 78711-2188, (512)936-3049. The purchase of a residential service contract or home warranty contract is optional and

similar coverage may be purchased from other residential service companies or insurance companies authorized to conduct business in Texas.

NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.

Under normal circumstances, the company will initiate the performance of services within 48 hours after the contract holder requests the services.

d. Commonwealth of Virginia.

If any promise made in the contract has been denied or has not been honored within 60 days after your request, you may contact the Virginia Department of Agriculture and Consumer Services, Office of Charitable and Regulatory Programs at <http://www.vdacs.virginia.gov/food-extended-service-contractproviders.shtml> to file a complaint.