

888-404-5051

www.SouthernHomeWarranty.com

1325 Barksdale Blvd., Suite 105, Bossier City, LA 71111

Southern Home Warranty and Maintenance, Inc.

Home Service Agreement

This Service Agreement (“Agreement”) is intended to provide quality protection against the high cost of home repair. It is intended to help reduce the Plan Holder’s out-of-pocket costs for covered services. Coverage is not all inclusive; there may be situations in which You will be responsible to pay additional costs for parts or services not covered by the Plan. In those situations, we will work with you to determine the best course of action to reasonably minimize your out-of-pocket costs.

The Basics of Our/Your Coverage:

Southern Home Warranty and Maintenance, Inc. will provide services for covered systems or appliances that malfunction, and are reported, during the term of the Plan that:

1. Are installed, for diagnosis, and located within the interior of the main foundation of the home and garage (inside the load-bearing walls of the structure). Systems or appliances located on the exterior or outside of the home (including porch, patio, etc.) are not covered with the exception of covered items specifically listed in Your Plan.
2. Were correctly installed and working properly on the effective date of the Plan, and
3. Have become inoperable due to normal wear and tear after the effective date of coverage. Pre-existing conditions are not covered.

Emergencies:

IF THE EMERGENCY IS LIFE-THREATENING, CALL 9-1-1 IMMEDIATELY!

In case of a MAINTENANCE EMERGENCY, we will make reasonable efforts to expedite service, including initiating our service effort within 24 hours. A maintenance emergency is defined as a service issue resulting in the following:

1. No electricity, gas, water or toilet facilities to the entire home;
2. A condition that immediately endangers health and safety;
3. A condition that interferes with healthcare support of the occupants of the home; and/or
4. A system malfunction that is causing ongoing damage to the home.

Other conditions may, at our discretion, be considered an emergency. If you request non-emergency service outside of normal business hours, you will be responsible for additional fees, including overtime. If you experience any difficulties during the service process, you can contact the Service Provider or us directly for assistance.

Definitions:

Throughout this Agreement, the words “We”, “Us” and “Our” refer to Southern Home Warranty and Maintenance, Inc., the Obligor of this Agreement.

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The words “You”, “Plan Holder”, and “Your” means the person contracting for Services covered by this Contract and whose name(s) appear on the Coverage Letter.

“Service Agreement”, “Plan”, “Agreement”, “Contract” – means this service Agreement between You and US including the Coverage Letter.

“Coverage Period Start Date” means the date listed on the Coverage Letter.

“Coverage Letter” means the letter attached to this Contract that includes Your specific coverage information.

“Coverage Period” means the duration of time identified on the Coverage Letter.

“Covered Property” means the address that is eligible for coverage and identified on the Coverage Letter. The Covered Property must be a single-family home, town home or condominium (including manufactured housing, which must be anchored to a permanent foundation and not moved during the duration of this Contract under 5,000 square feet, unless:

- a. An alternative dwelling type (i.e. 5,000 square feet or more, new construction or multiple units) is applied for.
- b. Such alternative dwelling type is approved by Us as a Covered Property and listed in the Coverage Letter.

“Covered Systems” and “Components” means (i) systems and components as specifically described herein as “included” and that are located inside the confines of the main foundation of the Covered Property, (ii) are in proper working order on the Coverage Period Start Date and (iii) become inoperative due to normal wear and tear. Components shall be considered in proper working order if no defect is known or would have been detectable by a visual inspection or mechanical test on the Coverage Period Start Date.

“Listing Coverage” means the Home Seller’s coverage as described herein.

“Service” or “Services” mean the diagnosis and performance of the work, including parts and labor to repair or replace any Covered System and Component that becomes inoperable due to mechanical failure caused by normal wear and tear in accordance with the provisions set forth in this Contract and the coverage plan You purchased, as specified in Your coverage letter.

“Service Fee” means an amount due by You for a Service visit by a Service Provider.

“SEER Standard” means current U.S. Department of Energy Seasonal Energy Efficiency Ratio (SEER) requirement for the state of the Covered Property.

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“Service Provider” means the service contractor dispatched by Us in Response to Your request for Service.

BASICS OF COVERAGE

During the coverage period, Our sole responsibility will be to arrange for a qualified service contractor to repair or replace, at Our expense (up to the limits as 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 WE ARE NOT UNDERTAKING TO REPAIR OR REPLACE 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 is applied for, and the 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 and are subject to the Plan purchased by You as specified in Your Coverage Letter. Please read your contract carefully. NOTE: This is not a contract of insurance, residential service, warranty, extended warranty, or implied warranty.

COVERAGE PERIOD

Coverage starts after acceptance of application by Us and receipt of applicable contract fees and continues for 365 days from that date. **THERE IS A THIRTY (30) DAY WAITING PERIOD ON ALL APPLIANCES BEGINNING ON PURCHASE DATE AND ENDING THIRTY (30) DAYS AFTER: (Clothes Washer; Clothes Dryer; Kitchen Refrigerator; Oven, Range, Stove, Cooktop; Dishwasher; Garbage Disposal; Kitchen Exhaust Fans; Built-In Microwave; Trash Compactor).**

SERVICE REQUESTS

1. You must notify Us for work to be performed under this contract AS SOON AS THE PROBLEM IS DISCOVERED. We accept service requests online 24 hours a day, 7 days a week, 365 days a year at service@southernhomewarranty.com or You may visit Our website at www.southernhomewarranty.com. You may also call 888-404-5051 during normal business hours, Monday through Friday, 8:30 a.m. to 4:30 p.m. Central Standard time, to request service by phone or text SERVICE to 318-230-7888, 24 hours a day, 7 days a week. 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
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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 Our prior approval.
4. You will pay a trade call fee ("Service Fee") per claim (amount dependent on Your plan). The Service Fee is for each visit by Our Approved Service Provider 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, the 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 contractor 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 period will not be extended. You are responsible for services invoiced where the scope or work performed exceeds this amount.
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.
6. We reserve the right to provide Cash In Lieu of repair or replacement in the amount of the actual cost. Payment will be provided based on our negotiated rates with our Service Provider and/or Supplier network, which may be less than retail. We are not responsible for work performed once you accept cash in lieu of service. To ensure continued coverage of the system or appliance for which we provide a cash in lieu settlement, either during the current or future term of coverage between you and us, you must provide proof of repair or replacement that meets our reasonable satisfaction. You may send proof to service@southernhomewarranty.com.

IMPORTANT COVERAGE INFORMATION: Your specific coverage is dependent on the plan purchased by You. Please refer to Your Letter of Coverage to determine which plan You have purchased.

LISTING COVERAGE

We will provide services for covered systems or appliances that malfunction, and are reported during the term of the Plan, while the covered property is listed for sale, with the agreement that You will purchase a Home Service Agreement for the prospective Home Buyer. Seller's coverage is effective from Our receipt of an application for Seller's coverage until either the expiration of 180 days, the execution of an act of sale, or the termination of the listing agreement. We may extend the coverage period at Our discretion. All Plan exclusions and limitations apply, including, pre-existing conditions. Known defects of covered items found at the time of home inspection

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are excluded from all coverages for the Seller and Prospective Home Buyer until proof of repair or replacement is received by Us at info@southernhomewarranty.com. You must purchase either a Standard, Complete, or Ultimate Plan in conjunction with an application for Seller's Coverage. Payment for the purchase of the Standard, Complete, or Ultimate Plan may be deferred, at Our discretion, to the date of sale or until a service call is made. Seller's Coverage requires a service call fee of \$100.00 due and payable at the time of service.

Covered Items include all items covered by the Standard Plan, except: Washer; Dryer; Kitchen Refrigerator; Kitchen Exhaust Fan; Air Conditioning/Cooler; Heating System/Primary Gas, Oil or Electric Heater; and Ductwork.

STANDARD COVERAGE

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

1. **CLOTHES WASHER/DRYER**- Includes all components and parts that affect the washing or drying operation of the unit, specifically, the pump, belts, pump, motor, tub timer, drum, thermostat, transmission, heating element, control board and touch pad. NOT COVERED: noise, venting, lint screens, knobs and dials, doors, door seals, hinges, glass, leveling and balancing, damage to clothing, plastic mini-tub, filter, soap dispenser, all-in-one-tub wash/dry unit.

NOTE: We will pay no more than \$650.00 per contract term for access, diagnosis and repair and/or replacement for a covered Clothes Washer or Clothes Dryer.

2. **KITCHEN REFRIGERATOR (MUST BE LOCATED IN THE KITCHEN)** - Includes all components that affect the cooling operation of the unit, specifically, the compressor, thermostat, condenser coil, evaporator and defrost system. NOTE: Repair and replacement of ice makers are covered for kitchen refrigerator only, providing parts are available. If parts are not available, our obligation is limited to cash in lieu of repair. NOT COVERED: racks, shelves, lighting and handles, Freon, 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 refrigerator, food spoilage, doors, door seals and gaskets, hinges, glass, circuit boards, electronic component parts, audio/visual equipment and Internet connection components.

NOTE: We will pay no more than \$750.00 per contract term for access, diagnosis and repair and/or replacement for a covered Kitchen Refrigerator.

3. **OVEN/RANGE/STOVE/COOKTOP** (gas or electric; built-in, portable or free standing) Includes all components and parts affect the heating/cleaning operation of the unit, specifically the heating element, thermostat, burner, control board, and touch pad. Timer and clock are covered if they affect the heating or cleaning of the unit only. NOT COVERED: timers, clocks (unless they affect the heating or cleaning function of the unit), meat probe assemblies, rotisseries, racks, handles, knobs, door seals, doors, hinges, lighting and handles, glass, sensi-heat burners, magnetic induction unit, refrigerator/oven

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combination unit, microwave/cook top drawer combination unit, portable or free-standing microwave.

NOTE: We will pay no more than \$750.00 per contract term for access, diagnosis and repair and/or replacement for a covered Oven, Range, Stove, or Cooktop.

4. **DISHWASHER-** Includes all Components and Parts that affect the cleaning operation of the unit, specifically the pump, motor, tub, timer, fill valve, seal, door latch, air gap, control board and touch pad. NOT COVERED: racks, baskets, rollers, hinges, handles, doors, door gaskets, damage caused by broken glass, cleaning.

NOTE: We will pay no more than \$550.00 per contract term for access, diagnosis and repair and/or replacement for a covered Dishwasher.

5. **GARBAGE DISPOSAL-** Includes all Components and Parts that affect the operation of the Unit. NOT COVERED: problems and/or jams caused by bones, glass, or foreign objects other than food.

6. **KITCHEN EXHAUST FANS-** Includes all components that affect the exhaust operation for the unit, specifically the motor, selector switch, and fan. NOT COVERED: blades, belts, shutters, filters, lighting. NOTE: Builders standard is used when replacement is necessary. NOTE: We will pay no more than \$250.00 per contract term for access, diagnosis and repair and/or replacement for covered kitchen exhaust fans.

7. **BUILT-IN MICROWAVE-** Includes all Components and Parts that affect the operation of the unit. NOT COVERED: doors, hinges, handles, door glass, lights, interior lighting, trays, clocks, shelves, portable or countertop units, arcing, meat probe assemblies, rotisseries. NOTE: We will pay no more than \$250.00 per contract term for access, diagnosis and repair and/or replacement for covered built-in microwaves.

8. **TRASH COMPACTOR** – Includes all components and parts that affect the compacting operation of the unit, specifically, the motor, ram assembly switch and door latch. NOT COVERED: baskets; trash compactor buckets, dials; knobs; handles; door glass; lights.

9. **HEATING SYSTEM/PRIMARY GAS, OIL OR ELECTRIC HEATER (MAIN SOURCE OF HEAT TO HOME NOT TO EXCEED FIVE (5) TON CAPACITY AND DESIGNED FOR RESIDENTIAL USE)-** Includes all components and parts necessary for the operation of the heating system, specifically, built-in wall or floor heater, heat pump, thermostat, accessible heat pump refrigerant lines, leaks or stoppages in accessible condensate drain lines. If necessary, as part of a covered replacement, we will upgrade a heat pump system to federally mandated HSPF standards. For heat pumps and heat pump package units coverage under central air conditioner/cooler applies. 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. NOT COVERED: All components and parts relating to geothermal, water source heat pumps, well pump and well 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

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systems; chimneys; pellet stoves; cable heat (in ceiling); wood stoves (even if only source of heating); and calcium build-up; maintenance.

10. **AIR CONDITIONING/COOLER (NOT EXCEEDING FIVE (5) TON CAPACITY AND DESIGNED FOR RESIDENTIAL USE)**- Includes ducted electric central air conditioning, ducted electric wall air conditioning; all components and parts, for units below 13 SEER, specifically, the central air conditioner, wall or through the wall air conditioner and evaporator cooler (including primary drain pan), condenser (including compressor), evaporator coil/air handler, thermostat, accessible refrigerant lines, leaks or stoppages in accessible condensate drain lines, and metering device (e.g. evaporator coil position or thermal expansion valve). **NOTCOVERED:** 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 devices, thermal expansion valves, refrigerant conversion, leak detections, water leaks, drain line stoppages, maintenance, noise, portable units, zoning controls and respective equipment, cooler pads, secondary drain pan, mini-split ductless systems, use of cranes or other lifting equipment to repair or replace units/system components; chillers and respective equipment, failures caused as a direct result of previous sealant or alternative refrigerant use, inaccessible refrigerant lines, refrigerant recapture, reclaim and disposal. No more than one (1) system is covered unless additional coverage is 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.
11. **WATER HEATER** (Gas or Electric)- Includes all components and parts, including circulating pumps. **NOT COVERED:** access, insulation blankets, pressure reducing valve, sediment build-up, **malfunction due to 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 50 Gallons, drain pans and drain lines, tankless water heaters. **PLEASE NOTE: REPAIR/REPLACEMENT OF A WATER HEATER DUE TO A LEAK FROM A BURSTED TANK IS NOT COVERED UNDER THE STANDARD PLAN.**
12. **ELECTRICAL SYSTEM**- Includes light switches, electrical outlets, main electrical panel/sub panel, fuses and interior wiring. **NOT COVERED:** fixtures, carbon monoxide alarms, smoke detectors or related systems, intercom 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, damage due to power failure or surge, circuit overload, bulbs, ballasts, heat lamps, telephone, audio systems, video systems, computer systems, low voltage relay systems, light sockets, remote controls, vents.

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NOTE: We will pay no more than \$500.00 per contract term for access, diagnosis and repair and/or replacement of covered electrical systems.

13. **PLUMBING PIPE LEAKS/STOPPAGES/CLOGS-** Includes leaks and breaks of water, drain, gas, waste or vent lines (including Polybutylene), drain line stoppages which can be cleared with sewer cable through an accessible existing ground level cleanout (main line) or removal p- trap (branch line), water heater (including tankless, power vent, and direct vent units), built- in jetted bathtub motor, pump and air switch assemblies, instant hot/cold water dispenser, risers, angle stops and gage valves. NOT COVERED: Damage caused by freezing or roots, toilet tanks, bowls and flushing mechanisms (replaced with builder's grade as necessary); toilet wax rings and seals; valves for shower; tub; and diverter angle stops; drain stops; faucets; recirculation pump; stop & waste valves; rinses and gate valves; water pressure regulator; permanently installed Interior Sump Pumps; built-in bathtub whirlpool motor and pump assemblies; stoppages and clogs in drain and sewer lines up to 100 feet from access point; 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 100 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 taps; 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 and shower arms; baskets and strainers; popup assemblies; bathtubs and showers; cracked porcelain; glass; shower enclosures and base pans; roman tubs; bathtub drain and mechanisms; sinks; toilet lids and seats; cabling and grouting; whirlpool jets; whirlpool control panel; septic tanks; sewage injector 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. YOU are responsible for any work performed by the service provider to close the access opening and returning the opening to a finish that was prior to opening. 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. [We will pay no more than \$500.00 per contract term for access, diagnosis and repair and/or replacement for covered plumbing pipe leaks/stoppages/clogs.]
14. **DUCTWORK-** Includes Duct from heating unit to point of attachment at registers or grills, NOT COVERED: 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. 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 \$500.00 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

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condition, subject to the \$500.00 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-** Includes all components and parts that affect the opening and closing function of the opener unit, specifically motor, logic board, gear assembly, capacitor, rail assembly. NOT COVERED, garage doors, hinges, springs, mounting brackets, center stiles, sensors, travelers, tracks, rollers, remote receiving and/or transmitting devices.

COMPLETE COVERAGE

1. **SUMP PUMP-** Includes permanently installed sump pump for ground water, within the foundation of the home or attached garage, NOT COVERED: sewerage ejector pumps, portable pumps, backflow preventers, check valves, piping modifications for new install.
CENTRAL VACUUM- Includes all mechanical system components and parts, specifically, the Power Unit, its motor and electrical components, and dirt canister. NOT COVERED: attachments, removable components, ductwork, hoses, blockages, accessories. NOTE: We will pay no more than \$250.00 per contract term for access, diagnosis and repair and/or replacement of covered central vacuum systems.
2. **ENHANCED COVERAGE ON STANDARD AGREEMENT**
 - a. **PLUMBING:** Includes faucets, shower heads, and shower arms replaced with chrome builder's standard, as necessary, interior hose bibbs, toilet tanks, bowls, flushing mechanisms, and wax ring seals, toilet replacement up to \$500 per toilet, when necessary, including toilet seats and lids, in addition to standard coverage.
 - b. **HEATING SYSTEM:** Includes repair and/or replacement of disposable filters, costs related to refrigerant recapture, reclaim and disposal when required for diagnosis, repair or replacement of heat pumps; and up to \$250 per occurrence for the use of cranes to complete a heating repair/replacement.
 - c. **WATER HEATER:** Includes repair and/or replacement of expansion tanks.
 - d. **DISHWASHER:** Includes repair and/or replacement of baskets, rollers, racks, and runner guards.
 - e. **OVEN/MICROWAVE/RANGE/COOKTOP:** Includes repair and/or replacement of racks, handles, knobs, and interior lining.
 - f. **TRASH COMPACTOR:** Includes repair and/or replacement of lock and key assemblies, and buckets.
 - g. **SMOKE DETECTOR:** Includes repair and/or replacement of both battery operated and hardwired systems.
 - h. **GARAGE DOOR OPENER:** Includes repair and/or replacement of hinges, springs, remote transmitters, and keypads.
 - i. **AIR CONDITIONER:** Includes repair and/or replacement of disposable filters, condensate drain pumps, secondary drain pans, window units, and costs related to refrigerant recapture, reclaim and disposal when required for diagnosis, repair, and replacement; and up to \$250 per occurrence for the use of cranes to complete an A/C repair/replacement.

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3. **CODE UPGRADES:** We will pay up to \$250 per plan to correct code violations or upgrades.
4. **HAUL AWAY:** We will provide haul away for covered appliance, system or HVAC components when replacing that covered appliance, system or HVAC component.
5. **IMPROPER INSTALLATION:** We will correct an improper installation/repair/modification of a system or appliance in order to ensure system operation compatibility and functionality. Coverage does not apply if the cause of failure of the system or appliance is solely due to improper installation/repair/modification, or if the system is undersized relative to the square footage of the area being heated/cooled. All other terms and conditions of the Plan apply. If the improper installation/repair/modification is in violation of code requirements we are not responsible to correct code violations.
6. **PERMITS:** We will pay up to \$250 per occurrence for required permits.
7. **MISMATCHED SYSTEMS:** We will correct any mismatch condition in terms of capacity/efficiency in order to ensure system operation compatibility and functionality. Coverage does not apply if the cause of failure of the system or appliance is solely due to the mismatch condition, or if the system is undersized relative to the square footage of the area being heated/cooled. All other terms and conditions of the Plan apply. If the improper installation/repair/modification is in violation of code requirements we are not responsible to correct code violations.
8. **REFRIGERANT RECAPTURE, RECLAIM & DISPOSAL:** We will pay up to \$30 per pound per occurrence for refrigerant, recapture, reclaim, and disposal. Customer is responsible for payment of any costs in excess of \$30 per pound.

ULTIMATE COVERAGE

In addition to the Standard Coverage and Complete Coverage, we will provide the following:

1. **INCREASED PLUMBING COVERAGE:** Includes Tub Spouts (replaced with chrome builder's standard, as necessary), tub spout divert, and basket strainer.
2. **INCREASED WATER HEATER COVERAGE:** We will repair or replace a covered water heater that is leaking due to a tank that has bursted.
3. **INCREASE STOPPAGES COVERAGE:** We will pay up to \$250 per Plan to clear stoppages due to roots or toward removal of toilets or other access to clear a stoppage, including cost to install a ground level cleanout. NOT COVERED: Collapse or broken lines outside the main foundation; excavation.
4. **INCREASED HVAC SYSTEMS COVERAGE:** We will increase our Standard and Complete Coverage limit per Plan Term by \$1,000 (\$2,500 in total) for the repair/replacement of diesel, oil, Glycol, hot water, steam, radiant, geothermal, high velocity, water cooled and water sourced heating and air conditioning systems.
5. **MODIFICATION WITH INCREASED CODE UPGRADE:** We will pay up to \$1,000 per Plan to make necessary duct, plenum, electrical, plumbing and carpentry modifications (including the correction of code violations) to affect a covered repair/replacement. NOT COVERED: Restoration of any wall, ceiling, or floor coverings, cabinets, counter tops, tile, paint, or the like. We do not provide coverage to remove or install non-related systems, appliances, or equipment in order to render a covered repair or replacement.

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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 the receipt of payment by Us and such Coverage shall expire upon expiration of Coverage period in Section II.

1. **POOL AND/OR SPA EQUIPMENT-** Pool and spa equipment (exterior tub and whirlpool) are covered if they utilize the common equipment. If they do not utilize the common equipment, then only one or the other is covered unless an additional fee is paid. Coverage applies to above ground, accessible working components and parts of the heating, pumping and filtration system, specifically, heater, pump, motor, 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; above-ground plumbing pipes and wiring. NOT COVERED: Portable or Above Ground pools/spas; control; control panels and electric 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, water chemistry control equipment and materials (e.g. chlorinators, ozonators, etc.) and Ionizers; fuel storage tanks; disposable filtration mediums (sand, diatomaceous earth, filter cartridges, etc.); cracked or corroded casings; grids; cartridges; heat pump; salt water systems; air switches; valve actuator; turbo valves; creepy crawlers and the like; swim jet/resistance pool and respective equipment; damage due to chemical imbalance; underground water; gas; and electrical lines; power center; electronic or computerized control boards that are part of a remote or automated management system (e.g. aqua link, compool, or the like) and any respective equipment. We will pay no more than \$1,000.00 per contract term for access, diagnosis and repair and/or replacement for covered Pool and/or Spa equipment.
2. **SEPTIC TANK PUMPING/SEPTIC SYSTEMS-** Includes main line stoppages/clogs (one time only, and must be 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 term of the plan. 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. Septic tank must service only the main home or other structure covered by Us. NOT COVERED: The cost of gaining or finding access to the septic tank and the cost of sewer hookups, disposal of waste, chemical treatments tanks, leach lines, cess pools, mechanical pumps/systems, seepage pits, stoppage or damage due to roots, the cost of relocating the tank, tile fields or Leach beds, lateral lines, insufficient capacity, level sensors/switches, control panels, associated electrical lines. We will pay no more than \$500.00 per contract term for access, diagnosis and repair and/or replacement for covered septic tank pumping and septic systems.
3. **WELL PUMP-** Includes All components and parts of well pump utilized for main dwelling only. NOT COVERED: holding or storage tanks, digging, locating pump, pump retrieval, redrilling 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

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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 \$500.00 per contract term for access, diagnosis and repair and/or replacement of covered well pump components and parts.

4. **STAND ALONE FREEZER-** All parts and components that affect the operation of the unit. NOT COVERED: 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. We will pay no more than \$500.00 per contract term for access, diagnosis and repair and/or replacement of covered stand-alone freezer parts and components.
5. **SECOND REFRIGERATOR-** Includes all components and parts, including integral freezing unit. NOT COVERED: 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. We will pay no more than \$500.00 per contract term for access, diagnosis and repair and/or replacement of covered components and parts for a second refrigerator.
6. **HVAC PREVENTATIVE MAINTENANCE-** Tune-up for ONE unit. A \$65.00 fee is due for each seasonal tune-up. If additional units are requested to be tuned-up, You are responsible to pay the Service Provider directly for each additional unit. If covered service beyond the tune-up is required, an additional service fee is due. COVERED: Calibrate thermostat, test temperature split, check refrigerant levels & system pressures and add refrigerant if necessary, in which We will pay up to \$30 per pound for refrigerant, recapture, reclaim, and disposal. Customer is responsible for payment of any costs in excess of \$30 per pound; perform amp draw on condenser coils, check contactors, check accessible condensate lines for leaks, clean or replace filters, clean & tighten electrical connections, test capacitors, and check heating operation, inspect pilot system, test safety switches, test limit switches, and clean burners. NOT COVERED: Clearing of condensate line stoppages; evaporator/indoor coil cleaning, including acid cleaning; cleaning or unclogging services required to correct problems related to the lack of manufacturer recommended maintenance.

LIMITATIONS OF LIABILITY

The following Limitations of Liability apply to all Plans and Coverages:

1. You Agree: 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; iv. Malfunction due to missing components or equipment; v. Malfunction due to lack of capacity of the existing system or appliance; vi. Malfunction due to a system or appliance with mismatched components in terms of capacity or efficiency; vii. Non-compliance with federal, state, or local regulations or ordinances; utility regulations; or building or zoning codes.

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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 finished 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 cosmetic defects or performance of routine maintenance.
5. We are not responsible for Routine maintenance or cleaning.
6. We are not responsible for Damage caused by people, pests, or pets.
7. We are not responsible for Missing components.
8. We are not responsible for Improper repair/installation/modification of the covered item.
9. We are not responsible for Any costs related to servicing systems, appliances or components covered, in whole or in part, by an existing manufacturer/distributor/ or other warranty.
10. We are not responsible for Repair, replacement, installation, or modification of any covered system or component for which a manufacturer has issued a warning, recall, or other design flaw or determination of defect.
11. We are not responsible for Solar Systems and components, including holding tanks.
12. We are not responsible for Electronic or computerized energy management or lighting and appliance management systems, solar systems and equipment are not included.
13. We are not responsible for Systems or appliances classified by the manufacturer as commercial, or commercial equipment modified for domestic use.
14. We are not responsible for Electrolysis.
15. We are not responsible for Outside or underground piping and components for geothermal and water source heat pumps, including well pumps and respective equipment.
16. We are not responsible for Matching dimensions, color or brand. We are responsible for providing installation of equipment comparable in features (features that affect the operation of the system or appliance), capacity and efficiency only. If a feature is no longer available, our obligation is limited to equivalent unit based on available existing features.
17. 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.
18. We are not liable for service involving hazardous or toxic materials, including but not limited to, mold, lead-based paint, or asbestos. Nor are we liable for costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. Additionally, 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.
19. 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

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or surge, water damage, lightning, 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.

20. We have the sole right to determine whether covered systems or appliances 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 any new type of 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 to pay cash 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 period, 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.
21. 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 manufactures 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 compatibility 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.
22. 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.
23. 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 routine maintenance. For example, You are responsible for providing maintenance and cleaning pursuant to manufacturer's specifications, such as periodic cleaning of heating and air conditioning systems, evaporator coils and condenser coils, as well as periodic filter replacement.
24. We are not liable for the repair or replacement of commercial grade equipment, systems, or appliances. We shall pay no more than \$1,000.00 in aggregate for professional series or like appliances.
25. We reserve the right to obtain a second opinion at Our expense.
26. We are not responsible for any repair, replacement, installation, or modification of any covered system or appliance arising from 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.

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27. 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.
28. 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 manufacturer's improper design, use of improper materials, formula, manufacturing process or any other manufacturing defect.
29. 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.
30. We are not liable to repair or replace Systems and appliances that have no malfunction, that have not failed due to normal wear and use, or that are not installed for diagnosis.
31. We are not liable for Services requested prior to the effective date of the coverage or after the expiration of the date of coverage.
32. We are not liable for Services requested for Optional Coverage not purchased, or for Options not available to Home Seller.
33. Problems cannot always be diagnosed and repaired on the first service visit. We are not liable for loses or damages resulting from misdiagnosis or delays in completing diagnosis or repairs.
34. If a Service Request is made pursuant to this Agreement, we reserve the right to request a copy of any visual or mechanical test that may have been performed by a home inspector or other licensed mechanical contractor.
35. You agree that We are not liable for the negligence or other conduct of the Service Provider, nor are We an insurer of the 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 \$1,500.00 per contract term for access, diagnosis and repair or replacement on any covered system stated herein unless another limitation of liability is stated herein.

MEDIATION- In the event of a dispute over claims or coverage, You agree to file a written claim with Us and allow Us thirty (30) calendar days to respond to the claim. The parties agree to mediate in good faith before resorting to arbitration in the State of Louisiana. Except where prohibited, if a dispute arises from or relates to this Agreement of its breach, and if the dispute cannot be settled through direct discussions, You agree that:

1. Any and all disputes, claims and causes of action arising out of or connected with this Agreement shall be resolved individually, without resort to any form of classaction.
2. Any and all disputes, claims and causes of action arising out of or connected to this Agreement (including but not limited to whether a particular dispute is arbitrable hereunder) shall be resolved exclusively by the American Arbitration Association in the 15 Southern Home Warranty and Maintenance, Inc.

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state of Louisiana under its Commercial Mediation Rules. Controversies or claims shall be submitted to arbitration regardless of the theory under which they arise, including without limitation contract, tort, common law, statutory, or regulatory duties or liability.

3. Any and all claims, judgments and awards shall be limited to actual out-of-pocket costs incurred to a maximum of \$1,500.00 per claim, but in no event, shall there be an award for attorney's fees.
4. Under no circumstances will you be permitted to obtain awards for, and you hereby waive all rights to claim, indirect, punitive, incidental and consequential damages and any other damages, other than for actual out-of-pocket expenses, and any and all rights to have damages multiplied or otherwise increased. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement, shall be governed by, and construed in accordance with, the laws of the State of Louisiana, U.S.A. without giving effect to any choice of law or conflict of law rule (whether of the State of Louisiana or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of Louisiana.
5. If a lawsuit is filed, it shall be filed in Bossier City Court, Bossier City, Louisiana.

SEVERABILITY- If any provision of this Agreement is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this Agreement shall continue in full force or effect.

PERMITS AND OTHER FEES – You may be responsible for other fees not covered according to the terms and conditions of this Agreement. These fees may include, but are not limited to:

1. The cost of permits and code upgrades.
2. The cost to correct code violations.
3. The cost to haul away components, systems or appliances that have been replaced under the terms of coverage.
4. The cost for cranes or other lifting equipment.
5. The Cost of construction, carpentry or other modifications made necessary by existing or installing different equipment.
6. Relocation of equipment.
7. Costs related to refrigerant recapture, reclaim and disposal.

GENERAL EXCLUSIONS

The following exclusions apply to all Plans and Coverages. You agree:

1. This Agreement does not cover services required as a result of:
 - a. Accidents; water damage; failure due to power surge or overload; or structural damage or defect.
 - b. Lighting; mud; earthquake; fire; flood; freezing; ice; snow; soil movement; storms; or acts of nature.
2. Except where noted, we do not pay for upgrades; components; equipment; or services required due to the incompatibility of the existing equipment with the replacement system; appliance; or component; or with new types of chemicals or material utilized to operate the replacement equipment. This includes without limitation, differences in technology;

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refrigerant requirements; or efficiency as mandated by federal, state or local governments. If upgrades are required, we cannot perform service until you complete corrective work. If additional costs are incurred, in order to comply with regulations, we will not be responsible for the added expense.

3. We reserve the right to repairs systems and appliances with non-original manufacturer's parts, including rebuilt or refurbished parts.
4. We do not pay, nor are we liable, for secondary or consequential loss or damage; personal or property loss or damage; or bodily injury of any kind.
5. We are not responsible for a Service Providers neglect or delay; or their failure to provide service, repair or replacement; nor are we responsible for any delay in service, or failure to provide service, which may be caused by conditions beyond our control, such as, but not limited to, parts on order, labor difficulties, or weather.
6. We do not pay for food spoilage; loss of income; utility bills; or living expenses.
7. We are not responsible to perform service involving, providing disposal of, or remediation for, contaminants/hazardous/toxic materials, such as, but not limited to: asbestos; mold; sewage spills; or lead paint.
8. We do not pay, nor are we liable, for any claim arising as a result of any pathogenic organism such as: bacteria; yeast; mildew; virus; rot or fungus; mold or their spores; mycotoxins; or other metabolic products. We are not, under any circumstances responsible for:
 - a. Diagnosis, repair, removal or remediation of such substances;
 - b. Damages resulting from such substances, even when caused by or related to a covered malfunction;
 - c. Damages resulting from such substances, regardless of any event or cause that contributed in any sequence to damage or injury.
9. We are not responsible for replacement of a system or appliance lacking a visible Model or Serial number services to meet current building or zoning code requirements or to correct for code violations (except when optional coverage is purchased and as set forth above), nor are we responsible for services when permits cannot be obtained. Further, You understand and agree We will not pay for the cost to obtain permits (except when optional coverage for such is purchased and as set forth above).
10. When We are required to maintain compatibility with equipment manufactured to be SEER standard, R-410A 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 requirement or correct for code violations. This includes but is not limited to city, county, state, federal and utility regulations and upgrades required by law.

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

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or correct for code violations. This includes city, county, state, federal and utility regulations and upgrades required by law.

MULTIPLE UNITS AND INVESTMENT PROPERTIES-

1. If the contract is for a duplex, triplex, our fourplex dwelling, then every unit within such dwelling must be covered by Our contract with applicable optional coverage for coverage to apply to common systems and appliances.
2. If this unit contract is for a unit within a multiple unit of five (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.

TRANSFER OF CONTRACT AND RENEWAL-

1. If your covered property is sold during the term of this contract, You must notify Us of the change of ownership and submit the name of the new owner by calling 1-888-404-5051 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 prevailing rate and terms for renewal.

CANCELLATION- This is a maintenance agreement for repair, replacement, or partial replacement of the products listed that are deemed manufactured or sold by the manufacturer. This is not a contract of insurance, residential service, warranty, extended warranty, or implied warranty. You may cancel within the first 30 days of the order date for a refund of the paid contract fees, less a \$50.00 administrative fee and any service costs incurred by Us. We shall cancel this contract for any of the following:

1. Nonpayment of contract fees.
2. Nonpayment of Service Fee, as stated in Section III.
3. Fraud or misrepresentation of facts material by You to the issuance of this contract.
4. Mutual agreement between Us and You. If cancelled after thirty (30) days, You shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less a \$50.00 administrative fee and any service costs incurred by Us. All cancellation requests must be submitted in writing.