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Covered Property: XXXXXXXXXXXXXXXXXXXX,
Covered Property Type: Single-Family Dwelling
Contract Plan: SFH Standard
Coverage Options: Listed Below
Contract Term: xx/xx/xxxx to xx/xx/xxxx
Contract Number: XXXXXX
Contract Fee: \$XXX.XX

TERMS OF COVERAGE

1. If a covered item fails during the contract term, the Contract Holder must place a service request at www.homewarranty.com or by calling 1-800-308-1420. "Contract Holder" includes anyone designated in the FNHW system as the Contract Holder's representative. Upon receipt of a service request, FNHW will contact a qualified, independent Service Provider within 3 hours during normal business hours and 48 hours on weekends and holidays. Our assigned Service Provider will then call the Contract Holder directly to schedule a mutually convenient appointment during normal business hours. FNHW will determine what service requests constitute an emergency and will make reasonable efforts to expedite emergency service. The Contract Holder is responsible for any additional fees, including overtime, for non-emergency services requested outside normal business hours, or any non-emergency service dispatched as an emergency at the Contract Holder's request. FNHW encourages the Contract Holder to take reasonable measures to prevent secondary damage caused by a failed system or appliance.

NOTE: Should the Contract Holder contract directly with others, or do the work themselves, FNHW will not reimburse that cost.

2. When FNHW requests or allows the Contract Holder to obtain an Independent Out-Of-Network Contractor to perform diagnosis and/or service: 1) the Independent Out-of-Network Contractor must be qualified, licensed, insured. 2) Prior to servicing, the Contract Holder must contact FNHW at 1-800-208-3151 with the Independent Out-of-Network Contractor's diagnosis. FNHW covered repairs or replacement will be authorized if work can be completed at an agreed upon rate. Failure to contact FNHW may result in denial of coverage. 3) Upon completion of the FNHW authorized services, the Contract Holder must pay the Independent Out-of-Network Contractor and provide FNHW with a copy of the paid itemized receipt for reimbursement. 4) The Contract Holder must submit the itemized receipt to FNHW within 30 days of service completion for reimbursement. 5) FNHW will deduct any fees owed from reimbursement provided.

3. Service Trade Call Fee (fee): The Contract Holder is required to pay a \$75 Service Trade Call Fee for each trade service request submitted to FNHW. For example, if a Contract Holder needs both a plumber and an appliance technician, each will require a separate Service Trade Call Fee. The fee is due once the Contract Holder requests service and is due at that time regardless of whether, a) the requested service is covered or denied, b) the diagnosis results in a complete or partial exclusion of coverage, c) the Service Provider is en route to the home and the Contract Holder cancels the appointment, d) Contract Holder fails to provide the necessary access to perform the service request, including not being home at the time of the prearranged appointment. Failure to pay a fee will result in suspension of coverage until the proper fee is paid. Upon receipt of that payment, coverage will be reinstated for the remainder of the contract term.

4. Service work is warranted (without an additional Service Trade Call Fee) for 30 days on labor and 90 days on parts. The 30/90-day warranty only applies to malfunctions that are reported to FNHW during the term of the contract. Pest control service work is warranted for 30 days from the original date of service.

5. Buyer's Coverage begins upon close of sale and continues for one or two years, depending on term type chosen, provided the contract fee is paid at the close of sale. When the contract fee has not been received by FNHW, a request for service will be dispatched once contract payment can be verified by the closing agency. On weekends and holidays, a request for service will be dispatched once the Contract Holder agrees to specific terms and conditions presented to them at the time of the service request. Coverage Options may be purchased up to 30 days after the close of sale provided systems and appliances are correctly installed and in proper, safe, working order. Renewal coverage shall commence upon receipt of fees or after the previous contract term expires, whichever is later, and will expire after one year. The Contract Holder must call for service prior to the expiration of this contract. Failure to pay a fee will result in suspension of coverage until the proper fee is paid. Upon receipt of that payment, coverage will be reinstated for the remainder of the contract term. Your specific term dates will be listed on the Declaration of Coverage mailed to you upon receipt of payment.

NOTE: New Construction Coverage begins on the first anniversary of the close of sale and continues for four years from that date, provided the plan fee is received by FNHW within 30 days from the close of sale. For homes not going through a real estate transaction, i.e. a Direct to Consumer (DTC) contract, coverage is effective 30 days following receipt of payment by FNHW. DTC Options must be added at the time of purchase.

6. New Construction Coverage: Plan fee must be received by FNHW within 30 days from the close of sale. All covered systems and appliances must be in proper, safe, working order at the time coverage begins. See Terms of Coverage #5 for terms and conditions of coverage.

7. **This contract covers single-family dwellings under 5,000 square feet and does not cover multi-unit homes, unless amended by FNHW prior to the start of coverage.** Guesthouses, casitas, accessory dwelling units (ADU), or similar structures are only available with the purchase of coverage for the main home and require an additional, separate contract with additional Coverage Options purchased as necessary. Covered dwellings cannot be used for commercial purposes, such as but not limited to daycare centers, nursing care homes, fraternity/sorority houses, real estate companies, etc.

8. **The contract covers only those parts, components, systems, and appliances specifically mentioned as covered and excludes all others. We recommend that the Contract Holder review their contract completely. Covered systems and/or appliances must be located within the main foundation of the home or garage except for exterior pressure regulator, waste/stop valves, water heaters, well pump, air conditioner/evaporative cooler, pool/spa equipment, outdoor kitchen items, sewage ejector pump, and outdoor septic tank system equipment. All Coverage and Coverage Options are subject to the additional charges, limitations, and conditions mentioned in the contract.**

9. Seller's Coverage or Optional Seller's Coverage: Not applicable.

10. Covered systems and appliances must be correctly installed and in proper, safe, working order at the start of contract coverage or they are not covered under the home warranty contract. Unknown pre-existing conditions will be covered if, at the time coverage began, the defect or malfunction would not have been known to the buyer, seller, agent, or home inspector by a visual inspection and by operating the system or appliance. A visual inspection of the covered item verifies that it appears structurally intact and without damage or missing parts that would indicate inoperability. Operating the covered system or appliance is defined as turning the item on and off to ensure that it is operational and, while turned on, the item operates without causing damage, irregular sounds, smoke, or other abnormal outcomes.

11. FNHW will repair or replace covered systems and appliances that mechanically malfunction due to insufficient maintenance, rust, corrosion, or sediment, unless otherwise noted in the contract.

PLAN COVERAGE

PLUMBING SYSTEM

Covered: Garbage disposal - instant hot water dispenser - repair of leaks and breaks in water, waste, vent, or gas lines within the perimeter of the main foundation of the home or garage - shower or tub valves, diverters, basket strainers (replaced with chrome builder's standard) - angle stops - gate valves - waste and stop valves - toilet tanks, bowls, and working mechanisms (replacement toilets will be white builder's standard) - wax ring seals - permanently installed sump pumps (ground water only) - built-in jetted bathtub motor pump assemblies - pressure regulators - pop-up assemblies.

Not Covered: Showerheads - shower arms - shower towers/panels - multi-head and multi-valve shower systems - fixtures - faucets - Roman tub valves and faucets - bathtubs - sinks - shower enclosures and base pans - caulking and grouting - filters - hose bibs - sewage ejector pumps - toilet seats and lids - septic tanks - water softeners - flow restrictions in fresh water lines - saunas - steam rooms - bidets - bathtub jet plumbing - indoor or outdoor sprinkler systems - booster pumps - conditions of electrolysis.

Limits: The access, diagnosis, and repair of concrete-encased or inaccessible interior plumbing lines within the main foundation of the home and garage (inside the load-bearing walls of the structure) is limited to \$1,000 aggregate per contract term. FNHW will provide access through unobstructed walls, ceilings, floors, concrete slabs, and the like, and will return all openings made for access to a rough finish, subject to the \$1,000 limit indicated. FNHW is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like.

PLUMBING STOPPAGES

Covered: Clearing of sewer line and mainline stoppages with standard sewer cable to 125 feet from point of access at existing ground level cleanout, including hydro jetting if stoppage is unable to be cleared with cable. Clearing of branch drain line stoppages in sink, tub, shower drains, and toilets with standard sewer cable from point of access, including existing accessible cleanout, p-trap, drain, or overflow access point.

Not Covered: Stoppages and/or collapse of water, drain, or gas lines caused by roots or foreign objects; access to drain, sewer, or main lines from vent or removal of a toilet; costs to locate, access, or install ground level or drain line cleanouts.

WATER HEATER (Gas or Electric)

Covered: All parts and components that affect operation including tankless water heaters, lowboy units, and recirculating pumps. FNHW will replace with a unit that meets federally mandated energy efficiency requirements.

Not Covered: Solar units and/or components - holding tanks - expansion tanks - flues and vents - noise without a related malfunction.

Limits: The access, diagnosis, repair, and replacement of any combined water heater/heating or radiant hot water/steam circulating system(s) is limited to \$1,500 aggregate per system or unit per contract term.

HEATING SYSTEM

Covered: All parts and components that affect the operation of the following heating systems: forced air (gas, electric, oil) - built-in floor and wall heaters - hot water or steam circulating heating systems - heat pumps - package units - mini-split ductless system(s) - electric baseboard. When a heat pump split system type of condensing unit has failed and a replacement is required, FNHW will replace with a condensing unit that meets federally mandated SEER (Seasonal Energy Efficiency Ratio) and HSPF (Heating Seasonal Performance Factor) requirements, including the replacement of any covered components that are necessary to maintain compatibility with the replacement condensing unit such as the air handler - evaporative coil - transition - plenum - indoor electrical - duct connection - accessible refrigerant and condensate drain lines - thermostatic expansion valve.

Not Covered: Solar heating systems - geothermal systems - glycol systems - portable, space, or freestanding heaters - humidifiers, dehumidifiers, and electronic air cleaners - fuel and water storage tanks - registers and grills - filters - heat lamps - fireplaces - wood, pellet, or gas stoves (even if only source of heating) - chimneys - flues - vents - fireplace inserts and key valves - cable heat - clocks - timers - outside or underground piping and components for geothermal and/or water source heat pumps - well pump and well pump components for geothermal and/or water source heat pumps - inaccessible refrigerant and condensate drain lines - general maintenance and cleaning - improper use of metering devices - systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications unless otherwise noted in this contract - refrigerant recapture, recovery, and disposal - zone control and related components of forced air systems - Smart and/or Wi-Fi enabled thermostat - use of cranes or other lifting equipment to repair or replace units/system components.

Limits: Must be main source of heat to home and designed for residential application, not to exceed 5-ton capacity. The access, diagnosis, repair, and replacement of any oil, water heater/heating combination, radiant hot water/steam circulating heat, water source heat pump, air transfer, diesel, or hydraulic heating system(s) is limited to \$1,500 aggregate per system or unit per contract term.

DUCTWORK

Covered: Accessible and inaccessible ducts from heating or cooling unit to connection at register or grill.

Not Covered: Registers - grills - dampers - insulation - improperly sized ductwork and/or intake (return vents) - collapsed or crushed ductwork - ductwork where asbestos is present - ductwork damaged by moisture - costs for inspections, diagnostic testing, verification, and permits as required by any federal, state, or local law, regulation or ordinance, including CA Title 24 requirements - zone control and related components of forced air systems.

Limits: The access, diagnosis, repair, or replacement of the ductwork is limited to \$1,000 aggregate per contract term.

ELECTRICAL SYSTEM/DOORBELL/SMOKE AND CARBON MONOXIDE DETECTORS

Covered: All parts and components that affect operation.

Not Covered: Fixtures - alarms/intercoms and circuits - inadequate wiring capacity - power failure or surge - low voltage wiring - direct current (D.C.) wiring or components - lights - Wi-Fi enabled components such as but not limited to doorbells.

TELEPHONE WIRING

Covered: Telephone wiring used solely for residential telephone service located within the walls of the main dwelling.

Not Covered: Telephone jacks - plugs - lights - transformers and other power units - cover plates - telephone units - answering devices - alarms/intercoms and circuits - telephone fuses - wiring which is the property of a telephone company - audio/video/computer or other cable.

CENTRAL VACUUM SYSTEM

Covered: All parts and components that affect operation.

Not Covered: Removable hoses - accessories - clogged pipes.

Limits: FNHW is not responsible for the cost of gaining access to, or closing access from, the floor or walls either to locate the cause of malfunction or to affect repair or replacement.

GARAGE DOOR OPENER

Covered: Wiring - motor - switches - receiver unit - track drive assembly.

Not Covered: Garage doors - hinges - springs - cables - rollers - guides - remote transmitters - key pads - Wi-Fi enabled garage door openers.

CEILING/WHOLE HOUSE/EXHAUST/ATTIC FANS (Built-in)

Covered: All parts and components that affect operation (replaced with builder's standard).

Not Covered: Light kits - Wi-Fi or other remote transmitters.

KITCHEN APPLIANCES

Covered: All parts and components that affect the operation of the dishwasher - trash compactor - range/oven/cooktop - built-in microwave - kitchen exhaust fan. NOTE: Garbage disposal and instant hot water dispenser are covered under Plumbing System.

Not Covered: Racks - rollers - baskets - handles - dials - knobs - shelves - clocks (unless it affects the operation of the range/oven/cooktop) - meat probe assemblies - light kits - indoor barbeque - rotisseries - interior lining - microwave door glass - trim kits - mounting hardware - portable or countertop units - removable accessories including buckets - lock and key assemblies - Wi-Fi enabled components - any failures that do not contribute to the appliance's primary function.

Limits: The diagnosis, repair, or replacement is limited to \$5,000 aggregate per appliance per contract term. Sensi-heat burners replaced with standard burners.

PEST CONTROL

Covered: Treatment is for the following pests located within the main foundation of the home or garage: roaches - ants (except Fire, Pharaoh, and Carpenter varieties) - silverfish - Black Widow spiders - earwigs - Brown Recluse spiders - millipedes - mice - crickets - ground beetles - centipedes - pillbugs - sowbugs - Clover mites.

Not Covered: Termites - fungus - wood-boring beetles - rats - any pests not specifically listed above as covered.

RE-KEY

Covered: Re-key of up to six functional keyholes (including deadbolts) and four copies of the new key, one-time per contract term. The current keys for the six keyholes must be available at time of service and must be able to open each respective lock.

Not Covered: Master keys - replacement of deadbolts - knobs or associated hardware - broken or damaged locks - padlocks - locks for: sliding glass door, garage door, gate, window, file cabinet, safe, desk, mailbox, High Security, shed - any other services provided by the locksmith.

Limits: Coverage is for Buyer only and is not available with renewal or Direct to Consumer contracts. Contract Holder is responsible for payment directly to the locksmith for any additional services performed.

COVERAGE OPTIONS

Optional coverage may be purchased up to 30 days after the close of sale provided systems and appliances are in good working order. Coverage shall commence upon receipt of fees and will expire when Plan coverage expires. Coverage Options are subject to the same Terms of Coverage and Limits of Liability of this contract.

AIR CONDITIONING/EVAPORATIVE COOLER OPTION (Electric; includes Built-in Wall Units)

Covered: All parts and components that affect the operation of the following air conditioning systems: ducted central electric split and package units - evaporative coolers - wall air conditioners - mini-split ductless system(s). When a heat pump or split system type of condensing unit has failed and a replacement is required, FNHW will replace with a condensing unit that meets federally mandated SEER (Seasonal Energy Efficiency Ratio) and HSPF (Heating Seasonal Performance Factor) requirements, including the replacement of any covered components that are necessary to maintain compatibility with the replacement condensing unit such as the air handler - evaporative coil - transition - plenum - indoor electrical - duct connection - accessible refrigerant and condensate drain lines - thermostatic expansion valve.

Not Covered: Humidifiers, dehumidifiers, and electronic air cleaners - inaccessible refrigerant and condensate drain lines - filters - registers and grills - cooler pads - window units - condenser housing - gas or propane air conditioners - water towers - chillers - general maintenance and cleaning - improper use of metering devices - systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications, except where otherwise noted in this contract - refrigerant recapture, recovery, and disposal - zone control and related components of forced air systems - Smart and/or Wi-Fi enabled thermostat - use of cranes or other lifting equipment to repair or replace units/system components.

Limits: Coverage for occupied living area only, must be designed for residential application and cannot exceed a 5-ton capacity. The access, diagnosis, repair, and replacement of a water source heat pump is limited to \$1,500 aggregate per system or unit per contract term.

HVAC ZONE CONTROL OPTION

Covered: All parts and components that affect the operation of the zone control and respective equipment for a central forced air system.

Not Covered: Flue damper - draft inducer - Smart and/or Wi-Fi enabled motorized registers or thermostat, unless otherwise noted in this contract.

Limits: The diagnosis, repair, or replacement of the zone control panel, duct dampers, and thermostat is limited to a \$500 combined aggregate per contract term.

PRE-SEASON HVAC TUNE-UP OPTION

Covered: Pre-Season Maintenance Tune-up for one Air Conditioning/Evaporative Cooler unit between February 1st and April 30th and one Heating unit between September 1st and November 30th. The Service Provider will calibrate thermostat, test temperature split, check system pressures, check refrigerant levels and add refrigerant if necessary, perform amp draw on condenser, inspect condenser coils and clean if necessary, check contactors, check accessible condensate lines for leaks, clear condensate line stoppages, clean or replace filters (Contract Holder to supply), clean and tighten electrical connections, test capacitors, check heating operation, inspect pilot system, test safety switches, test limit switches, clean burners, and advise Contract Holder if any equipment is improperly installed.

Not Covered: Filters - cooler pads - evaporator/indoor coil cleaning, including acid cleaning. Tune-ups outside the Pre-season Maintenance Tune-up period.

Limits: Pre-season maintenance tune-up service must be requested and performed during the pre-season period. A Service Trade Call Fee is due for each tune-up requested. If you would like additional units tuned-up during the FNHW scheduled service appointment, you are responsible to pay the Service Provider directly for each additional unit. If a covered service beyond the pre-season maintenance tune-up is required, an additional Service Trade Call Fee is due.

POOL/SPA EQUIPMENT OPTION

Covered: All above ground and accessible parts and components of the filtration, pumping, and heating system (including the pool sweep pump, pump motor, blower motor, and timer) - salt water control unit - salt cell - flow sensor for the salt water chlorinator.

Not Covered: Lights - liners - solar related equipment - heat pumps - underground water, gas, and electrical lines - control dials - skimmers - chlorinator - ozinator - disposable filtration media - ornamental fountain motor and pump - waterfalls and their pumping systems - structural and cosmetic defects - cost of access to make repairs or replacements - inaccessible portion of the spa jets - pop-up heads - turbo or motorized valves - electronic/computerized controls and control panels - pool sweeps and related cleaning equipment - salt - overflow/negative edge/infinity pool motor and pump - swim jet/resistance pool and respective equipment - damage or failure as a result of chemical imbalance.

Limits: The access, diagnosis, repair, or replacement of the salt water control unit, salt cell, and flow sensor for the salt water chlorinator is limited to \$1,500 aggregate per contract term.

ORNAMENTAL FOUNTAIN MOTOR/PUMP OPTION (including Fountain Motor/Pump in Ponds)

Covered: Motor and pump assembly. Multiple motors/pumps contained within each fountain will be covered.

Not Covered: Lights - liners - solar related equipment - above ground and underground water, gas pipes, and electrical lines - control dials - filters - disposable filtration media - filter cartridges - waterfalls and their pumping systems - fountains in pools - structural and cosmetic defects - cost of access to make repairs or replacements - turbo or motorized valves - electronic/computerized controls and control panels - salt - damage or failure as a result of chemical imbalance.

Limits: The diagnosis, repair, or replacement of the ornamental fountain motor/pump is limited to \$500 aggregate per contract term.

CLOTHES WASHER AND DRYER OPTION (Per Set)

Covered: All parts and components that affect the operation of one Clothes Washer and one Clothes Dryer.

Not Covered: Trim kits - stacking, connecting, or mounting hardware - all-in-one wash/dry units - knobs - dials - touch pads - plastic mini tubs - lint screens - venting - dispensers - damage to clothing.

Limits: The diagnosis, repair, or replacement of these appliances is limited to \$5,000 aggregate per unit per contract term.

KITCHEN REFRIGERATOR OPTION (Includes dual compressor units; must be located in the kitchen.)

Covered: Coverage is for one built-in kitchen refrigerator with freezer unit or one built-in combination of an ALL refrigerator with an ALL freezer unit or one freestanding kitchen refrigerator with freezer unit. All parts and components that affect the operation of the kitchen refrigerator, including the icemaker/water dispenser.

Not Covered: Lights - shelves - handles - ice crushers - filters - internal thermal shells - insulation - food spoilage - multimedia centers - wine vaults - Wi-Fi enabled components - any removable/non-removable component that does not affect the primary function.

Limits: The diagnosis, repair, or replacement of the kitchen refrigerator is limited to \$5,000 aggregate per contract term. In cases where parts are not available for the icemaker/water dispenser and their respective equipment, FNHW's obligation is limited to Cash in Lieu of repair.

ADDITIONAL REFRIGERATOR COVERAGE OPTION (Only available with Kitchen Refrigerator Option. Units with more than one compressor are not covered.)

Covered: All parts and components for a combined total of four of the following units: additional refrigerator, including the icemaker/water dispenser - wet bar refrigerator - wine refrigerator - freestanding freezer - freestanding icemaker.

Not Covered: Lights - shelves - handles - ice crushers - filters - internal thermal shells - insulation - food spoilage - multimedia centers - wine vaults - outdoor units - Wi-Fi enabled components - any removable/non-removable component that does not affect the primary function. **NOTE:** To cover an outdoor refrigerator, wet bar refrigerator, wine refrigerator, freestanding freezer, or freestanding icemaker, this coverage must be ordered in conjunction with the Kitchen Refrigerator and Outdoor Kitchen Options and must be rated for outdoor use. The outdoor unit is subject to the terms, conditions, and limits under this Additional Refrigerator Option and the Outdoor Kitchen Option.

Limits: The diagnosis, repair, or replacement is limited to a \$1,000 combined aggregate per contract term. In cases where parts are not available for the icemaker/water dispenser and their respective equipment, FNHW's obligation is limited to Cash in Lieu of repair.

OUTDOOR KITCHEN OPTION

Covered: All parts and components that affect the operation of the outdoor electrical and plumbing (water/waste) that serve the outdoor kitchen only - faucet - garbage disposal - ceiling fan.

Not Covered: Cooktop - ovens - pizza ovens - barbeque equipment or the like - gas lines - dishwashers - misters - entertainment systems - outdoor light fixtures - landscape lighting - access. **NOTE:** To cover an outdoor refrigerator, wet bar refrigerator, wine refrigerator, freestanding freezer, or freestanding icemaker, this coverage must be ordered in conjunction with the Kitchen Refrigerator and Additional Refrigerator Options and must be rated for outdoor use. The outdoor unit is subject to the terms, conditions, and limits under this Outdoor Kitchen Option and the Additional Refrigerator Option.

Limits: All covered items must serve the outdoor kitchen only, be rated for outdoor use, installed, and located in the outdoor kitchen. Faucet will be replaced with a builder's standard faucet. The diagnosis and repair or replacement of the outdoor plumbing and electrical is limited to \$1,000 aggregate per contract term. All contract conditions apply. If the covered item is part of a combination unit and repair or replacement of the covered item requires replacement of the entire combination unit, coverage will be limited to a Cash in Lieu of the amount to repair or replace the covered item as if that were possible without replacing the combination unit.

APPLIANCE LIMIT UPGRADE OPTION

Covered: An additional \$5,000 will be applied toward the standard limitation to the diagnosis, repair, or replacement of kitchen appliances, clothes washer and dryer, refrigerator.

Limits: The applicable Coverage Options for the Clothes Washer/Dryer, Refrigerator, and/or Additional Refrigerator must be purchased or included in the contract. All other terms and conditions of coverage apply. This coverage is not available on Direct to Consumer contracts.

WATER SOFTENER/REVERSE OSMOSIS WATER FILTRATION SYSTEM OPTION

Covered: Water Softener/Reverse Osmosis system (for drinking water) and their respective equipment.

Not Covered: Leased or rented units - any and all treatment, purification, or odor control - iron filtration components and systems - discharge drywells - resin bed replacement - salt - replacement of filters - water filters - pre-filters - filter components - replacement membranes - water purification systems - RO filtration system for pool/spa.

Limits: The diagnosis, repair, or replacement is limited to a \$500 combined aggregate per contract term.

WELL PUMP OPTION

Covered: All parts of one well pump; must be utilized as the main source of water to the home.

Not Covered: Control boxes - holding or storage tanks - pressure tanks - booster pumps - access to well pump/well pump system - all piping and electrical lines - well casing - re-drilling wells - shared wells - damage due to low water tables.

Limits: The diagnosis, repair, or replacement of the well pump is limited to \$1,500 aggregate per contract term.

SEPTIC TANK SYSTEM/SEPTIC TANK PUMPING/SEWAGE EJECTOR PUMP/GRINDER PUMP OPTION

Covered: All parts and components that affect the operation of one sewage ejector pump, one aerobic pump, one effluent pump, one grinder pump, one septic tank, and/or waste line from house to tank. FNHW will pump the septic tank once during the contract term if the stoppage is due to a full septic tank.

Not Covered: Collapsed or broken waste lines outside the foundation except the line from house to tank - stoppages or roots that prevent the effective use of an externally applied sewer cable - the cost of finding or gaining access to the septic tank - the cost of sewer hook-ups - disposal of waste - chemical treatment of the septic tank and/or waste lines - tile fields and leach beds - leach lines - cesspools - seepage pits - lateral lines - insufficient capacity - cleanouts - basins - any costs associated with locating or gaining access to, or closing access from, the aerobic, effluent, sewage ejector, or grinder pump.

Limits: The diagnosis, repair, or replacement of the aerobic pump, effluent pump, sewage ejector pump, and grinder pump is limited to \$500 aggregate per contract term. The diagnosis, repair, or replacement of the septic tank and waste line from house to tank is limited to \$500 aggregate per contract term. When a stoppage is due to a full septic tank, FNHW will pump the septic tank once during the contract term.

PUMP-IT-UP LIMIT UPGRADE OPTION

Covered: Coverage for the Well Pump: An additional \$1,500 will be applied to the diagnosis, repair or replacement of the Well Pump. **Coverage for the Septic Tank System/Sewage Ejector Pump/Grinder Pump:** The diagnosis, repair, or replacement of the septic tank and waste line from house to tank is increased by \$500 aggregate. An additional \$500 aggregate will be applied toward the stated limitation for the diagnosis, repair, or replacement of the aerobic, effluent, sewage ejector, and grinder pump.

Not Covered: Control boxes - holding or storage tanks - pressure tanks - booster pumps - access to well pump/well pump system - all well piping and electrical lines - well casing - re-drilling wells - shared wells - damage due to low water tables - collapsed or broken waste lines outside the foundation except the line from house to tank - stoppages or roots that prevent the effective use of an externally applied sewer cable - the cost of finding or gaining access to the septic tank - the cost of sewer hook-ups - disposal of waste - chemical treatment of the septic tank and/or waste lines - tile fields and leach beds - leach lines - cesspools - seepage pits - lateral lines - insufficient capacity - cleanouts - basins - any costs associated with locating or gaining access to, or closing access from, aerobic, effluent, sewage ejector, or grinder pump.

Limits: Only available in conjunction with the purchase of the Well Pump Option and/or Septic Tank System/Septic Tank Pumping/Sewage Ejector Pump/Grinder Pump Option. The diagnosis, repair or replacement of the Well Pump is limited to \$3,000 aggregate per contract term. Septic Tank System is limited to \$1,000 aggregate per contract term. The diagnosis, repair, or replacement of the aerobic, effluent, sewage ejector, and grinder pump is limited to \$1,000 aggregate per contract term. All other terms and conditions of coverage apply. Not available on Direct to Consumer contracts.

ADDITIONAL INACCESSIBLE/CONCRETE ENCASED AND EXTERNAL PIPE LEAK COVERAGE OPTION

Covered: Coverage for Inaccessible/Concrete-encased: The access, diagnosis, repair, or replacement of internal concrete-encased or inaccessible plumbing pipe leaks in water, drain, or gas lines, located under or within the interior of the main foundation of the home and garage (inside the load-bearing walls of the structure) is increased to **\$2,000 aggregate per contract term.** **Coverage for External Pipe Leaks:** The diagnosis, repair, or replacement for leaks or breaks in external pipes located outside the foundation of the covered structure, including water, gas, and drain lines that service only the main home or other structure covered by FNHW including repair or replacement of exterior hose bibs and/or the main shut off valve up to **\$1,000 aggregate per contract term.**

Not Covered: Faucets - indoor or outdoor sprinkler or irrigation systems - swimming pool, spa or fountain piping - downspouts - landscape drain lines - stoppages and/or collapse of water, drain, or gas lines caused by roots or foreign objects - access to drain, sewer, or main lines from vent or removal of a toilet - costs to locate, access, or install ground level or drain line cleanouts.

Limits: Concrete-encased or inaccessible plumbing pipe leaks within the main foundation of the home and garage (inside the load-bearing walls of the structure) are limited to \$2,000 aggregate per contract term. FNHW will provide access through unobstructed walls, ceilings, floors, concrete slabs, and the like, and will return all openings made for access to a rough finish, subject to the \$2,000 limit indicated. FNHW is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like. External Pipe Leak coverage is limited to \$1,000 aggregate per contract term. Not available for Condos/Townhomes, Mobile Homes, Duplex, Triplex, Fourplex, or with Direct to Consumer contracts.

LIMITED ROOF LEAK REPAIR OPTION

Covered: Repair of leaks caused by rain to shake, shingle, composition, tile, tar and gravel, or metal roofs located over the occupied living area.

Not Covered: Cracked or missing tiles, shakes, or shingles - foam roofs - any other material not specifically mentioned as covered - structural leaks or leaks at, adjacent to, or caused by, appendages of any kind including gutters, downspouts, flashing, patio covers, skylights, decks, solar equipment, vents, heating or cooling equipment, antennae, balconies, or chimneys - built-up roofs - damage caused by persons walking or standing on roof - failure due to lack of normal or preventative maintenance.

Limits: Roof repairs are limited to \$1,000 aggregate per contract term for the repair of specific leaks that are a result of rain and/or normal wear and tear provided the roof was in good, watertight condition at start of contract term. If replacement of the existing roof is necessary, in whole or in part, FNHW's liability is limited to Cash in Lieu of the estimated cost of repair of the leaking area as if the repair of that area were possible. Leaks existing prior to the start of the contract term will not be covered.

HOME IMPROVEMENT INSTALLATION OPTION

Covered: FNHW will cover the cost of the labor to install one of each of the following: kitchen faucet, bathroom faucet, showerhead, toilet, and ceiling fan. A Service Trade Call Fee is due for the installation of each item.

Not Covered: Item being installed or replacement item - installation of used or refurbished items/parts - labor on subsequent trips to install a single item - labor to install multiple items - access, code violations, or modifications made necessary for installation - subsequent repairs under the warranty that are caused by a manufacturer's defect.

Limits: Coverage is for the cost of labor to install one each of the covered items listed, is limited to one trip for each installation, and available only when not otherwise covered by this contract due to a failure or malfunction, and the replacement item is provided by the Contract Holder. If the Service Provider determines the item supplied by the Contract Holder is incorrect, does not meet the specifications for a replacement, such as wrong dimensions, capacity, or the like, the Service Provider will recommend the appropriate item to be purchased. The Contract Holder will be responsible for an additional Service Trade Call Fee for any subsequent service request to install the correct item.

SMART HOME OPTION

Covered: Replacement of one of each of the following per contract year: Smart and/or Wi-Fi enabled switch, outlet, thermostat, door lock, doorbell, or garage door opener.

Not Covered: Smart and/or Wi-Fi enabled router and/or home hub.

Limits: Diagnosis, repair, or replacement is limited to \$5,000 aggregate per contract term.

SAMPLE

LIMITS OF LIABILITY

The contract provides quality protection against the cost to repair or replace home systems and appliances. It is intended to reduce the Contract Holder's out-of-pocket costs for covered services.

1. FNHW's liability is limited to failures of covered systems and appliances due to normal wear and tear during the term of the contract. Coverage is not all-inclusive; there may be situations in which the Contract Holder will be responsible to pay additional costs for parts or services not covered by the contract.
2. FNHW reserves the right to obtain a second opinion at its own expense. The Contract Holder may order their own second opinion but shall be responsible for the cost of said opinion.
3. FNHW will determine whether a covered item will be repaired or replaced. Except as otherwise noted in the contract, replacements will be of similar features, capacity, and efficiency as the item being replaced. FNHW is not responsible for matching dimensions, brand, or color. FNHW will replace appliances with stainless steel or similar finish with the same finish, limited to applicable contract aggregates. When parts are necessary for completion of service, FNHW will not be responsible for delays that may occur in obtaining those parts. FNHW reserves the right to repair systems and appliances with non-original manufacturer's parts, including rebuilt or refurbished parts. In cases where the failed covered item is also covered by a manufacturer's warranty, this contract provides the cost of labor when the manufacturer a) does not cover the cost of labor and, b) supplies the part or component. Unless otherwise noted in the contract, FNHW is not responsible nor liable for the disposal cost(s) of appliances, systems, equipment or components of equipment including refrigerant, contaminants, or other hazardous or toxic materials. All dollar limits stated in the contract include the cost to access (when noted as covered), diagnose, repair, or replace the covered system or appliance.
4. When federal, state, or local regulations, building, or similar code criteria require improvements or additional costs to service a covered system or appliance, including permits, the costs to meet the proper code criteria shall be the sole responsibility of the Contract Holder, except where otherwise noted in the contract. FNHW will be responsible for repairs or replacement of covered systems or appliances after the proper code criteria are met, except where otherwise noted in the contract. When replacing covered systems, parts, or components to maintain compatibility with equipment manufactured to be compliant with federally mandated energy efficiency requirements, FNHW is not responsible nor liable for the cost of construction, carpentry, or other structural modifications made necessary. FNHW is not responsible to perform service involving hazardous or toxic materials, or conditions of asbestos.
5. FNHW is not responsible for repairs or replacements due to misuse or abuse, disassembled or missing parts, nor for failures or damage due to: fire, flood, smoke, lightning, freeze, earthquake, theft, storms, accidents, riots, war, acts of terror, vandalism, animals or pests, power failure, surge or overload, soil movement, structural changes, design deficiency, manufacturer's recall or defect, inadequate capacity, land subsidence, noise, slope failure, or cosmetic defects. Except where otherwise noted in the contract, failures due to improper previous repair or installation of appliances, systems, or components is not covered. FNHW will not perform routine maintenance or cleaning. The Contract Holder is responsible for providing routine maintenance and cleaning of covered items as specified by the manufacturer to ensure continued coverage of such items. For example, heating and air conditioning systems require periodic cleaning and/or replacement of filters, and water heaters require periodic flushing.
6. FNHW is not responsible for consequential or secondary damages resulting from the failure of a covered system or appliance, or the failure to provide timely service due to conditions beyond FNHW's control, including but not limited to delays in securing parts, equipment, or labor difficulties, therefore this warranty product may not be ideal for managed, vacation and/or short-term rental properties. FNHW is not responsible for personal or property damage, vandalism, theft, utility bills, food spoilage, living expenses, loss of income, or cost of alternative lodging for occupants or tenants unless otherwise noted in the contract.
7. FNHW is not responsible for providing access to repair or replace a covered system or appliance unless otherwise noted in this contract. When access is provided under this contract, restoration to walls, closets, floors, ceilings, or the like, will be to a rough finish only. FNHW is not responsible for the cost of modifications to existing equipment, or to install different equipment when necessary to repair or replace a covered system or appliance, including but not limited to pipe runs, flues, ductwork, structures, electrical, trim kits, stacking, connecting or mounting hardware, or other modifications. FNHW does not cover systems, appliances, or equipment designed for commercial use.
8. FNHW is not responsible for solar systems and components, electronic/computerized, Wi-Fi enabled, or remote energy management systems including but not limited to lighting, energy, security, pool/spa, entertainment/media/audio, appliances, or zone controlled systems unless otherwise noted in the contract.
9. Common systems and appliances are not covered except in the case of a duplex, triplex, or fourplex dwelling, and unless every unit is covered by FNHW. If the contract is for a dwelling of five units or more, only the items contained within each individual unit are covered, and common systems and appliances are excluded. Regardless of unit count, optional coverage is only available when purchased for each unit.

10. The contract is non-cancellable except for, a) non-payment of contract fees, b) fraud or misrepresentation of facts material to the issuance of this contract, c) when the safety or well-being of FNHW, any employee of FNHW, a Service Provider, or any property of FNHW or of the Service Provider is harmed or threatened by the Contract Holder or their representative, d) when contract is for Seller's Coverage and close of sale does not occur, e) when it is determined at any time that the Buyer's Contract will not be purchased through FNHW, the Seller's Contract will be immediately cancelled, f) upon mutual agreement between Contract Holder and FNHW. If this contract is cancelled, the provider of funds shall be entitled to a prorated refund of the paid contract fee for the unexpired term, less a \$50 administrative fee, and less any service costs incurred by FNHW. All Contract Holder's requests for cancellation must be submitted in writing to FNHW for consideration.

11. FNHW may, at its sole discretion, provide Cash in Lieu of repair or replacement of a covered system or appliance in the amount of FNHW's actual cost to repair or replace such a system or appliance, less any Service Trade Call Fees or other fees owed, and less any service costs incurred by FNHW. The amount provided as Cash in Lieu is generally less than retail. Cash in Lieu will be provided for systems or appliances where FNHW's cost to repair or replace exceeds the aggregate or limit. FNHW is not responsible for work performed once Contract Holder accepts Cash in Lieu of service. Once Cash in Lieu is issued, FNHW will close the service work order and an acceptable proof of repair or replacement must be received by FNHW for continued coverage of the item.

12. The contract may be renewed at the sole discretion of FNHW, subject to applicable rates and terms. With a 12 month renewal payment plan, unless you notify FNHW prior to the expiration of the contract, the contract will automatically renew and you will be charged the applicable fees. If the covered property changes ownership prior to the expiration of the contract, the Contract Holder may call 1-800-862-6837 to transfer coverage to the new owner for the remainder of the current contract term.

13. Coverage on lease options is available for the lessor only. Contract fee is due and payable to FNHW upon execution of the lease and continues for the length of the contract term. See Terms of Coverage #5.

14. FNHW is not responsible under any circumstances for the diagnosis, repair, removal, or remediation of mold, mildew, rot, fungus, or damages resulting from the same, even when caused by, or related to, the malfunction, repair, or replacement of a covered system or appliance.

15. Obligations of FNHW under this service contract are backed by the full faith and credit of FNHW.

RESOLUTION OF DISPUTES

MANDATORY ARBITRATION. With the exception of individual disputes that meet the jurisdictional limitations of small claims court, this provision constitutes an agreement to arbitrate disputes on an individual basis. Any party may bring an individual action in small claims court instead of pursuing arbitration.

Any claim, dispute, or controversy, regarding any contract, tort statute, or otherwise ("Claim"), arising out of or relating to this Agreement, any service provided pursuant to this agreement, its issuance, a breach of any agreement provision, any controversy or claim arising out of the transaction giving rise 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 AAA Rules and forms can be located at www.adr.org.

The arbitration will take place in the same county in which the property covered by the Home Warranty Contract is located. 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. By entering into this Agreement the Parties acknowledge that they are giving up the right to a jury trial, and the right to participate in any class action, private attorney general action, or other representative or consolidated action, including any class arbitration or consolidated arbitration proceeding. 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." This arbitration agreement will survive the termination of this Home Warranty Contract. **As noted above, a party may elect to bring an individual action in small claims court instead of arbitration, so long as the dispute falls within the jurisdictional requirements of small claims court.**

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 plaintiff, 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.**

AGREEMENT. This Agreement constitutes the entire agreement and complete understanding between the parties and supersedes all prior and contemporaneous agreements and understandings of the parties. No modifications or amendments to this Agreement are effective unless in writing and signed by both parties.