

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, improper installation, 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 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 permits, haul away fees, construction, carpentry, relocation of equipment. The Company will not be responsible for gaining or closing access to covered items except where noted in this contract. 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.

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 \$60 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.

TRANSFER OF CONTRACT

If your covered property is sold during the term of this contract, you must notify First American of the change in ownership and must submit the name of the new owner by phoning 1-800-992-3400 in order to transfer coverage to the new owner.

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.

Virginia Residents Only: See Miscellaneous section for cancellation information.

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.

MISCELLANEOUS

Maryland Residents Only:

If the original service contract holder returns the contract within 20 days of receipt of the contract, and if no claim has been made under the contract, then the contract holder may obtain a refund of the full purchase price of the contract.

Informal Dispute Resolution: The Company desires to promptly and fairly resolve any dispute that may arise between you and us. If such a