

# 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 an Advantage, Advantage Plus, or 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 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, range hoods  
**Maximum annual coverage: \$500**

##### b. **Central Air Conditioning**

Included: Ducted electric central air conditioning units  
Excluded: Window units, ductwork, non-ducted wall units, humidifiers, chillers, outside or underground piping, zone controls, dampers  
**Maximum annual coverage:**  
**Advantage = \$2,000**  
**Advantage Plus = \$2,500**  
**Advantage Pro = \$3,000**

##### 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, 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:**  
**Advantage = \$2,000**  
**Advantage Plus = \$2,500**  
**Advantage Pro = \$3,000**

##### 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**

##### e. **Dishwasher**

Included: All, except specifically excluded below  
Excluded: Racks, baskets, rollers, springs, removable trays, interior lining, lock assemblies  
**Maximum annual coverage: \$1,000**

##### f. **Electrical System**

Included: Main electrical panel, outlets, switches, wiring, subpanels, and door bells  
Excluded: Solar components, damage due to power surges, inadequate capacity, low voltage systems  
**Maximum annual coverage: \$1,000**

##### g. **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  
**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  
**Maximum annual coverage: \$1,000**

##### 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: \$1,000**

**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: \$1,000**

**l. 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, 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: \$1,500 overall, including \$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, 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 tanks, losses from chemical or mineral deposits, insufficient capacity

**Maximum annual coverage:**

**Advantage = \$500**

**Advantage Plus = \$1,000**

**Advantage 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. Non-Owner-Occupied Property**

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

**g. 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**

**h. 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**

**i. 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**

**j. 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**

**k. 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**

**l. 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**

**m. 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**

**n. 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, 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](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.

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. 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.

The processing fee for cancellations is the lesser of \$25 or 10% of the contract purchase price. 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. Oklahoma. Obligations of the Company under this service contract are backed by the full faith and credit of the Company.

- g. 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.
  
- h. 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.