

First American Home Warranty Sample Contract

SHOULD YOU NEED SERVICE PLEASE READ YOUR COVERAGE CAREFULLY

and then place your claim at www.firstam.com/warranty or by calling (800) 992-3400. It is helpful to have your contract number, make and/or model of covered item, and complete street address available. You will pay the \$55 service call fee when the technician arrives at your home.

IMPORTANT

This contract covers only the items mentioned as covered and excludes all others. **This contract excludes all pre-existing conditions;** items must be in good safe working order at the start of coverage. Items must be installed for diagnosis and located within the perimeter of the main foundation of the home or garage (except Air Conditioning Equipment, Well Pump, and Pool/Spa Equipment). You must call us for service prior to the expiration of this contract. This contract provides coverage for systems and appliances which malfunction due to lack of maintenance, rust or corrosion, or chemical or sedimentary build-up. Coverage is only provided for malfunctions which occur and are reported to First American Home Buyers Protection (Company) during the term of this contract. **The Company will not reimburse you for services performed without prior approval.**

TIMING OF COVERAGE

Coverage starts on the date indicated on the face of this contract and continues for 12 months from that date, as long as payments are received by payment due dates. Contract shall be cancelable by Company for non-payment of contract fees, fraud or misrepresentation.

Offer for future coverage is at the sole option of the Company where permitted by state law. In that event, the Company will notify you of applicable rates and terms for renewal during the tenth month of coverage. If the monthly payment option is selected, and the company elects to renew your contract, the Company will notify you of prevailing rates and terms of renewal during the tenth month of your contract and you will automatically be renewed for an additional annual period of coverage, unless you notify the Company in writing 30 days prior to the expiration of the contract. Your first payment for the next contract will be construed as authorization for another 12-month contract.

BASIC PLAN COVERAGE

The following items are covered under this contract. We show examples of items "not covered" to assist your understanding of the contract.

Please review carefully the Limits of Liability section.

Kitchen Appliances

- Oven/Range/Cooktop: All parts and components, except;
Not Covered: Door glass, lights, magnetic induction units and meat probe assemblies.
- Dishwasher: All parts and components.
- Garbage Disposal: All parts and components.
- Microwave Oven (Built-in only): All parts and components, except;
Not Covered: Knobs, racks, rotisserie, removable trays, lights, handles and meat probe assemblies.
- Trash Compactor: All parts and components, except;
Not Covered: Lock/key assemblies and knobs.
- Instant Hot Water Dispenser: All parts and components.

Kitchen Refrigerator

- All parts and components, except;
Not Covered: Insulation, racks, shelves, handles, lights, interior thermal shells, food spoilage, stand alone freezers and refrigerators located outside kitchen area.

Note: Coverage for diagnosis, access, repair or replacement of kitchen refrigerators which contain more than one compressor is only available under this coverage item and is limited under this contract to a maximum of \$3,000 in the aggregate.

Clothes Washer And Dryer

- All parts and components, except;
Not Covered: Plastic mini-tubs, soap dispensers, filter and lint screens, knobs and dials, venting, damage to clothing.

Ceiling And Exhaust Fans

- All parts and components, except;
Not Covered: Light kits and remote transmitters.

Smoke Detectors

- All parts and components of battery operated and hard wired smoke detectors.

PREMIER PLAN COVERAGE

The following items are covered in addition to the Basic Plan Coverage upon receipt of additional contract fee for Premier Plan Coverage.

NOTE: The contract holder may purchase Premier Plan Coverage up to 30 days from the effective date. Such coverage will not become effective until payment is received by the Company, and coverage will expire upon expiration of the Basic Plan Coverage term.

Plumbing

- Leaks and breaks of water, drain, gas, vent or sewer lines.
- Valves: shower, tub, diverter, angle stop and gate valves.
- Toilet tanks, bowls and mechanisms.
- Circulating hot water pump. • Pressure regulators.
- Hose bibbs. • Shower head and shower arm.
- Permanently installed sump pumps within perimeter of main foundation or garage (ground water only).
- Whirlpool bath motor, pump, and air switch assemblies.
- Faucets (chrome builder's standard used when replacement is required).

Not Covered: Fixtures, filter, shower enclosure and base pan, caulking and grouting, septic tank, flow restrictions in fresh water lines, water conditioning equipment, sewage ejectors, saunas or steam rooms, whirlpool jets and fire suppression systems.

Note:

- Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab, and items encased in or covered by concrete is limited under this contract to a maximum of \$500 in the aggregate.
- Toilet tanks, bowls and mechanisms will be replaced with like quality up to \$600 per occurrence.

Plumbing Stoppages

- Clearing of stoppages in drain, vent and sewer lines to 125 feet of point of access where accessible ground level cleanout is existing, except;
Not Covered: Stoppages caused by roots, collapsed or broken lines outside the main foundation, access to drain or sewer lines from vent, costs to locate, access or install a ground level cleanout and removal of water closets.

Water Heater (includes tankless water heaters)

- Gas or electric • Gas valve • Tank leaks
- Drain valve • Control thermostat and thermocouple
- Heating elements • Temperature and pressure relief valve

Not Covered: Holding or storage tanks, solar equipment, fuel storage tanks, flues and vents.

Electrical

- Wiring • Plugs • Panels and sub panels
- Switches and fuses • Conduit • Junction boxes
- Circuit breakers (including ground fault)
- Telephone wiring • Door bells (includes wiring)

Not Covered: Intercom, fixtures, alarms, inadequate wiring capacity, sensor, relay, low voltage, timed circuits, phone jacks, wiring which is

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the property of the phone company, audio/video/computer/intercom/ alarm or security cable or wiring.

Note: Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab, and items encased in or covered by concrete is limited under this contract to a maximum of \$500 in the aggregate.

Heating

- Radiators
- Burners
- Motors
- Heating elements
- Baseboard convectors
- Vent blower assembly
- Heat pump
- Heat lamps
- Thermostats and thermostat sub-base
- Heat exchangers
- Switches, wiring and relays
- Hydronic circulating pumps
- Gas valve
- Printed circuit boards
- Gas, electric, oil furnaces
- Registers
- Grills
- Filters

Not Covered: Auxiliary space heaters, electronic air cleaners, fuel storage tanks, fireplaces and key valves, humidifiers, baseboard casings, chimneys, flues and vents, outside or underground components and piping for geo-thermal and/or water source heat pumps, well pumps and well pump components for geo-thermal and/or water source heat pumps, cable heat (in ceiling), grain, pellet, or wood heating units (even if only source of heating).

Note:

- Coverage for diagnosis, access, repair or replacement of heating systems utilizing steam, heated water, or glycol is limited under this contract to a maximum of \$1,500 in the aggregate.
- Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab, and items encased in or covered by concrete is limited under this contract to a maximum of \$500 in the aggregate.
- The Company will cover fees associated with the use of cranes or other lifting equipment required to service roof-top heating or air conditioning units.

Ductwork

- Ductwork from heating unit to the connection at register or grill, grills and registers.

Not Covered: Insulation, dampers, ductwork where asbestos is present.

Note: Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab, and items encased in or covered by concrete is limited under this contract to a maximum of \$500 in the aggregate.

Garage Door Openers

- Switches
- Push arm
- Carriage
- Remote transmitters
- Capacitor
- Track assembly
- Hinges
- Motor
- Receiver unit
- Springs

Not Covered: Doors, adjustments, units not meeting current safety standards.

OPTIONAL COVERAGE

Available upon payment of additional contract fee with either the Basic or the Premier Plan.

NOTE: The contract holder may purchase optional coverage up to 30 days from the effective date. Such coverage will not become effective until payment is received by the Company, and coverage will expire upon expiration of the Basic Plan Coverage term.

Central Air Conditioning (Ducted)

- Refrigeration System (includes heat pump)
 - Condensing unit
 - Motors
 - Grills
 - Liquid and suction line dryers
- Thermostats
- Freon lines
- Registers
- Compressor
- Coils
- Filters

Fuses, breakers, disconnect boxes and wiring
Valves (including thermostatic expansion valves)
Air handling unit

- Evaporative Cooler
 - Pump
 - Belts and pulleys
 - Window Units
 - Built-in Electric Wall Units
- Casing
- Motor
- Float-assembly

Not Covered: Condenser casings, electronic air cleaners, gas air conditioners, underground or outside piping and components for geo-thermal and/or water source heat pumps, humidifiers, cooler pads, roof jacks or stands.

Note:

- If the Company determines that the air conditioning unit must be replaced, the Company will replace the unit with a unit that meets current federal, state and/or local government efficiency standards and replace any covered component, as well as the plenum, indoor electrical, air handling transition, and duct connections necessary to maintain compatibility with the replacement unit, including the installation of thermostatic valves.
- The Company will cover fees associated with the use of cranes or other lifting equipment required to service roof-top heating or air conditioning units.

Pool/Spa Equipment

- Heating unit
- Timer
- Valves
- Pool sweep motor and pump
- Impellers, switches and relays
- Above ground plumbing and electrical
- Filter
- Pump motors
- Seals and gaskets
- Pump
- Bearings

Not Covered: All cleaning equipment, including pop up heads, turbo valves, pool sweeps, liners, lights, structural defects, solar equipment, inaccessible components, jets and fuel storage tank, disposable filtration medium, chlorinators, ozonators and other water chemistry control equipment and materials, waterfalls, ornamental fountains and their pumping systems, heat pumps.

Additional Refrigerator

- All parts and components, except;

Not Covered: Insulation, racks, shelves, handles, lights, interior thermal shells, food spoilage, refrigerators which contain more than one compressor and stand alone freezers.

Well Pump (Limited to one well pump per home.)

- All parts and components of well pump utilized exclusively for domestic use, except;

Not Covered: Well casings, booster pumps, piping or electrical lines, holding, pressure or storage tanks, redrilling of wells, damage due to lack of water, tampering, well pump and well pump components for geo-thermal and/or water source heat pumps, access to repair well pump system.

LIMITS OF LIABILITY

1. Common areas and facilities of mobile home parks and condominiums are not covered. If dwelling is 5 units or more, common systems and appliances not located within the confines of each individual unit are excluded.
2. Repairs or replacements required as a result of missing parts, fire, flood, smoke, lightning, freeze, earthquake, theft, storms, accidents, mud, war, riots, vandalism, acts of God, damage from pests, lack of capacity, or misuse are not covered by this contract.
3. The Company's liability is limited to failure of systems due to normal wear and tear. Cosmetic defects are not covered.
4. Company is not liable or responsible for consequential, incidental and/or secondary damage or loss resulting from the malfunction of any covered item, or a Service Contractor's delay or neglect in providing, or

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failing to provide, repair or replacement of a covered item, including, but not limited to, personal and/or property damage, food spoilage, additional living expenses, utility bills, loss of income.

5. Solar systems and components including holding tanks are not covered. Electronic, computerized, pneumatic and manual system management and zone controllers are not covered.

6. The Company will not be responsible for any corrections, repairs, replacements, upgrades, inspections or other additional costs to comply with federal, state or local laws, utility regulations, zoning or building codes. The Company will not be responsible to pay any costs relating to construction, carpentry, relocation of equipment. The Company will not be responsible for alterations or modifications made necessary by existing equipment or installing different equipment except where noted in the Central Air Conditioning (Ducted) section of this contract. The Company will not alter structure to effect repair or replacement, nor refinish or replace cabinets, countertops, tile, paint, wall, or floor coverings, or the like.

7. The Company will not effect service involving hazardous or toxic materials, including asbestos or any other contaminants. The Company is not responsible for any claim arising out of any pathogenic organisms regardless of any event of cause that contributed in any sequence to damage or injury. Pathogenic organisms mean any bacteria, yeasts, mildew, virus, fungi, mold, or their spores, mycotoxins or other metabolic products.

8. This contract covers only single family residential-use property, under 5,000 square feet, unless amended by the Company. Homes over 5,000 square feet, multiple units, mother-in-law units, guest houses, and other structures are covered if the appropriate fee is paid. This coverage is for owned or rented residential property, not for commercial property or premises converted into a business, including but not limited to, nursing/care homes, fraternity/sorority houses or day care centers.

9. The Company will determine whether a covered system or appliance will be repaired or replaced. When replacing any appliance, the Company will not consider any failures that do not contribute to the appliance's primary function including, without limitation, TVs or radios in the kitchen refrigerator. The Company will replace with equipment of similar features, efficiency, and capacity but is not responsible for matching brand, dimensions, or color. The Company reserves the right to have a component or part rebuilt or to replace with a rebuilt component or part.

10. The Company reserves the right to require a second opinion at no additional charge to the customer.

11. The Company is not responsible for repairs arising from manufacturer's recall of covered items, manufacturer's defects or for items covered under an existing manufacturer's, distributor's or in-home warranty. The covered items must be domestic or commercial grade and specified by the manufacturer for residential use.

12. The Company is not responsible for repair or replacement of any system or appliance or component or part thereof that has previously, or is subsequently, determined to be defective by the Consumer Product Safety Commission or the manufacturer, and for which either entity has issued, or issues a warning or recall, or when a failure is caused by manufacturer's improper design, use of improper materials, formula, manufacturing process or manufacturing defect.

13. The Company will not perform routine maintenance. The contract holder is responsible for cleaning and routine maintenance as specified by the manufacturer of the equipment.

14. Where local building permits are required prior to commencing replacement of appliances, systems, or components, the Company will pay up to \$250 per occurrence for such local building permits. The Company will not be responsible for replacement service when permits cannot be obtained.

15. The Company will repair or replace a system or appliance that was improperly installed, modified or repaired, or was not properly matched in size or efficiency at any time prior to or during the term of this contract provided the system is not undersized relative to the square footage of area being cooled or heated. In the event that a covered mismatched system or improper installation, modification or repair is in violation of a code requirement, Limit of Liability #6 applies.

CUSTOMER SERVICE

1. Telephone service is available at all times. Call us to describe the problem. When your coverage is confirmed, First American will dispatch your call to a qualified contractor. All calls for covered services will be initiated within 72 hours of the request for the service by the contract holder and will be completed as soon as reasonably possible. Covered services involving a malfunction of a heating system during the winter months will result in immediate initiation of services. The contractor will call you to schedule a mutually convenient appointment time. Additional efforts are made in emergency situations. If you should request the Company to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime charges.

2. The customer pays the \$55 service call fee for each separate trade call. Trade call means each visit by an approved contractor, unless multiple visits are required to remedy the same problem. The company warrants its work for 30 days. If the item fails outside this time period, an additional service fee will be charged. Failure to pay the service call fee may delay processing of future claims.

3. Homeowner and Company may agree on payment of cash in lieu of repair or replacement. Payment will be made based on Company's negotiated rates with its suppliers, which may be less than retail.

4. Sometimes there are problems and delays in securing parts or equipment. When the items are secured, they will be installed promptly without any further service charge.

5. At times it is necessary to open walls, ceilings or floors to make repairs. We will close the opening, at our cost, and return it to rough finish.

6. The Company will pay costs related to freon recapture, reclaim and disposal (if required) and the removal of an appliance, system, or component when the Company is replacing a covered appliance, system, or component.

DUTIES OF THE CONTRACT HOLDER

To maintain coverage, the Contract Holder must do the following:

(i) Protect appliances/systems from further damage should a failure occur; (ii) Report claims promptly to First American on the toll free number given in this contract; (iii) Install all appliances/systems in accordance with the manufacturer's specifications, (iv) Maintain all appliances/systems in accordance with the manufacturer's specification, including performing normal, routine maintenance.

CANCELLATION

A home service contract is noncancellable during the initial term for which it was issued, except for any of the following reasons:

(i) Nonpayment of contract fees; (ii) The subscriber's fraud or misrepresentations of facts material to the issuance of the contract; (iii) The contract provides coverage prior to the time that an interest in residential property to which it attaches is sold and the sale of the residential property does not occur. If this contract is cancelled, by mutual consent of the contract holder and First American Home Buyers Protection Corporation, the provider of funds shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less an administrative fee and all service costs incurred by the Company.