

# Achosa Home Warranty, LLC

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

## Standard Real Estate Buyer Lite Terms and Conditions

PLEASE CAREFULLY READ THESE STANDARD REAL ESTATE BUYER'S 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 "Real Estate Buyer" 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 purchasers of real estate who elect a Plan 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 \$1,000 for covered Equipment in this Contract.**

- b. Subject to purchase of Contracts for multiple-unit properties in accordance with Section 5(e) and Section 9, 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.
- 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 when the Order is confirmed in our system and continues for the term described in the Invoice (the "**Coverage Period**"). Upgrades to this Plan will not change the starting date of the Coverage Period. The new Coverage Period end date will be described in the upgrade Invoice. Payment of the fees required for coverage under this Contract as specified in the Invoice are due and payable on the Property purchase closing date. If payment is not received within fourteen (14) days after such closing 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.
- e. You will be required to pay the lesser of the applicable service fee (\$150) 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. The Company may require additional documentation to confirm compliance with these terms and conditions in the event coverage is requested for unknown defects.

e. **Dishwasher**

Included: All, except specifically excluded below

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

**Maximum annual coverage: \$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: \$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: \$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**

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 and crane costs for replacements

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: \$1,000**

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: \$1,000**

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**

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: \$500**

l. **Plumbing & Drains**

Included: Within the interior of the main foundation of the home: 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, anything outside of the perimeter of the main foundation

**Maximum annual coverage: \$500**

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: \$500 Washer & \$500 Dryer**

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: \$500**

5. **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.

6. **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 in which 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.

7. **Cancellation.** If this Contract is cancelled, you shall be entitled to a pro rata refund of the paid Contract fee for the unexpired term, less an administrative fee equal to the lesser of 10% of the contract price or \$50 and less all service (claims) costs incurred by the Company. Cancellations within 30 days of contract initiation are not subject to the proration or administrative fee.

8. **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.

9. **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.

10. **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](http://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.

11. **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. **Alabama.** Obligations of the Company under this service contract are backed by the full faith and credit of the Company.

The Company may cancel this contract for any business reason. The Company shall mail a written notice you at least five days prior to cancellation by the Company. Such prior notice is not required if the reason for cancellation is nonpayment of the fee or a material misrepresentation by you to the Company relating to the covered property or its use.

If this Contract is cancelled, you shall be entitled to a pro rata refund of the paid Contract fee for the unexpired term, less an administrative fee equal to \$25 and less all service (claims) costs incurred by the Company. Cancellations within 30 days of contract initiation are not subject to the proration or administrative fee.

- b. **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. Iowa. 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.

The issuer of this Contract is subject to regulation by the Insurance Division of the Department of Commerce of the State of Iowa. Complaints that are not settled by the issuer may be sent to the Insurance Division. The address for the Iowa Insurance Division is 1963 Bell Avenue, Suite 100, Des Moines, IA 50315-1000.

A ten percent penalty shall be added each month to a refund that is not paid to you within thirty days of cancellation.

The Company may cancel this contract for any business reason. If the Company cancels the Contract, the Company shall mail a written notice of termination to you at least 15 days before the date of the termination. Prior notice of cancellation by the service company is not required if the reason for cancellation is nonpayment of the purchase price, a material misrepresentation by you to the Company, or a substantial breach of duties by you relating to the covered product or its use.

- d. Kentucky. The Company has a performance bond with the Great American Insurance Company, 301 E. 4<sup>th</sup> Street, Cincinnati, Ohio 45202. You are entitled to make a direct claim against the insurer upon the failure of the Company to pay any claim within 60 days after the claim has been filed with the Company.
- e. Michigan. If performance of the service contract is interrupted because of a strike or work stoppage at the company's place of business, the effective period of the service contract shall be extended for the period of the strike or work stoppage.
- f. 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.

The Company will notify you with the option to renew your service prior to the end of your Coverage Period.

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.

If this Contract is cancelled, you shall be entitled to a pro rata refund of the paid Contract fee for the unexpired term, less a cancellation fee equal to the lesser of 10% of the contract price or \$25 and less all service (claims) costs incurred by the Company. Cancellations within 30 days of contract initiation are not subject to the proration or cancellation fee.

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.

- g. Oklahoma. Obligations of the Company under this service contract are backed by the full faith and credit of the Company.

In the event of a claim outside normal business hours, call our customer service department at (888) 509-2916. The customer service department is available 24 hours a day 7 days a week.

While arbitration is mandatory, the outcome of any arbitration shall be non-binding on the parties, and either party shall, following arbitration, have the right to reject the arbitration award and bring suit in a district court of Oklahoma.

- h. South Carolina. This service contract is not an insurance contract. Obligations of the Company under this service contract are backed by the full faith and credit of the Company. A ten percent penalty per month shall be added to a refund that is not paid or credited within forty-five days after return of the service contract to the provider. In the event of a dispute, you may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main Street, Ste. 1000, Columbia, SC 29201 or (800) 768-3467.

- i. Texas. This contract is issued by a Residential Service Company licensed by the Texas Department of Licensing and Regulation. Complaints about this contract or company may be directed to the Texas Department of Licensing and Regulation at 920 Colorado St, Austin, TX 78701, (512) 463-6599. 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.