



TERMS OF SERVICE AGREEMENT ARMOR HOME WARRANTY

Armor Home Warranty

P.O. Box 970151

Waipahu, HI 96797

Armor Home Warranty Terms and Conditions

TERMS OF SERVICE AGREEMENT

Armor Home Warranty

This Residential Services Contract, (“Agreement”), is marketed, administered and issued by the Armor Home Warranty (“AHW”). Throughout this Agreement, the words you and your refer to the Contract Holder shown on the Coverage Summary Page. The words AHW and our refer to the Armor Home Warranty Corp. This is a Residential Services Contract, not an insurance policy. During the coverage period, AHW will arrange for an AHW Authorized Service Contractor (“Service Contractor”) to repair or replace the systems and appliances stated as covered on your Contract Coverage Summary Page in accordance with the terms and conditions of this contract. This Agreement is intended to provide protection against the cost of repairing certain types of mechanical breakdowns of specific items in your home. Various provisions in this Agreement restrict coverage –

please read the Agreement carefully to determine your rights, duties, and what is and is not covered.

A. COVERAGE

During the coverage period, our sole responsibility will be to arrange for a qualified service contractor (“Service Provider”) to repair or replace, at Our expense (up to the limits set forth below), the systems and components mentioned as “Included” in accordance with the terms and conditions of this contract so long as such systems and components:

1. Are located inside the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior pool/spa, well pump, septic tank pumping and air conditioner);and

2. Become inoperative due to normal wear and tear; and

3. Are in place and in proper working order on the effective date of this home warranty contract. This contract does not cover any known or unknown pre-existing conditions. It is understood that WE ARE NOT A SERVICE PROVIDER and are not Ourselves repairing or replacing any such systems or components. This contract covers single-family homes (including manufactured homes), new construction homes, condominiums, townhomes, and mobile homes under 5,000 square feet, unless an alternative dwelling type (i.e. above 5,000 square feet or multi-unit home) is applied, and appropriate fee is paid. Coverage is for occupied, owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing/care homes. This contract describes the basic coverage and options available. Coverage is subject to limitations and conditions specified in this contract. Please read Your contract carefully. NOTE: This is not

a contract of insurance, residential service, warranty, extended warranty, or implied warranty.

B. COVERAGE PERIOD

1. Coverage starts 30 days after acceptance of application by Us and receipt of applicable contract fee and continues for 365 days from that date. Your coverage may begin before 30 days if we receive proof of prior coverage, showing no lapse of coverage, through another carrier within 15 days of the order date.

2. Your contract term (the dates that Your contract is in effect), Your contract fee, Your Service Fee, and Your equipment, systems, and appliances covered under this contract, are set forth in Your Coverage Details. Your contract fee is due and payable as Your Coverage Details specify, and Your Service Fee is due and payable upon a request for service as described in Section C (4) below. Additional costs may apply in accordance with other sections of this contract.

C. SERVICE CALLS – TO REQUEST SERVICE: 1-855-690-2022

1. You or Your agent (including tenant) must notify Us for work to be performed under this contract as soon as the problem is discovered. We will accept service calls 24 hours a day, 7 days a week, 365 days a year at 1-855-690-2022. Notice of any malfunction must be given to Us prior to expiration of this contract.

2. Upon request for service, We will contact an authorized Service Provider within two (2) days during normal business hours and four (4) days on weekends and holidays. The authorized Service Provider will contact You to schedule a mutually convenient appointment during normal business hours. We will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If You should request Us to perform non-

emergency service outside of normal business hours, You will be responsible for payment of additional fees and/or overtime charges.

3. We have the sole and absolute right to select the Service Provider to perform the service; and We will not reimburse for services performed without prior approval.

4. You will pay up to a trade service call fee (“Service Fee”), as specified in Your Coverage Details. The Service Fee is for each visit by Our approved Service Provider, except as noted in Section C (5), and is payable to Our approved Service Provider at the time of each visit. The Service Fee applies to each call dispatched and scheduled, including but not limited to those calls wherein coverage is included, excluded, or denied. The Service Fee also applies in the event You fail to be present at a scheduled time, or in the event You cancel a service call at the time a Service Provider is in route to Your home or at Your home. Failure to pay the Service Fee will result in suspension or cancellation of coverage until such time as the proper Service Fee is paid. At that time, coverage may be reinstated; however, the contract term will not be extended.

5. If service work performed under this contract should fail, then We will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

D. COVERAGE (COVERAGE DEPENDENT ON PLAN)

The Coverage is for no more than one unit, system, or appliance, unless additional fees are paid. If no additional fees are paid, covered unit, system, or appliance is at Our sole discretion; certain limitations of liability apply to Covered systems and appliances.

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unit, system, or appliance is at Our sole discretion; certain limitations of liability apply to Covered systems and appliances.

1. CLOTHES DRYER

INCLUDED: All components and parts, except:

EXCLUDED: Noise – Venting – Lint screens – Knobs dials and switches – Doors – Door seals – Hinges – Glass – Leveling and balancing – Damage to clothing.

2. CLOTHES WASHER

INCLUDED: All components and parts, except:

EXCLUDED: Noise – Plastic mini-tubs – Soap dispensers – Filter screens – Knobs, dials and switches – Door seals – Hinges – Glass – Leveling and balancing -Damage to clothing.

3. KITCHEN REFRIGERATOR

NOTE: Must be located in the kitchen.

INCLUDED: All components and parts, including integral freezer unit, except:

EXCLUDED: Racks – Shelves – Lighting and handles – Freon – Ice makers, ice crushers, beverage dispensers and their respective equipment – Water lines and valve to ice maker – Line restrictions – Leaks of any kind – Interior thermal shells – Freezers which are not an integral part of the refrigerator – Wine coolers or mini refrigerators –

Food spoilage – Doors – Door seals and gaskets – Hinges – Glass – Audio/Visual equipment and internet connection components.

4. AIR CONDITIONING/COOLER

NOTE: Not exceeding 5 (five) ton capacity and designed for residential use.

INCLUDED: Ducted electric central air conditioning, ducted electric wall air conditioning. All components and parts, for units below 13 SEER and when We are unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: Gas air conditioning systems – Condenser casings – Registers and Grills – Filters – Electronic air cleaners – Window units – Non-ducted wall units – Water towers – Humidifiers – Improperly sized units – Chillers – All exterior condensing, cooling and pump pads – Roof mounts, jacks, stands or supports – Condensate pumps – Commercial grade equipment – Cost for crane rentals – Air conditioning with mismatched condensing unit and evaporative coil per manufacturer specifications – Improper use of metering devices – Thermal expansion valves – Refrigerant conversion – Leak detections – Water leaks – Drain line stoppages – Maintenance – Noise. No more than two systems covered unless purchased separately at time of enrollment. We are not responsible for the costs associated with matching dimensions, brand or color made. We will not pay for any modifications necessitated by the repair of existing equipment or the installation of new equipment.

5. HEATING SYSTEM OR BUILT-IN WALL UNIT

NOTE: Main source of heat to home not to exceed 5 (five) ton capacity and designed for residential use.

INCLUDED: All components and parts necessary for the operation of the heating system. For units below 13 SEER and when We are unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps. Access – Radiators or valves – Baseboard casings – Radiant heating – Dampers – Valves – Fuel storage tanks- Portable units – Solar heating systems – Fireplaces and key valves – Filters – Line dryers and filters – Oil filters, nozzles, or strainers – Registers – Backflow preventers – Evaporator coil pan – Primary or secondary drain pans – Grills -Clocks – Timers – Add-ons for zoned systems – Heat lamps – Humidifiers – Flues and vents – Improperly sized heating systems – Mismatched systems – Chimneys – Pellet stoves – Cable heat (in ceiling) – Wood stoves (even if only source of heating) – Calcium build-up – Maintenance. NOTE: We will pay no more than \$800 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water, or steam circulating heating systems.

6. WATER HEATER (Gas and/or Electric)

INCLUDED: All components and parts, including circulating pumps, except:

EXCLUDED: Access – Insulation blankets – Pressure reducing valve – Sediment build-up – Rust and corrosion – Main, Holding or storage

tanks – Vents and flues – Thermal expansion tanks – Low boy and/or Squat water heaters – Solar water heaters – Solar components – Fuel, holding or storage tanks – Noise – Energy management systems – Commercial grade equipment and units exceeding 75 gallons – Drain pans and drain lines – Tankless water heaters.

7. ELECTRICAL SYSTEM

INCLUDED: All components and parts, including built-in bathroom exhaust fans, except:

EXCLUDED: Fixtures – Carbon monoxide alarms, smoke detectors, detectors or related systems – Intercoms and doorbell systems associated with intercoms – Inadequate wiring capacity – Solar power systems and panels – Solar Components – Energy Management Systems – Direct current (D.C.) wiring or components – Attic exhaust fans – Commercial grade equipment – Auxiliary or sub-panels – Broken and/or severed wires – Rerunning of new wiring for broken wires – Wire tracing – Garage door openers – Central vacuum systems – Damages due to power failure or surge – Circuit Overload. We will pay no more than \$500 per contract term for access, diagnosis and repair and/or replacement.

8. PLUMBING SYSTEM/STOPPAGE

INCLUDED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots – Toilet tanks, bowls and mechanisms (replaced with builder's grade as necessary), toilet wax ring seals – Valves for shower, tub, and diverter angle stops, rinses and gate valves – Permanently installed interior sump pumps – Stoppages/Clogs in drain and sewer lines up to 50 feet from access point. Mainline stoppages are only covered if there is an accessible ground level clean out, except:

EXCLUDED: Stoppages and clogs in drain and sewer lines that cannot be cleared by cable or due to roots, collapsed, broken, or damaged lines outside the confines of the main foundation (even if within 50 feet of access point) – Access to drain or sewer lines from vent or removal of water closets – Cost to locate, access or install ground level clean out – Slab leaks – Polybutylene or Quest piping – Galvanized drain lines – Hose Bibs – Drum traps – Flange- Collapse of or damage to water, drain, gas, waste or vent lines caused by freezing, settlement and/or roots – Faucets, fixtures, cartridges, shower heads & shower arms – Baskets and strainers – Pop-up assemblies – Bathtubs and showers – Cracked porcelain – Glass – Shower enclosures and base pans – Roman tubs – Bath tub drain mechanisms – Sinks – Toilet lids and seats – Cabling or grouting – Built-in bathtub whirlpool motor and pump assemblies Whirlpool jets – Whirlpool control panel – Septic tanks – Sewage ejector pumps – Water softeners – Pressure regulators – Inadequate or excessive water pressure – Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits – Holding or storage tanks – Saunas and/or steam rooms. NOTE: We will provide access to plumbing systems through unobstructed walls, ceilings or floors, only, and will return the access opening to rough finish condition. We will pay no more than \$500 per contract term for access, diagnosis and repair and/or replacement. Our authorized Service Provider will close the access opening and return it to rough finish condition, subject to the \$500 limit indicated. We shall not be responsible for payment of the cost to remove and replace any built-in appliances, cabinets, floor coverings or other obstructions impeding access to walls, ceilings, and/or floors.

9. BUILT-IN MICROWAVE

INCLUDED: All components and parts, except:

EXCLUDED: Doors – Hinges – Handles – Doors – Door glass – Lights – Interior linings – Trays – Clocks – Shelves – Portable or counter top units – Arcing – Meat probe assemblies – Rotisseries.

10. OVEN/RANGE/STOVE/COOKTOP (Gas or Electric; Built-in, Portable or Free Standing).

INCLUDED: All components and parts, except:

EXCLUDED: Clocks (unless they affect the cooking function of the unit) – Meat probe assemblies – Rotisseries – Racks – Handles – Knobs – Door seals – Doors – Hinges – Lighting and handles – Glass – Sensi-heat burners will only be replaced with standard burners.

11. DISHWASHER

INCLUDED: All components and parts, except:

EXCLUDED: Racks – Baskets – Rollers – Hinges – Handles – Doors – Door gaskets – Damage caused by broken glass – Cleaning.

12. GARBAGE DISPOSAL

INCLUDED: All components and parts, including entire unit, except:

EXCLUDED: Problems and/or jams caused by bones, glass, or foreign objects other than food.

13. CEILING AND EXHAUST FANS

INCLUDED: Motors – Switches – Controls – Bearings, except:

EXCLUDED: Fans – Blades – Belts – Shutters – Filters – Lighting.
Note: Builder's standard is used when replacement is necessary.

14. DUCTWORK

INCLUDED: Duct from heating unit to point of attachment at registers or grills, except:

EXCLUDED: Registers and grills – Insulation – Asbestos-insulated ductwork – Vents, flues and breaching – Ductwork exposed to outside elements – Improperly sized ductwork – Separation due to settlement and/or lack of support – Damper motors – Diagnostic testing of, or locating leaks to ductwork, including but not limited to, as required by any federal, state or local law, ordinance or regulation, or when required due to the installation or replacement of system equipment. We will provide access to ductwork through unobstructed walls, ceilings or floors, only, and will return the access opening to rough finish condition. With respect to concrete covered, embedded, encased, or otherwise inaccessible ductwork, We will pay no more than \$500 per contract term for access, diagnosis and repair or replacement. Our authorized Service Provider will close the access opening and return to a rough finish condition, subject to the \$500 limit indicated. We shall not be responsible for payment of the cost to remove and replace any built-in appliances, cabinets, floor coverings or other obstructions impeding access to walls, ceilings, and/or floors.

15. GARAGE DOOR OPENER

INCLUDED: All components and parts, except:

EXCLUDED: Garage doors – Hinges – Springs – Sensors – Chains – Travelers – Tracks – Rollers – Remote receiving and/or transmitting devices.

16. GREEN / ENERGY EFFICIENT

INCLUDED: If a covered system or appliance (limited to Clothes Washer, Clothes Dryer, Refrigerator, Dishwasher, Heating System, and Water Heater) breaks down per Section I above and subject to all other contract inclusions, exclusions and limitations, and it cannot be repaired, We will replace the appliance with an ENERGY STAR qualified product (subject to availability, exclusions and limitations), one with similar and like features as existing appliance, except:

EXCLUDED: All other contract limitations of liability and exclusions apply.

E. OPTIONAL COVERAGE (Requires Additional Payment)

NOTE: You may purchase any Optional Coverage for up to 30 days after commencement of Coverage. However, Coverage shall not commence until receipt of payment by Us and such Coverage shall expire upon expiration of Coverage period in Section II.

1. POOL AND/OR SPA EQUIPMENT

EXCLUDED: Both pool and built-in spa equipment (exterior hot tub and whirlpool) are NOT covered. Heater – Pump – Motor – Filter – Filter timer – Gaskets – Blower – Timer – Valves, limited to back flush, actuator, check, and 2 and 3-way valves – Relays and switches – Pool sweep motor and pump –

Additional EXCLUSIONS: Portable or above ground pools/spas – Control panels and electronic boards – Lights – Liners – Maintenance – Structural defects – Solar equipment – Jets – Ornamental fountains, waterfalls and their pumping systems – Pool cover and related equipment – Fill line and fill valve – Built-in or detachable

cleaning equipment such as, but not limited to, pool sweeps, pop up heads – Turbo valves, skimmers, chlorinators, and ionizers – Fuel storage tanks – Disposable filtration mediums – Cracked or corroded casings – Grids – Cartridges – Heat pump – Salt water systems.

2. SEPTIC TANK PUMPING

INCLUDED: Main line stoppages/clogs (one time only, and must have existing access or clean out). If a stoppage is due to a septic tank back up, then We will pump the septic tank one time during the contract term. Coverage can only become effective if a septic certification was completed within 90 days prior to close of sale. We reserve the right to request a copy of the certification prior to service dispatch.

EXCLUDED: The cost of gaining or finding access to the septic tank and the cost of sewer hook ups – Disposal of waste – Chemical treatments – Tanks – Leach lines – Cess pools – Mechanical pumps/systems. Limited to a total of \$200 maximum per year.

3. WELL PUMP

INCLUDED: All components and parts of well pump utilized for main dwelling only, except:

EXCLUDED: Holding or storage tanks – Digging – Locating pump – Pump retrieval – Redrilling of wells – Well casings – Pressure tanks – Pressure switches and gauges – Check valve – Relief valve – Drop pipe – Piping or electrical lines leading to or connecting pressure tank and main dwelling including wiring from control box to the pump – Booster pumps – Well pump and well pump components for geothermal and/or water source heat pumps. We will pay no more than \$500 per contract term for access, diagnosis and repair and/or replacement.

4. SUMP PUMP

INCLUDED: Permanently installed sump pump for ground water, within the foundation of the home or attached garage, except:

EXCLUDED: Sewerage ejector pumps – Portable pumps – Back flow preventers – Check valves – Piping modifications for new installs.

5. CENTRAL VACUUM

INCLUDED: All mechanical system components and parts, except:

EXCLUDED: Ductwork – Hoses – Blockages – Accessories.

6. LIMITED ROOF LEAK (Single Family Homes Only)

INCLUDED: Repair of shake, shingle, and composition roof leaks over the occupied living area.

EXCLUDED: Porches – Patios – Cracked and/or missing material – Foam roofs – Tar and gravel or metal roof – Cement wood shakes – Masonite shingles – Flat or built-up roof – Structural leaks adjacent to or caused by appendages of any kind – Downspouts Flashing – Gutters – Skylights – Decks – Patio covers – Solar equipment – Roof jacks – Antenna – Satellite components – Chimneys – Partial roof replacement – Preventative maintenance.

NOTE: If roof must be partially or completely replaced to effect repair, this coverage does not apply.

7. STAND ALONE FREEZER

INCLUDED: All parts and components that affect the operation of the unit, except:

EXCLUDED: Ice-makers, crushers, dispensers and related equipment – Internal shell – Racks – Shelves – Glass displays – Lights – Knobs and caps – Dials – Doors – Door seals and gaskets – Door hinges – Door handles – Glass – Condensation pans – Clogged drains and clogged lines – Grates – Food spoilage – Freon – Disposal and recapture of Freon.

8. SECOND REFRIGERATOR

INCLUDED: All components and parts, including integral freezer unit, except:

EXCLUDED: Racks – Shelves – Lighting and handles – Freon – Ice makers, ice crushers, beverage dispensers and their respective equipment – Water lines and valve to ice maker – Line restrictions – Leaks of any kind – Interior thermal shells – Freezers which are not an integral part of the refrigerator – Food spoilage – Doors – Door seals and gaskets – Hinges – Glass – Audio/Visual equipment and internet connection components.

9. SEPTIC SYSTEM

INCLUDED: Sewage ejector pump – Jet pump – Aerobic pump – Septic tank and line from house.

EXCLUDED: Leach lines – Field lines – Lateral lines – Tile fields and leach beds – Insufficient capacity – Clean out – Pumping. We will pay no more than \$500 per contract term for access, diagnosis and repair and/or replacement.

F. TERMS OF COVERAGE

1. When repair or replacement services covered by this Agreement are required, you must contact AHW's customer service representatives either by making a claim online 24 hours a day at www.armorhomewarranty.com or by calling AHW at 1-855-690-2022. AHW's customer service representatives are available 9am to 5pm EST, closed on weekends and holidays. You must notify AHW immediately upon the discovery of a mechanical failure and while the contract is in effect. All repair and/or replacement work covered by this Agreement must be performed by an authorized contractor and approved by AHW in advance. Any and all unauthorized work, or work done without prior approval from AHW, will not be covered by this Agreement. Should the contract holder contract directly with others or do the work themselves, AHW will not be responsible for that cost. Any incurred cost or subsequent damage that may have occurred or have been caused by an unauthorized service contractor will be assumed by you.

2. AHW has sole authority to select authorized contractors. AHW will provide you with a referral to an authorized contractor. AHW will use best efforts to provide a referral to a service contractor within twelve (12) hours after the service request is received during normal business hours and within twenty-four to forty-eight (24 – 48) hours for requests received after normal business hours and on weekends or holidays. In situations where an authorized contractor is not available, AHW may authorize repairs done as "customer reimbursement". This means the contract holder will pay for the approved repairs and submit the invoice to AHW for reimbursement of the covered repair cost. AHW does not provide overtime service. Repairs are scheduled during normal business hours. Should you agree to pay overtime charges, the company will pay the repair costs applicable to normal business hours, but the overtime labor charges are the responsibility of the contract holder. Any and all claim repairs

must be authorized by an AHW claims agent prior to being made; only the amount authorized will be covered by AHW.

3. This Agreement includes a "Trade Service Call Fee" listed on your Contract Coverage Summary Page that you must pay per repair or replacement. A repair is defined as the necessary work performed to correct a single covered failure for the equipment and components listed as covered on the Contract Coverage Summary Page. A service call includes, without limitation, the action of inspecting, diagnosing, and performing service for the repair or replacement of a malfunctioning item. You will be responsible for and shall pay the authorized contractor directly or AHW for the service call and for actual work performed and/or items installed, up to the amount of the Trade Service Call Fee at the time of the visit(s), in a manner acceptable to the authorized contractor or AHW. Any amounts due for services performed or parts installed that are not covered under the terms, conditions, provisions, and limitations of this Agreement are also your responsibility and shall be paid directly to the service contractor or AHW by you. If it is determined by AHW agents that the failure is not covered under this agreement, you are responsible for the reimbursement to the service provider for any trip, diagnostic, repair, or replacement charges. This would include any amount in excess of the Trade Service Call Fee. AHW will provide no additional service if a prior Trade Service Call Fee is unpaid. If the Trade Service Call Fee is not paid and a repair or replacement has been performed, you will be liable for all charges including: parts, labor, diagnostics, drive time, arrival fees, court and legal fees, collection costs, etc. for the repair or replacement.

4. You agree to make premises available during normal business hours for the authorized contractor to affect needed repairs you requested. You agree to pay our authorized contractor any service charge and additional charges assessed by our authorized contractor resulting from your failure to provide access and/or for missed appointments. These charges maybe in excess of the Trade Service

Call Fee. AHW requires someone eighteen (18) years or older to provide access during normal business hours to affect repairs.

5. Water Heater (E.9): Water Heater leaks are subject to coverage only after thirty (30) days of continuous coverage.

6. AHW reserves the exclusive right to make the decision between providing pre-approved reimbursement of itemized costs, or payment back in lieu of repair, or replacement of the covered system or appliance. The decision to provide pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement is solely our decision. The amount of such payment shall be equal to the approved cost of repair or the estimated cost of replacement (less the Trade Service Call Fee). This amount will be established by AHW at our sole discretion, based on what AHW would have spent on the repair or replacement of the item in question (which may be less than retail or at actual cost) the age of covered items applies when determining depreciation value for cash disbursements. Acceptable proof of your actual itemized documentation supporting that the item in question has been repaired or purchased and replaced must be presented to AHW prior to receiving reimbursement. AHW is not liable to match specific features, dimensions, color or brand name. Once AHW provides reimbursement, coverage for that item will be fulfilled for the remainder of the Agreement term. In cases where parts are not readily available, AHW's obligation is limited to cash, in lieu of the repair or replacement, for the cost of the repair or the remainder of limits set in section E for each prospective System and Appliance, whichever is the lower amount. Please note all pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement are subject to the limitations set in section E for each prospective System and Appliance.

7. AHW is not responsible for payment of any costs in excess of the limitations set in section E for each prospective System and Appliance.

8. AHW reserves the right to replace a covered item rather than repair

it. The decision to replace rather than repair items is solely our decision. Should AHW choose to replace an item, the replacement will be the base model that meets all applicable federally-mandated minimal manufacturers' standards, will perform the same primary function, and will have a capacity comparable with the covered item, when available with domestically assembled units. With respect to appliances, AHW will make reasonable efforts to provide replacement items of similar mechanical capabilities and/or efficiency of the original unit, when available. AHW is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators. AHW is not liable to provide exact match in dye, lot, type or brand. In the event AHW replaces a stainless steel appliance, AHW will match the product with a comparable stainless steel appliance, if available. When replacing systems or appliances, AHW will not be responsible for the installation of the replacement item or the cost of the construction, modifications, carpentry or transitional work made necessary in order to accommodate the replacement, nor for any costs to upgrade or modify items for any reason. Once a covered system has been replaced, that portion of coverage has been fulfilled for the remainder of the Agreement term. Please note all replacements are subject to the limitations set in section E for each prospective System and Appliance.

9. AHW reserves the right and may require for homes that are sold within twelve months of purchase of an AHW residential services contract, a home inspection report prior to issuing service. For homes that are purchased through a "short sale" or "foreclosure" AHW reserves the right to require a home inspection report prior to issuing service.

10. AHW reserves the right to obtain, at our expense, a second opinion by an authorized service contractor prior to determining eligibility for coverage.

11. All replacements may either be new or factory refurbished and must carry a manufacturer's warranty in order to qualify as a replacement under the terms of this agreement.

G. LIMITATIONS OF LIABILITY

The following are not included during the contract term; (i) malfunction or improper operation due to rust or corrosion of all systems and appliances, (ii) collapsed ductwork, (iii) known or unknown pre-existing conditions.

2. We are not responsible for providing access to or closing access from any covered item which is concrete- encased or otherwise obstructed or inaccessible.

3. At times it is necessary to open walls or ceilings to make repairs. The Service Provider obtained by Us will close the opening, and return to a rough finish condition. We are not responsible for restoration of any wall coverings, floor coverings, plaster, cabinets, counter tops, tiling, paint, or the like.

4. We are not responsible for the repair of any cosmetic defects or performance of routine maintenance.

5. Electronic or computerized energy management or lighting and appliance management systems, solar systems and equipment are not included.

6. You may be charged an additional fee by the Service Provider to dispose of an old appliance, system or component, including, but not limited to the following items: condensing units, evaporator coils, compressors, capacitors, refrigerators, freezers, water heaters, and

any system or appliance which contains dangerous or hazardous materials.

7. We are not liable for service involving hazardous or toxic materials including but not limited to mold, lead paint, or asbestos, nor costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. We are not liable for any failure to obtain timely service due to conditions beyond Our control, including, but not limited to, labor difficulties or delays in obtaining parts or equipment.

8. We are not liable for repair of conditions caused by chemical or sedimentary build up, rust or corrosion, mildew, mold, misuse or abuse, failure to clean or maintain as specified by the equipment manufacturer, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightening, mud, earthquake, soil movement, soil settlement, settling of home, storms, accidents, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

9. We have the sole right to determine whether a covered system or appliance will be repaired or replaced. We are responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. We are not responsible for upgrades, components, parts, or equipment required due to the incompatibility of the existing equipment with the replacement system or appliance or component or part thereof or with new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. If parts are no longer available, We will offer a cash payment in the amount of the average cost between parts and labor of the covered repair. We reserve the right to locate parts at any time. For the first 30 days of the contract term, We are not liable for replacement of entire systems or appliances due to obsolete, discontinued or unavailability of one or more integral parts. However,

We will provide reimbursement for the costs of those parts determined by reasonable allowance for the fair value of like parts. We reserve the right to rebuild a part or component, or replace with a rebuilt part or component.

10. We are not liable for repairs related to costs of construction, carpentry or other incidental costs associated with alterations or modifications of appliances, components or installation of different equipment and/or systems. Except as required to maintain compatibility with equipment manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, We are not responsible for providing upgrades, components, parts or equipment required due to the incompatibility of the existing equipment with the replacement system, appliance or component/part, including but not limited to efficiency as mandated by federal, state or local governments.

11. We are not responsible for repairs related to inadequacy, lack of capacity, improper installation, mismatched systems, oversized systems, undersized systems, previous repair or design, manufacturer's defect, and any modification to the system or appliance.

12. We are not liable for normal or routine maintenance. We will not pay for repairs or failures that result from the Contract holder's failure to perform normal or routine maintenance. For example, You are responsible for providing routine maintenance and cleaning pursuant to manufacturers' specifications, such as periodic cleaning of heating and air conditioning systems, evaporator coils and condenser coils, as well as periodic filter replacement. In the event a claim is denied, and a customer seeks to have Us review that denial, We have the right to request routine maintenance records in reviewing its decision.

13. We are not liable for the repair or replacement of commercial grade equipment, systems or appliances. We shall pay no more than

\$800 in aggregate for a professional series or like appliances such as, but not limited to, brand names such as Sub Zero, Viking, Wolf, Bosch, Jenn-Air, GE Monogram, and Thermador, etc.

14. We reserve the right to obtain a second opinion at Our expense.

15. We are not responsible for any repair, replacement, installation, or modification of any covered system or appliance arising from a manufacturer's recall or defect of said covered items, nor any covered item while still under an existing manufacturer's, distributor's, or in-home warranty.

16. We reserve the right to offer cash back in lieu of repair or replacement in the amount of Our actual cost (which at times may be less than retail) to repair or replace any covered system, component or appliance.

17. We are not responsible for the repair or replacement of any system or appliance or component or part thereof that has been previously, or is subsequently, determined to be defective by the Consumer Product Safety Commission or the manufacturer and for which either has issued, or issues, a warning or recall, or which is otherwise necessitated due to failure caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect.

18. We will not pay for the repairs or replacement of any covered systems or appliances if they are inoperable as a result of known or unknown pre-existing conditions, deficiencies and/or defects.

19. You agree that We are not liable for the negligence or other conduct of the Service Provider, nor are We an insurer of Service Provider's performance. You also agree that We are not liable for consequential, incidental, indirect, secondary, or punitive damages.

You expressly waive the right to all such damages. Your sole remedy under this agreement is recovery of the cost of the required repair or replacement, whichever is less. You agree that, in no event, will Our liability exceed \$800 per contract item for access, diagnosis and repair or replacement.

H. MANDATORY ARBITRATION

Any claim, dispute, or controversy regarding any contract, tort, statute, or otherwise (“Claim”), arising out of or relating to this Agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association (“AAA”), under the AAA Commercial or Consumer, as applicable, Rules in effect at the time the Claim is filed (“AAA Rules”). Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator’s decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator’s award; any such suit may be brought only in Federal District Court for the District or, if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled “Class Action Waiver.”

H.1 CLASS ACTION WAIVER. Any Claim must be brought in the parties’ individual capacity, and not as a plaintiff or class member in

any purported class, collective, representative, multiple plaintiffs, or similar proceeding (“Class Action”). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION; HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

I. BUILDING AND ZONING CODE REQUIREMENTS OR VIOLATIONS

1. We will not contract for services to meet current building or zoning code requirements or to correct for code violations, nor will it contract for services when permits cannot be obtained. We will not pay for the cost to obtain permits.

2. Except as required to maintain compatibility with equipment manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, We are not responsible for upgrade or additional costs or expenses that may be required to meet current building or zoning code requirements or correct for code violations. This includes city, county, state, federal and utility regulations and upgrades required by law.

J. MULTIPLE UNITS AND INVESTMENT PROPERTIES

1. If the contract is for duplex, triplex, or fourplex dwelling, then every unit with in such dwelling must be covered by Our contract with

applicable optional coverage for coverage to apply to common systems and appliances.

2. If this contract is for a unit within a multiple unit of 5 or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are excluded.

3. Except as otherwise provided in this section, common systems and appliances are excluded.

K. TRANSFER OF CONTRACT & RENEWALS

1. If Your covered property is sold during the term of this contract You must notify Us of the change in ownership and submit the name of the new owner by phoning 1-855-690-2022 in order to transfer coverage to the new owner.

2. You may transfer this contract at any time. There is no fee to transfer contract.

3. This contract may be renewed at Our option and where permitted by state law. In that event You will be notified of the prevailing rate and terms for renewal.

4. If You select the monthly payment option and we elect to renew Your contract, We will notify You of applicable rate and terms of renewal during the tenth month of Your contract. You will automatically be renewed for a monthly coverage period unless You notify Us in writing 30 days prior to the expiration of the contract. Your first payment for the next contract term will be construed as authorization for month-to-month charges.

5. In the event there is any problem processing the monthly payment, the contract holder will be contacted & payment is due within 5 business days to avoid cancellation. Should there be any updates/changes to the terms and conditions of this Agreement, such updates/changes will be applicable to new and renewed contracts only, and not any existing contracts. If payment for this contract is received by AHW within 15 days after the expiration date of the prior month's contract, coverage starts the date the prior month's contract expires (Effective Date) and continues for 30 days from that date. If payment is received later than 30 days after the expiration date of prior month's contract, coverage starts at a date AHW will determine as new coverage start date (alternative Effective Date) and continues for 30 days from that date.

L. CANCELLATION

This is a service contract agreement for repair, replacement, or partial replacement of the systems and appliances listed in section E that are deemed manufactured or sold by the manufacturer and are stated as covered on your Contract Coverage Summary Page. This is not a contract of insurance.

2. | You may cancel this contract within the first thirty (30) days following the date you ordered the initial contract for any reason and shall be entitled to a refund of the paid contract fees less any service (claims) costs that were incurred by AHW and an administrative fee of up to \$45 (where permitted by law). If you request to cancel or refuse to renew the contract within one year of the effective date of the initial contract, you shall be subject to an administrative fee of up to \$45 (where permitted by law). If you request to cancel or refuse to renew the contract within one year of the effective date of the initial contract and AHW has provided services and the amount of the services incurred by AHW is greater than the fees you have paid at the time of cancellation, then you shall pay AHW the lesser of either (a) the amount by which the service costs exceed the fees you have paid, or (b) the amount by which twelve times your monthly fee exceeds the

fees you have paid. If you request to cancel or refuse to renew service more than one year after the effective date of the initial contract and AHW has provided services during that subsequent year and the amount of the services incurred by AHW during that subsequent year is greater than the fees you have paid during that subsequent year, then you shall pay AHW the lesser of either (a) the amount by which the service costs exceed the fees you have paid during that subsequent year, or (b) the amount by which twelve times your monthly fee exceeds the fees you have paid during that subsequent year. Each subsequent year shall be measured twelve (12) months from the anniversary of the effective date of the initial contract.

2. II This contract may be cancelled by AHW and/or AHW can refuse to renew the contract at any time for the following reasons: (a) nonpayment of contract fees or charges; (b) mutual agreement of AHW and you; or (c) fraud or misrepresentation by you and/or your representative of facts material to AHW's issuance of this contract. If you and/or your representative either threatens to harm or actually harms the safety or well-being of: (i) AHW; (ii) any employee of AHW; (iii) a Service Contractor; or (iv) any property of AHW or of the Service Contractor, you will be in breach of this contract, and AHW may refuse to provide service to you and may cancel this contract. Following the expiration of the initial term for which this contract is issued, AHW may cancel this contract if there is a change in laws or regulations that has a material effect on the business of AHW or AHW's ability to fulfill its obligations under this contract. If AHW cancels this contract for any of the reasons listed herein other than your nonpayment, you shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$45 (where permitted by law); and (b) any service (and claims) costs that were incurred by AHW.

2. III If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling 855-690-2022 to establish an alternate payment method. This Agreement will be deemed cancelled if the Contract Holder fails to initiate such payment arrangements within thirty (30) days.

3. This Agreement covers a single family residence (under 5,000 square feet), including a condominium, townhouse or villa, or a multi-family property of two (2) to four (4) units (duplex, triplex, or fourplex) used solely for residential purposes. An appropriate fee for each type of property must be paid for coverage to be valid. Any dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, group home (5 or more unrelated individuals cohabiting in same household), rest home, church or school will not be covered. Homes listed in any historical register are not covered. Whether or not this contract covers a condominium unit, mobile home, manufactured home, or any multifamily dwelling (e.g., duplex, triplex, or fourplex), any repairs and/or replacements will be limited to the items solely used by and located and serviceable within such single unit (unless specified otherwise). No common area items or items shared by non-warranted units will be covered by this Agreement. Single-family residences over 5,000 square feet require an additional square footage plan and fee.

4. Mobile homes are eligible for coverage, provided they are permanently secured to the ground and the land they are located on is owned by you. Mobile/manufactured homes that are located in a division operated similar to a condominium, where maintenance is provided, are also eligible for coverage.

M. MISCELLANEOUS

1. Obligations. Obligations of the provider under this service contract are backed by the full faith and credit of the provider.

2. Term. This is a subscription Agreement; it is effective for one month and shall renew automatically each month until you or AHW cancels the contract.

3. Assignment. In the event of assignment or transfer of title of the covered property, this Agreement may be assigned and/or transferred at our discretion, for a fee not to exceed \$55, except where specifically governed otherwise by state law.

4. Waiver. Should AHW waive or choose not to exercise any of our

contractual rights, such waiver will not constitute a future waiver of said rights.

5. Contract Issuance. AHW reserves the right to refuse the issuance of a contract prior to the contract effective date without reason, and issue a refund of paid contract fees.

6. Laws Governing This Contract. This contract is governed under the laws of the State of Hawaii.

7. Disclosure. The price of the Agreement includes the full amount of all fees due and payable as well as the costs of processing and administration for AHW, the Issuing Company, and its agents where allowable by law. Any applicable state or local sales taxes are in addition to the price of the Agreement.

8. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreement and understandings of the parties hereto, oral or written, with respect to the subject matter hereof. Except as provided herein, all other warranties, expressed or implied, are hereby disclaimed.

9. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

10. Titles and Subtitles. The titles of the paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.