

## Extended Service Agreement Comprehensive Coverage

This document sets forth the entire Agreement between the Extended Service Agreement Administrator hereinafter referred to as We, Us and Our, and, the Purchaser as You and Your. No representation, promise or condition herein shall modify these terms. Service Net Warranty, LLC ("Service Net") is contractually obligated to You to provide service under this Agreement where in accordance with, and as allowed by state law. **If this Agreement is purchased in Florida, New Hampshire Insurance Company is contractually obligated to You to provide service under this Agreement.**

**MANUFACTURER'S WARRANTY:** THIS AGREEMENT IS INCLUSIVE OF THE MANUFACTURER'S WARRANTY; IT DOES NOT REPLACE THE MANUFACTURER'S WARRANTY, BUT PROVIDES CERTAIN ADDITIONAL BENEFITS DURING THE TERM OF THE MANUFACTURER'S WARRANTY. LOSSES COVERED BY THE MANUFACTURER DURING THE MANUFACTURER'S WARRANTY PERIOD ARE NOT COVERED UNDER THIS AGREEMENT.

1. **WHAT IS COVERED.** Depending on the coverage purchased and listed on the face of this Agreement We will furnish one trip charge or one diagnostic charge, labor only, parts and labor and parts allowance, or replacement equipment (or pay for same) necessary to repair mechanical or electrical breakdowns of the Product specified in this Agreement, provided such service is necessitated by Product failure during normal usage. The Product specified and covered includes only equipment as originally configured and charged for in this Agreement. The maximum liability owed to You under this Agreement will be the replacement cost of like and kind Product, plus labor to install minus re-piping, duct work, wiring and sales tax. In the event We (I) replace the Product with a Product with equivalent specifications; (II) reimburse You for the retail cost of the Product, less claims made, minus sales tax; or (III) When repairs made to the equipment total the replacement cost of the equipment, We are no longer responsible for further repairs or coverage, and this Agreement is then terminated and We have no further liability. We may, at Our discretion, require the failed component(s) or Product to be returned to Us (or Our designee) at Our expense.
2. **WAIT PERIOD.** There is a period of no coverage under this agreement based upon:
  - A. **AGREEMENT EFFECTIVE DATE.** This Agreement is effective as of the date You submitted your application for this Agreement ("Purchase Date"); provided that We receive the application within 15 days of the Purchase Date. If We are not in receipt of the application within this time then the Agreement is "effective" the day We receive the application. Notwithstanding anything to the contrary, payment in full must be received from the selling entity by Us within 30 days from the Purchase Date. Non-payment or delay in payment for this Agreement may negate coverage, except where prohibited by law.
  - B. **COVERAGE START DATE.** Coverage begins and ends as stated on the face of this Agreement. Coverage dates vary and You should read the dates carefully to be certain the Agreement coverage dates are accurate for the type of coverage You purchased.
  - C. **CONTINGENT COVERAGE.** Coverage under this Agreement begins on the Coverage Effective Date as shown on the face of this Agreement provided the Agreement is paid in full.
3. **GUARANTEE PERIOD.** Servicing contractor agrees to provide a labor guarantee for ninety (90) days from date of repair along with any and all parts warranty coverage as provided by the part manufacturer. If the same repair or failure is caused during the 90 day guarantee period the contractor will be responsible for the costs of such repair and shall not be covered under the Agreement.
4. **ANNUAL MAINTENANCE.** All Products covered by this Agreement require annual maintenance performed by Your servicing dealer or an authorized service technician. Filter changes and/or cleaning filters can be performed by You. You or Your servicing dealer may be required to submit proof of annual maintenance, including invoices for materials and or labor charges associated with the maintenance service. Lack of annual maintenance or failure to provide proof of proper annual maintenance may result in denial of payment for claims under Your Agreement and or a cancellation of the agreement. You will be responsible for payments of denied claims due to the lack of annual maintenance.
5. **TECHNICAL INSPECTION.** If You purchased Your Agreement greater than twelve (12) months from Your Product's original installation date We require a comprehensive technical inspection by Your servicing dealer, at Your expense, for all products to be covered by this Agreement to confirm there are no defects or repairs needed at the time of Agreement purchase. If the technical inspection is not completed or submitted by Your servicing dealer within ninety (90) days from the date of Agreement purchase Your Agreement will be canceled. It is Your responsibility to ensure the technical inspection is submitted to Us. **There is NO coverage on the equipment until the inspection report is received and approved. You will be subject to a ninety (90) day wait period from Agreement purchase date.** Repairs necessary at the time of technical inspection through ninety (90) days from Agreement purchase date will be Your responsibility, failure to provide proof of completed inspection required repairs will terminate this agreement.
6. **IF REPAIRS ARE NEEDED.**
  - A. Call Your service provider, whose number appears on the face of this Agreement to determine the cause of failure and to make the repair. If Your service provider is not available, call Us at **(800) 886-9363** or **(630) 986-9363**. We will appoint a service/repair facility that will do the diagnosis and repair the unit. If You are unsure about the coverage call Us at **(800) 886-9363**. In the event a breakdown occurs when Our office is closed, You may follow the claim procedure and reimbursement will be made in accordance with Agreement provisions.
  - B. Acknowledge the service facility's invoice by signing it upon completion of the repair. By signing the service ticket You are authorizing the deduction to Your full limit of liability under the agreement. **ONLY** sign for work that You agree was performed.
7. **AVAILABILITY OF SERVICE.** Neither Us nor the dealer shall be liable for any damages whatsoever arising out of delays, either before or after a day or time of service is agreed upon unless specified by state regulations.

8. **ACCESSIBILITY OF PRODUCT.** If service is required, You agree to make the Product reasonably accessible to the repair person. If the Product is not accessible, the repair person will have the option of declining to provide service or assessing You an additional charge, which will not be covered by Us, for making the Product accessible, commensurate with the difficulty in working on the Product.
9. **TERMINATION FOR OTHER CAUSE.** We have the right to terminate this Agreement without liability, if We cannot provide service due to removal or alteration of serial number, or because You have committed a fraud upon Us. If We cancel this Agreement after the first thirty (30) days, You will receive a pro rata refund of one-hundred percent (100%) of the purchase price of Your Agreement based on the time remaining on Your plan less the value of any services or claims that have been provided or paid.
10. **IMPORTANT NOTE.** Repairs recommended by Your servicing dealer not necessitated by mechanical breakdown, which includes preventive and predictive failure are not covered unless specifically authorized by Us. A mechanical or electrical breakdown is defined as the inability of a covered part to perform a routine function, when properly cleaned and serviced. Replacement of parts may be a duplicate part of like kind and quality. A mechanical or electrical breakdown does NOT include a reduction in operating efficiency. If You request a service call for a non-covered repair, You will be responsible for all costs associated with that repair. In the event You are unable to meet the servicer, You must call to cancel the appointment one (1) business day prior to the agreed upon time of service or You may be responsible for paying the second trip charge for the subsequent rescheduled repair. If the Product is found to be performing to the manufacturer's specifications, repairs will not be authorized and You will be responsible for costs incurred. **This Contract must be paid in full prior to services being rendered.**
11. **TIME FOR SERVICE.** Service will be performed during the hours of 8:00 a.m. to 5:00 p.m. local time Monday through Friday, excluding holidays or during the hours of operation of the participating servicing dealer. Any additional costs above the service providers authorized hourly rate (premium or overtime charges) or after hours service will be at Your expense with the exception of health related or severe weather related emergencies unless specifically listed on the face of this Agreement.
12. **PLACE OF SERVICE.** Equipment may not be moved from the original installation site and remain under coverage
13. **UNAVAILABILITY OF FUNCTIONAL PARTS OR TECHNICAL INFORMATION.** If We determine that We are unable to repair Your Product due to the unavailability of functional part(s) or if part(s) are on backorder for a minimum of 60 calendar days, or unavailability of service or technical information, the total allowed to You under this Agreement will be the repair cost of the functional parts, service or technical information were available. All contractual obligations are fulfilled, in lieu of repairs, upon Product replacement, reimbursement or Agreement term expiration.
14. **DEDUCTIBLE.** No deductible applies to this Agreement unless specifically listed on the face of this Agreement.
15. **RENEWABILITY.** This Agreement is renewable at Our sole discretion.
16. **TRANSFER.** This Agreement may be transferred to subsequent owners if the maintenance has been performed as required by the manufacturer. Assignment is effective upon inspection by one of Our authorized service providers and payment of a twenty-five dollar (\$25) transfer fee. Requests must be submitted in writing within thirty (30) days of change of ownership. Failure to transfer within 30 days of change of ownership will render this Agreement null and void.
17. **LIMITATIONS OF COVERAGE – This Agreement Does NOT Cover:**
  - a Any Product located outside of the United States.
  - b Service required as a result of any alteration of the equipment, or repairs made by anyone other than a licensed or authorized service contractor, or the use of supplies other than those recommended by the manufacturer.
  - c Damage or other equipment failure due to causes beyond Our control including, but not limited to, repairs necessary due to operator negligence, the failure to maintain the equipment according to the owner's manual instructions (including annual maintenance), abuse, vandalism, theft, fire, flood, wind, freezing, power failure, inadequate power supply, unusual atmospheric conditions, acts of war or acts of God.
  - d Service necessary because of improper storage, improper ventilation, including failure to place the equipment in an area that complies with the manufacturer's published space or environmental requirements. Misuse, abuse and any utilization of equipment that is inconsistent with either the design of the equipment or the way the manufacturer intended the equipment to be used, including cases in which the manufacturer of the equipment would not honor any warranty.
  - e Cosmetic damage such as, but not limited to scratches, dents, rust, stains, accidental punctures, damage to brass or other plating, or pitting. Non-functional parts such as, but not limited to, plastics, finishes, porcelain or enamel parts, knobs and dials, handles (unless critical to the function of Your Product), trim, accessory items such as water or electrical connections and venting equipment and decals. Expendable or lost items. Consumable items, including nitrogen, defined as any part that is considered consumable by the manufacturer and/or any item that is designed to be consumed (wear out) during the life of the Product, regardless if it is consumer replaceable or not.
  - f In-warranty parts not provided or shipped by the manufacturer. Operational or mechanical failure covered by manufacturer's warranty, manufacturer's recall, improper construction, or factory bulletins, (regardless of whether or not the manufacturer is doing business as an ongoing enterprise). Defects in the equipment due to the manufacturer's error or improper construction of the equipment.
  - g Consequential damages as a result of malfunctioning of or damage to an operating part of the covered equipment, or damages as a result of any repairs or replacements under this agreement. Damages caused by delays in rendering service or loss of use during the period that the Product is at the authorized service center or otherwise awaiting parts are not covered.
  - h Wiring/Electrical including Low or high voltage wiring external of unit (i.e. humidifier, thermostat, condenser or other controls mounted external of unit), fuses, breakers (unless part of unit by the Original Equipment Manufacturer (OEM)).
  - i Registers, batteries, grills, key valves, duct work, plumbing, venting, belts, dampers or nuisance calls such as resetting breakers, low or dead thermostat batteries and adjustments made to programming.

- j Operational or mechanical failure which occurs after this Agreement's expiration date or is not received within 60 (sixty) days of Product failure. Failure is defined as the date the mechanical repair was diagnosed.
  - k Equipment sold without a manufacturer's warranty or sold "as is" unless this agreement is specific to that coverage unless specifically listed on the face of this Agreement.
  - l Normal, periodic or preventative maintenance and/or checkups, including but not limited to customer education, adjustments, cleanings, and convergence.
  - m Loss or damage as a result of violation of existing federal, state or municipal codes including repairs to Productss not complying with said codes.
  - n Failure and replacement caused by contamination of the sealed system such as Green Slime, Dirty Sock Syndrome etc. are EXCLUDED from coverage. Consequential or damage(s) otherwise caused by rust, brownouts, blackouts, environmental conditions outside of manufacturer specifications, oxidation, corrosion, water, water condition, freezing, fire or other natural acts. Premature failure due to the use of inferior building materials such as Chinese Dry Wall, corrosive conditions caused by location, moisture, etc.
  - o Pre-existing conditions (incurred prior to the effective date of coverage), known to You or discovered during annual maintenance and or a technical inspection prior to Agreement purchase date.
  - p Products where the serial plate attached to the equipment is removed, defaced or made illegible.
  - q Regular maintenance parts such as filters, lubricants, oil nozzles or any Product that has been altered or misused or requires replacement due to normal wear, accidents or lack of proper maintenance. Refrigerant as a top-off or stand alone repair.
  - r Transit or delivery damage, damage caused by packing, unpacking, assembly, installation, removal, or repairs due to user facilitated adjustments. Short circuit, loss of use, parts or labor covered under the manufacturer's warranty, lack of annual maintenance, bodily injury, pre-existing conditions, periodic checkups, required annual maintenance, or unauthorized repairs. We will not pay for adjustments or repairs required because of conditions at Your location.
  - s You are responsible for any charges as a result of a "No Failure Found" Call, which includes, but is not limited to, problems that do not require parts, intermittent issues and blown fuses or circuit breakers that are external of the equipment.
  - t Loss of Performance due to normal wear and tear, overrated capacities, modifications to original system, insufficient water or poor water conditions.
  - u Failures to equipment or compressors, due to incorrect refrigerants used outside of manufacturer's recommendations; failures due to an improperly matched condensing unit and evaporator coil per the manufacturer's specifications or the Air Conditioning and Refrigeration Institute (ARI) ratings; or failures due to the improper use of metering devices (i.e. thermal expansion valve), are EXCLUDED from coverage.
  - v Parts or accessories that are used in conjunction with the Product specified under this Agreement that enhances the performance of the covered Product or were not installed by the original manufacturer, including but not limited to hard start, kick start kits, motor controllers, isolation relays, time delays, dual fuel kits, zone systems and zone valves unless specifically listed on the face of this Agreement.
  - w Repairs to alter equipment to meet changes in federal, state or local codes and regulations, or repairs which require additional parts and or labor to bring the equipment into working condition as a result of such Government Regulations.
  - x Leaks in the equipment on unit(s) at the evaporator, Schrader cores, condenser and/or metering device or other connections resulting from loose valves and/or loose valve caps, interconnecting fittings and/or field piping (line sets/tubing). For all other leaks, only one (1) leak is covered for the term of the Agreement for each covered component (i.e. condensing unit or evaporator section) and up to the initial internal charge of the unit.
  - y Changeover of Chlorofluorocarbons (CFC) to non-CFC refrigerants due to governmental regulation and oil changes on commercial compressors. We may, in our sole discretion, allow coverage of certain leaks; provided Your service provider receives prior written approval from Us.
  - z Manual or digital thermostats and control units unless specifically listed on the face of this Agreement.
  - aa Any cost recoverable under any other warranty, guarantee, or under an insurance policy (in such case, this Agreement will cover any applicable deductible less any deductible specified on the face of this agreement).
  - bb Products over sixty (60) months of age at the date of Agreement purchase.
- 18. CANCELLATION.** You may cancel this Agreement for any reason during the first thirty (30) days after it is issued and obtain a full refund of the purchase price less claims paid. After the first thirty (30) days, You may cancel this Agreement and receive a pro rata refund based on the time remaining on Your plan less any applicable administrative fee for non-commercial "single family" residential equipment OR ten percent (10%) of the price of this Agreement whichever is less and less the value of any services or claims that have been provided or paid.
- 19. LIMIT OF LIABILITY.** Unless otherwise stated on the face of this Agreement Our liability is limited to the replacement cost of like and kind equipment during the term of this Agreement. When repairs, in aggregate, made to the equipment total the replacement cost of the equipment, We are no longer responsible for further repairs or coverage, and this Agreement is then terminated and We have no further liability.
- 20. BUYOUT.** In the event of a covered claim, We may elect, at Our option, to buyout the Agreement during the coverage term for the lesser of (I) current market value of a Product with equivalent specifications or (II) retail price paid for Your Product minus sales tax, claims paid, and delivery and installation charges. When determining the current market value of a Product with equivalent specifications a fair analysis is completed using current manufacturers' and distributors' pricing on comparable products. All contractual obligations are considered fulfilled upon buyout of the Product. **You have up to forty-five (45) days from the date of authorization to complete Your Product buyout transaction.** If We buy-out Your Agreement, the covered Product becomes Our property.
- 21. STATE VARIATIONS.** Certain states have specific conditions; conditions listed on the front of this form apply to You.

- 22. NOVATION.** If We assign another underwriter with an "AM Best" industry rating of A- or better under this Agreement directly or indirectly, such new underwriter will carry the liability under this Agreement.
- 23. RIGHT TO RECOVER FROM OTHERS.** If We make any payment, We are entitled to recover what We paid from other parties. By accepting settlement of a claim, You transfer to Us Your right to recovery against any other party.
- 24. CLAIM SUBMISSION.** This is not an insurance policy. As the Administrator, We will assist You in understanding Your warranty and coverage benefits from the day You purchase Your Plan. Upon inspection and diagnosis, if it is determined that the failure is covered by this Agreement, You or the service facility must submit an invoice and/or work order for any replacement parts for which charges are being made. The invoice MUST show model and serial number(s), the "Agreement Number" located at the front top right hand side of this form and the service provider's cost and/or charges. The work order/invoice must be submitted to Us within sixty (60) days of date of repair or replacement at Service Net, 650 Missouri Ave., Jeffersonville, IN 47130 for processing and payment. These documents and/or parts must be made available to Us, upon request, no more than sixty (60) days from date the claim was received in Our office or on site inspection was made. This Plan is secured by a contractual liability or reimbursement insurance policy provided by either Illinois National Insurance Company or New Hampshire Insurance Company, Inc., 80 Pine Street, 13<sup>th</sup> Floor, New York, NY 10005, Telephone 1-800-250-3819. If, within sixty (60) days after proof of loss has been filed, We have not paid a covered claim, provided You with a refund, You are otherwise dissatisfied, or We are no longer a going concern, You may make a claim directly to the insurance company. Please enclose a copy of Your Plan when sending correspondence to the insurer.
- 25. ENTIRE CONTRACT.** This is the entire Agreement and no other written or oral modifications are valid.
- 26. LIMITATION OF LIABILITY. THE DEALER/RETAILER, SERVICE NET, THEIR AGENTS, CONTRACTORS OR LICENSEES WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME, LOST DATA RESULTING FROM THE BREAKDOWN OR FAILURE OF ANY EQUIPMENT OR FROM DELAYS IN SERVICING OR THE INABILITY TO RENDER SERVICE ON ANY COVERED EQUIPMENT. EXCLUSION IS MADE OF ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES MADE HEREIN.**