

Instructions: Please complete the following two page agreement, sign it, and mail it back one week prior to closing to guarantee coverage. Coverage does not go into effect until we have received signed agreement. The free Basic Plan applies only on items tested and operational at the time of inspection and during your walk through prior to closing. Please keep a copy for your records. 10/10/06

LHI ONE YEAR HOME WARRANTY AGREEMENT

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

APPLICANT Buyer ____ Seller ____ Agent ____

Full Name: SAMPLE
Property Address: SAMPLE INSPECTION ADDRESS
City: SAMPLE TOWN
State/Zip: SAMPLE STATE AND ZIP
Date of Inspection: DATE

Phone Number: _____

Closing date: _____

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

- | | |
|---|---|
| <ul style="list-style-type: none">• Basic Plan \$ FREE WITH INSPECTION- Oven/Range- Refrigerator- HVAC- Central Vacuum- Hot Water Heater- Clothes Washer/Dryer- Dishwasher- Microwave Oven- Trash Compactor | <ul style="list-style-type: none">• Preferred Plan \$75.00- Oven/Range- Refrigerator- HVAC- Central Vacuum- Hot Water Heater- Clothes Washer/Dryer- Dishwasher- Microwave Oven- Trash Compactor- Electric- Plumbing |
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AGREEMENT TO PURCHASE HOME WARRANTY

Disclosure: The LHI Home Warranty is a service contract covering repairs only of the working components of a home. **If a system cannot be repaired, LHI will not be responsible for replacement. This is a mechanical repair only contract.** The price for the Warranty Plans shown above includes the full amount due and payable and the cost of processing and administration.

DECLARATION: THIS IS A LIMITED WARRANTY. THE DIAGNOSTIC CHARGE IS NOT COVERED BY THIS AGREEMENT. NOT EVERY REPAIR IS COVERED, CALL OUR OFFICE TO CONFIRM COVERAGE. REFUSAL TO PAY THE SERVICE CHARGE WILL RESULT IN IMMEDIATE TERMINATION OF THE WARRANTY. THE CONTRACT EXCLUDES EXISTING DEFECTS, UNLESS IDENTIFIED DEFECTS IN THE HOME INSPECTION REPORT ARE PROPERLY REPAIRED BY A LICENSED TECHNICIAN, AND A RECEIPT IS SUPPLIED TO LHI. **YOU MUST RE-CHECK ALL OF THE APPLIANCES AT WALK THROUGH. THE WARRANTY DOES NOT COVER PRE-EXISTING DEFECTS. 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. YOU MUST CALL IF YOU DO NOT RECEIVE A SIGNED COPY.**

- **ACCEPTANCE:** I have reviewed and understand the coverage and limitations described on the back of this application. I hereby agree to a **Home Warranty Plan** on the above referenced property.
* **Complementary with full home inspection (building inspection, radon & termite package).**

X _____ X _____
Applicant Signature Date LHI Representative Date

DESCRIPTION OF COVERAGE (Please keep for your records)

COVERED EQUIPMENT

Covered equipment is subject to the following:

1. The equipment must be included in the sale of the property or part of the sale. All included appliances are listed in the home inspection report. Equipment not tested at the time of inspection are not covered, rotisserie ovens, self or continuous cleaning operations, cooking functions, clocks, timing devices, lights and thermostat accuracy are not tested during this inspection. See your personalized home inspection report for complete details.

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; range exhaust fans; 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; **and 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.**

Preferred Plan Coverage:

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 piping and 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 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). This warranty does not cover those items listed as excluded. LHI will 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. The one year term shall commence on the date of closing of the sale of the property or contract date for which the Home Warranty is being offered and expire one year thereafter. 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 an authorized LHI representative.

IN NO EVENT SHALL LHI BE LIABLE FOR REPAIRS OF COVERED EQUIPMENT IN EXCESS OF \$2,500 (TWO THOUSAND FIVE HUNDRED 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 \$2,500.00, THE AGGREGATE, REGARDLESS OF THE NUMBER OF CLAIMS SUBMITTED TO LHI BY BUYER.

Signature above 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.

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 or replacement 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, 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 homeowners 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. 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.

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.

Claims Procedure

All warranty paper work is required to be mailed back to our office. The claim will be denied if the warranty application was not sent in. When a claim arises, simply contact our office to report your claim.

YOUR RESPONSIBILITIES:

For your convenience and in order to expedite your claim;

- You are responsible to choose and call a contractor of your choice to diagnose the issue.
- It is the homeowners responsibility to pay for the contractors trade service call fee.
- It is your responsibility to pay the contractor of choice the fee for his services at time of repair.

CONTRACTORS RESPONSIBILITIES:

- It is the contractors job to call into LHI Inspection 609 818-0308 when on site to let us know the problem and proposed solution.
- A decision will be made by an LHI employee to see if it is a covered item per the LHI Warranty or inspection report .
- The repair will either be approved or denied at that time.
- It is at the home owners discretion whether to have the problem fixed

TO RECEIVE REIMBURSEMENT

- If the claim is approved, the homeowner needs to submit for payment a detailed repair list provided by the contractor separating both parts and labor.
- It is not to be assumed that the total bill will be reimbursed.
- Payment will be at the discretion of LHI Inspection in accordance with the structure of the warranty agreement.
- Payment will be sent to the homeowner in a reasonable period of time.

All repair(s) are warranted for the balance of the buyer warranty plan or 90 days which ever time is greater.

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 ATTORNEYS 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 CUSTOMER SHALL BE SOLELY RESPONSIBLR FOR PAYING ALL ADMINISTRATION FEES FOR INITIATING ARBITRATION WITH AAA, INCLUDING THAT PORTION, IF ANY WHICH WOULD BE OTHERWISE PAYABLE BY THE COMPANY IN ACCORDANCE WITH RULES AND PROCEDURES OF AAA. THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT OF ALL COSTS INCLUDING ATTORNEYS FEE FROM THE NON-PREVAILING PARTY.

This Home Warranty is intended only for the benefit of the Buyer. Therefore, the buyer shall not assign this Warranty to any other person or entity without the prior written consent of LHI.