

Instructions: Please complete and mail back (page 1 & 2 only) at least one week prior to the expiration of current coverage. After the signed agreement is received by LHI, coverage is effective. Keep a copy for your records.

11/7/07

LHI ONE YEAR HOME WARRANTY AGREEMENT

LHI HOME WARRANTY SERVICES INC. Application #: 0006602
P.O. Box 941, Pennington, NJ 08534

APPLICANT Buyer ____ Seller ____ Agent ____

Full Name:
Property Address:
City:
State/Zip:
Date of Inspection:

Renewal date: _____ Phone Number: _____

*The Preferred Plan includes coverage for electric and plumbing, where as the Basic Plan does not. Coverage limitations apply on both plans, refer to pages 2-5 for details.

Select a plan below, by indicating with an X in the box below:

- | Basic Plan \$ 300 | Preferred Plan \$350.00 (*) |
|--------------------------|------------------------------------|
| - Oven/Range | - Oven/Range |
| - Refrigerator | - Refrigerator |
| - HVAC | - HVAC |
| - Central Vacuum | - Central Vacuum |
| - Hot Water Heater | - Hot Water Heater |
| - Clothes Washer/Dryer | - Clothes Washer/Dryer |
| - Dishwasher | - Dishwasher |
| - Microwave Oven | - Microwave Oven |
| - Trash Compactor | - Trash Compactor |
| | - Electric |
| | - Plumbing |

HOME WARRANTY AGREEMENT

Disclosure: The LHI Home Warranty is a service contract covering mechanical repairs only of the working components of a home listed on page 1 of this agreement. **If an appliance or system cannot be repaired, LHI will not be responsible for replacement or payment of any portion over the \$1,000 maximum liability limit under this warranty.**

DECLARATION: THIS IS A LIMITED WARRANTY. NOT EVERY REPAIR IS COVERED. IF THERE IS A DIAGNOSTIC CHARGE IT IS NOT COVERED BY THIS AGREEMENT. ■■

ALL WARRANTY PAPER WORK MUST BE MAILED BACK TO OUR OFFICE FOR PROPER REGISTRATION. NO COVERAGE WILL BE SUPPLIED IF THE PAPER WORK IS NOT RECEIVED BY OUR OFFICE. ALL RECEIVED WARRANTY PAPERWORK IS REGISTERED AND COUNTERSIGNED BY AN LHI REPRESENTATIVE. THE ORIGINAL REMAINS IN OUR OFFICE AND A COPY WITH THE EXECUTED SIGNATURES WILL BE MAILED TO YOU FOR YOUR RECORDS. PLEASE CALL IF YOU DO NOT RECEIVE A SIGNED COPY.

ACCEPTANCE: I have reviewed and understand the coverage and limitations described in this application. I hereby agree to the **Home Warranty Plan** terms on the above referenced property.

*** Complementary with full home inspection (building inspection, radon & termite package).**

X _____ X _____
Applicant Signature Date LHI Representative Date

(Keep the following pages (3-5) for your records, do not mail back to LHI)

DESCRIPTION OF COVERAGE

Central Heating

Covered: Warm air heating systems; Hot water systems; accessible ductwork.

Not Covered: Concrete encased or inaccessible ductwork; concrete encased steam or radiant heating coils or lines; free standing or portable heating units, filters, humidifiers, thermostats, electric baseboard or radiant systems, electronic air filters, registers, solar heating, any condition caused by rust or corrosion, specifically heat exchangers or pre-existing condition. Heat exchangers over the manufacture 15 year guarantee are not covered. Any malfunction caused by lack of maintenance is not covered. Any additional repair costs as a result of a unit replacement, such as new venting requirements, lack of chimney liners or damaged exhaust piping is not covered. If filters are not replaced the warranty is void.

Appliances

Covered: Only built-in appliances; oven; range; refrigerator; dishwasher; trash compactor, microwave oven; central vacuum system; clothes washer and clothes dryer and hot water heaters.

Not Covered: Timers and clocks, assemblies, rotisserie and meat probes, racks; lock and key assemblies; dents, hoses, belts and scratches and cosmetic repairs; refinishing or replacement of counter tops, cabinet parts, cabinet shelves, racks, exterior trim, ice makers, gaskets; any condition caused by rust or corrosion; any condition caused by chemical or sedimentary buildup (clogs) or any pre-existing condition.

Air Conditioning

Covered: Central air conditioning systems which utilize ductwork for the distribution of air; evaporator cooler units; condensers, compressors, thermostat condenser in fan motor, air handler, blower fan motor, interior freon gas lines and accessible ductwork.

Not Covered: Window air conditioners, portable air conditioning units; thermostats, compressor units over 15 years old; humidifiers, electronic filtering systems, deionizers; exterior freon gas lines; filters, registers; condenser grill guards, condensate pump; and any condition caused by rust or corrosion; or any pre-existing condition. Re-charging of freon gas lines is not covered. Any malfunction caused by lack of maintenance is not covered. Filters must be replaced or the warranty is void.

Plumbing (Preferred plan only)

Covered:

Water, gas and vent lines within the perimeter of the main foundation, drain, waste and vent lines within the perimeter of the main foundation; plumbing fixtures, faucets, shower or tub valves and hot water heaters. There is a \$500 dollar limit to obtain access to the plumbing defect (such as removal of finished walls).

Not Covered: Clogs in drain lines, washers, gaskets, hoses, condition of insufficient or excessive water pressure; all plumbing contained in or under the foundation or slab; all plumbing outside of the perimeter of the foundation; any repairs caused by sedimentary build-up, sewer or water laterals; septic tanks and systems in or outside of the home; sewage ejector pump, jet and sump pumps, well pumps; solar systems; color or purity of the water system; water filters; water purification systems; shower enclosures; shower base pans, toilet tanks, toilet interior components, bowls and lids; caulking or grouting; the repair of any walls (except repair to rough finish) floors or ceilings where it is necessary to break through to effect repairs; lawn sprinkler systems, swimming pools; whirlpools, spas, hot tubs and their respective plumbing and mechanical components; or any pre-existing condition.

Electrical (Preferred plan only)

Covered: General wiring; components, and parts within the perimeter of the foundation, fuse box, circuit breaker panel, receptacles, garage door opener and ceiling fans.

Not Covered: Conditions of inadequate wiring capacity or overload; power failure or shortage; intercom or speaker systems, burglar alarms, door bells, garage door transmitters; lighting fixtures; attic fans, exhaust fans; or and pre-existing condition.

Basic and Preferred Plan Coverage

Coverage will be provided for those items defined as eligible for coverage (above). LHI will only be responsible for the cost of approved claims of covered equipment.

LHI reserves the exclusive right to decide whether to repair defective or malfunctioning parts. In no event will LHI be responsible for any

repair of covered equipment not reported within (12) months from the effective date of this warranty. All claims must be reported as outlined in the claim procedure.

The term of this Home Warranty shall be for a period of one year. In no event will LHI have any responsibility under this warranty until and unless its full fee has been paid/or part of the inspection service, and the warranty is signed and sealed by authorized by LHI.

Warranty Limitations

Other than as provided by this warranty, LHI disclaims any liability for bodily injury or property damage caused by any covered equipment. LHI further disclaims and liability for any consequential damages for the failure or malfunctions of covered equipment. LHI disclaims any liability in any manner arising from the adequacy, capacity or the design of any component or its failure to comply with any local, state or national code. Any item damaged as part of renovation, restoration or remodeling will not be covered by this warranty. Any decoration, such as painting, papering, etc., necessitated by any repair is not covered by this warranty. In addition, LHI will not be liable for costs related to normal maintenance or for damages which result from neglect, misuse, alterations or modifications; delays in obtaining replacement parts, termites or other insects, animal damage, shifting or settling of land, frost heaves, subsidence, dry rot, condensation, floods, surface water, waves or tidal waves, nuclear or air contamination, war or any act of aggression or acts of God, or for losses recoverable under home insurance, manufacturer and/or contractor warranties or service contracts, etc. In the event any covered component is no longer available, LHI will **not** replace the system, and shall not be responsible to pay any portion of the \$1,000.00 maximum liability limit under this warranty. Any concealment or misrepresentation of facts by the buyer or owner regarding the covered equipment will automatically void this warranty.

For the purposes of this Home Warranty, a pre-existing condition shall mean a defect, problem, or deficiency of any covered equipment which is disclosed within the home inspection report prepared by Lewis Home Inspection. A pre-existing condition shall further mean any defect, problem or deficiency of the subject property, but not disclosed within the home inspection report because access to the covered equipment was inaccessible, non-visible, obstructed, difficult to reach, latent or concealed, testing was restricted by weather.

IN NO EVENT SHALL LHI BE LIABLE FOR REPAIRS OF COVERED EQUIPMENT IN EXCESS OF \$1,000.00 (ONE THOUSAND DOLLARS) FOR THE TERM OF THIS HOME WARRANTY. IT IS EXPRESSLY UNDERSTOOD BY THE BUYER THAT THE MAXIMUM LIABILITY OF LHI FOR THE ONE YEAR TERM OF THIS HOME WARRANTY SHALL NOT EXCEED \$1,000.00, THE AGGREGATE, REGARDLESS OF THE NUMBER OF CLAIMS SUBMITTED TO LHI BY BUYER.

IN THE EVENT THAT A DISPUTE ARISES BETWEEN THE OWNER AND LHI AS TO LHI'S LIABILITY UNDER THIS WARRANTY, SUCH DISPUTE WILL BE SUBMITTED TO THE AMERICAN ARBITRATION ASSOCIATION FOR BINDING ARBITRATION. IF THE CUSTOMER SUBMITS OR FILES ANY LAWSUIT, CLAIM OR CONTROVERSY WITH ANY COURT OR FORUM OTHER THAN THE AMERICAN ARBITRATION ASSOCIATION, THEN CUSTOMER AGREES TO PAY ALL REASONABLE ATTORNEY'S FEES AND COSTS INCURRED BY THE COMPANY IN THE DEFENSE OF THE LAWSUIT, CLAIM OR CONTROVERSY, NOTWITHSTANDING THE RULES AND PROCEDURES OF THE AAA. THE BUYER MUST BRING ANY CLAIM AGAINST LHI WITHIN ONE YEAR AFTER THE CLAIM AROSE. IF BUYER DOES NOT, BUYER HAS NO RIGHT TO SUE LHI AND LHI HAS NO LIABILITY TO THE BUYER FOR THAT CLAIM, IT IS CRITICAL THAT BUYER BRING ANY CLAIM IN A TIMELY MANNER, TIME IS OF THE ESSENCE.

Signature on page 1 of the warranty constitutes an acceptance by the buyer of all terms and conditions of the warranty, which is in conflict with the statutes of the state in which it is issued, is hereby amended to conform to such statutes.

LHI Home Warranty

File claim online at www.lhinspection.com

STEPS FOR WARRANTY CONSIDERATION

1. The warranty claim form must be registered (a signed copy must be on file at LHI office, signed by you and LHI representative).
2. Review the description of coverage, limitations and claim procedure in your warranty prior to submitting the claim.
3. Submit a claim form online or use the form below and submit by fax to 609-818-0310.
4. After submitting the claim form, call contractor that specializes in your system or appliance make and model.
5. Pay the service technician.
6. Obtain a copy of the repair receipt that includes the cost of labor, parts and written detail of the description of the problem identified and the repair that was completed.
7. Submit the bill to LHI by fax, email or mail for reimbursement.
8. A letter of approval or denial will be mailed within approximately 2 weeks.

CLAIM FORM –fax to 609-818-0310 or file online www.lhinspection.com

Application #: _____ Contact Name: _____

Address: _____ City: _____ St.: ___ Zip: _____

Email: _____

Home Phone: _____ Cell Phone: _____

Work Phone: _____

Did you mail in the warranty paperwork before closing? _____

What date did you close on the home? _____

When did the system/appliance break down? _____

What system/appliance is not working? _____

Preferred Plan (*additional fee required) ___ Plumbing ___ Electrical

What exactly is wrong with that system/appliance? (detailed below)

Upon receiving a claim LHI will confirm the receipt of the warranty paper work. In order to insure coverage the warranty must be registered (signed and received by LHI) and the appliance/system must have been tested by LHI. Please schedule to have the system repaired by a service provider of your choice. There is no guarantee that the service will be covered. The claim service provider must provide a detailed receipt that includes a description of the problem, the parts and labor and how it was repaired. If there is a diagnostic fee it is not part of the warranty coverage. The detailed receipt needs to be sent to LHI for reimbursement. The reimbursement will include all covered parts and labor.