

General

HOME WARRANTY INC.
GENERAL HOME DIVISION INC.
SERVICE CONTRACT

CONTRACT # _____

Buyer _____

Address _____

Contract Date _____

GENERAL HOME DIVISION INC. SERVICE CONTRACT

I. COVERAGE

During the coverage period, GENERAL HOME WARRANTY (GHW) will arrange for an authorized service contractor ("Service Provider") to repair or replace the systems and components mentioned as "Included" in accordance with the terms and conditions of this contract so long as they:

- A. Are located inside the confines of the home, and above main foundation of the home or attached garage (with the exception of the air conditioner).
- B. Become inoperative due to normal wear and tear.

C. Are in place and in good working order on the effective date of this home warranty contract, as determined by inspection, or re-inspection.

This contract only covers single-family homes, town homes and condominiums up to 5,000 square feet unless otherwise stipulated.

Coverage is for owned or rented residential-use property, not commercial property. This contract describes the basic coverage and options available. For the specific coverage detail on your home, see the inspection as it relates to Articles IV, V & VI. Coverage includes only the items stated as included and excludes all others. Coverage is subject to limitations and conditions specified in this contract. Please read your contract carefully. Note: this not a contract for insurance.

II. COVERAGE PERIOD

Homeowner's coverage begins on the contract date, provided that the coverage plan fee is paid in full to GHW at that time. Coverage continues for one full year and two months from the contract date (unless otherwise stated). Optional seller's coverage starts upon receipt of application and re-inspection, then continues until expiration of the initial coverage period.

III. SERVICE CALLS

FOR SERVICE CALL: (505) 489-2093

A. You (including tenant) must notify GHW for work to be performed under this contract as soon as the problem is discovered. GHW will accept service calls 24 hours a day, 7 days a week, 365 days a year at (505) 489-2093. Notice of any malfunction must be given to GHW prior to expiration of this contract.

B. GHW will immediately dispatch your call to a Service Provider (48 hours on weekends and holidays). GHW will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service (emergency usually considered to be loss of life or peril). If you should request GHW to perform service outside of normal business hours (Monday-Friday 8am -5pm MST), you will be responsible for any additional fees and/or over-time charges.

C. GHW has the sole and absolute right to select the Service Provider to perform the service. GHW will not reimburse for services performed without its prior approval.

D. You will pay \$59.00 for each trade service call (Service Fee). The Service Fee is for each visit by a GHW approved Service Provider, except as noted in this Article III (E), and is payable to the GHW approved Service Provider at the time of each visit. Failure to pay the Service Fee will result in suspension of coverage until such time as the proper Service Fee is paid. At that time coverage will be reinstated, but the contract period will not be extended.

E. If service work performed under this contract should fail, GHW will then provide for the necessary repairs without an additional Service Fee for a period of 30 days on parts and 30 days on labor. Subject to sections IV, V, & VI.

IV. COVERED SYSTEMS AND APPLIANCES

The following items labeled "INCLUDED" are covered. Certain limitations of liability apply to INCLUDED systems and appliances. (See Articles I, II, III, VII, VIII, & IX).

A. HEATING UNIT OR BUILT IN WALL UNIT (If Main Source of Heat in Home).

INCLUDED: radiators, motors, gas valve, heating elements, printed circuit boards, burners, vent

blower assembly, thermostats and thermostat sub-base, gas, electrical, heat exchangers, switches. Not Covered: heat pumps, oil furnaces, auxiliary space heaters, baseboard casings, hydronic circulating pumps, zone valves, grills, convectors, fuel storage tanks, portable units, solar heating systems, underground or outside components and piping for geo-thermal and water source heat pumps, key valves, fireplaces, chimneys, filters, electronic air cleaners, registers, clocks, timers, heat lamps, flues, humidifiers, commercial grade equipment, ductwork, insulation, Asbestos insulated flues, vents and breaching, noise that does not affect normal heating operation.

B. AIR CONDITIONING /COOLER UNIT

INCLUDED: ducted electric central air conditioning, ducted electric wall air conditioning, refrigeration system, thermostats, compressor, motors, valves, coils, liquid and suction line dryers, visible leaks in freon lines, fuses, breakers, disconnect boxes and wiring. Evaporative Coolers: pump, motor, belts, pulleys, float assembly. Not Covered: heat pumps, gas air conditioning systems, condenser casings, registers, roof jacks or stands, grills and ductwork, filters, electronic air cleaners, window units, non-ducted wall units, humidifiers, individual units that exceed 5 tons, improperly sized units, water towers, chillers, copper and flexible water tubing, filters and pads for all air conditioners, pad rotating mechanisms, commercial grade equipment, seasonal and routine maintenance. R22 or HCFC22 freon leaks and or recharging.

C. PLUMBING SYSTEM

INCLUDED: leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots, toilet tanks, bowls and mechanisms (replaced with builders standard as necessary), toilet wax ring seals, valves for shower, tub, diverter angle stops, rinses and gate valves. Not Covered: storm drain systems and tiles, collapse of or damage to water, drain, gas, waste or vent lines caused by freezing, settlement and/or roots, fixtures, bathtubs and showers, whirlpool jets, shower enclosures and base pans, bath tub drain mechanisms, sinks, toilet lids and seats, cabling, caulking or grouting, septic tanks, water softeners, filters, pressure regulators, inadequate or excessive water pressure, flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits, sewage ejector pumps, holding or storage tanks, saunas or steam rooms, back-up sump-pump systems, Polybutylene/Polyethylene piping, exterior hose bibs, collapsed or broken lines outside the main foundation, custom toilets, wall-mounted and triangular urinals, sprinklers and related equipment, exterior hose bibs, toilets of like quality (\$200 limit), stoppages/clogs, stoppages/clogs which can be cleared with standard sewer cable... Permanently installed sump pumps (used for storm water only), well pumps.

D. WATER HEATER (Gas or Electric)

INCLUDED: gas or electric, gas valve, tank leaks, drain valve, control thermostat and thermocouple, heating elements, temperature and pressure relief valves. Not Covered: instant hot water or hot water on demand systems, low boy and/or squat water heaters, solar water heaters, solar components, fuel, holding or storage tanks, noise or sounds caused by sediment, energy management systems, flues, vents, and commercial grade equipment. High efficiency water heaters max coverage \$800.

E. ELECTRICAL SYSTEM

INCLUDED: wiring, plugs, panels, and sub-panels, switches and fuses, conduit, junction boxes, circuit breakers (including GFCI).

Not Covered: fixtures, alarms, detectors or related systems, sensor, relay, low voltage, timed circuits, phone jacks, wiring which is the property of phone or utility company, phone wiring, ceiling fans, intercoms, central vacuum systems, inadequate wiring capacity, solar power systems and panels, direct current (D.C.) wiring or components, attic fans, commercial grade equipment, damages due to power failure or surge, or loads greater than the system's design.

F. KITCHEN APPLIANCES

1. DISHWASHER (built-in only)

INCLUDED: all components and parts, except:

Not Covered: racks, baskets, rollers, door seals, hinges, and knobs.

2. GARBAGE DISPOSAL

INCLUDED: all components and parts, including entire unit.

3. MICROWAVE OVEN (built-in only) INCLUDED: all components and parts, except:

Not Covered: interior linings, door glass, knobs, racks, removable trays, clocks, shelves, portable or counter top units, meat probe assemblies, rotisseries, door seals, lighting and handles, microwave/oven combo units.

4. RANGE/OVEN

INCLUDED: all components and parts, except:

Not Covered: clocks (unless they affect the cooking function of the oven), meat probe assemblies, rotisseries, racks, handles, knobs, sensi-heat burners, door seals, hinges, magnetic induction units, lighting and handles, microwave/oven combo units.

5. TRASH COMPACTOR

INCLUDED: all components and parts, except:

Not Covered: lock and key assemblies, removable buckets, door seals, knobs.

G. ROOF LEAK COVERAGE:

INCLUDED: leaks caused by rain or moisture to tar and gravel, tile, shingle, shake, and composition roofs over occupied living areas, will be repaired as leaks are caused by normal wear and tear, and the roof was in good water tight condition at the start of coverage. GHW will pay a maximum of \$500.00 per contract for the repairs of specific leaks. If replacement of the existent roof in whole or in part is necessary, GHW's liability is limited to the estimated cost of the leaking area only (as if the repair of the area were possible). The maximum payment for this coverage is

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\$500.00: NOT COVERED: roof leaks outside the confines of the main foundation, roof leaks caused by or resulting from: roof mounted installation, metal roofs, garage roof, improper construction or repair, missing or broken materials, skylights, patio covers, porches, drains, downspouts, gutters, scuppers, chimneys, fiberglass, clay tile, foam roofs, rubber cap sheet, rolled roofing, failure to perform standard maintenance, defects in balcony or deck serving as a roof.

Routine periodic maintenance is not covered by this contract. Secondary and consequential water damage is not covered by this contract. NOTE: service delays frequently occur during the first rains of the season or in heavy storms. While we make every effort to expedite service, no guarantees can be made.

H. GARAGE DOOR SYSTEMS:

INCLUDED: switches, capacitor, motor, push arm, track assembly, receiver unit, carriage. Not Covered: garage doors, infrared sensors, hinges, springs, adjustments, unit not meeting current safety standards, chains, tracks, rollers, and remote receiving/transmitting devices.

I. CENTRAL VACUUM SYSTEMS: NOT COVERED

J. BURGLAR AND FIRE ALARM SYSTEMS: NOT COVERED

V. OPTIONAL COVERAGE AVAILABLE WITH EXTRA PURCHASE

A. KITCHEN REFRIGERATOR:

INCLUDED: all components and parts, including integral freezer unit.

Not Covered: racks, shelves, ice makers, ice crushers, beverage dispensers and their respective equipment, interior thermal shells, freezers which are not an integral part of the refrigerator, food spoilage, door seals, lighting and handles, units moved out of the kitchen.

A. CLOTHES WASHER AND DRYER PACKAGE:

1. CLOTHES WASHER:

INCLUDED: all components and parts, except:

Not Covered: plastic mini-tubs, soap dispensers, filter screens, knobs and dials, damage to clothing, door seals.

1. CLOTHES DRYER:

INCLUDED: all components and parts, except:

Not Covered: venting, lint screens, knobs and dials, damage to clothing, door seals.

C. POOL AND SPA EQUIPMENT

INCLUDED: both pool and spa (including exterior hot tub and whirlpool) are covered if they utilize common equipment - if they do not utilize common equipment then only one or the other is covered unless an additional coverage fee is paid. Coverage applies to all components and parts of the heating, pumping and filtration system, (heater subject to \$600 aggregate maximum). Not Covered: pool sweep motors, lights, liners, concrete encased or underground electrical, plumbing or gas lines, cleaning equipment (including pop-up heads), turbo valves, structural defects, solar equipment, jets, fuel storage tanks, built in or detachable cleaning equipment, inaccessible equipment.

VI. LIMITATIONS OF LIABILITY

A. The following are NOT COVERED for the home buyer; (i) malfunction or improper operation due to rust or corrosion of all systems and appliances. Including but not limited to: plumbing systems, heating systems, electrical systems, built-in wallunits or heat pumps, air conditioning systems/coolers or pools/spas, and (ii) collapsed ductwork.

B. GHW is not responsible for providing access to/or closing access from any covered item which is covered by asphalt, sidewalk, or concrete encased, covered or otherwise inaccessible (i.e. beneath crawl spaces/wood floors etc.). GHW will pay no more than \$100 for diagnosis, repair or replacement of any covered components within Section IV. (plumbing) that is concrete encased or otherwise inaccessible.

C. During the period of buyer's coverage GHW will pay no more than \$500.00 per covered item for: diagnosis, access, and repair or replacement of any hot water, glycol or steam circulating heating systems.

D. At times it is necessary to open walls or ceilings to make repairs. GHW's service provider will close the opening and return to a rough finish condition subject to the monetary limits outlined in this article VI. sections B and C above, also article VII. Section B. GHW is not responsible for restoration of any wall coverings, floor coverings, plaster, cabinets, counter tops, tiling, paint, or the like. GHW is not responsible for the repair of any cosmetic defects or performance of routine maintenance, such as heating/cooling turnover.

E. Electronic or computerized energy management or lighting and appliance management systems are Not Covered. Solar systems and components including holding tanks are Not Covered.

F. GHW is not liable for consequential or secondary damages. GHW will not contract to perform service involving hazardous or toxic materials or Asbestos, nor costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. GHW is not liable for failure to provide timely service due to conditions beyond its control including but not limited to; delays in obtaining parts or equipment, and labor difficulties. We are not liable for any damages of any type that result from an independent contractor's service, delay in providing service or failure to provide service.

G. GHW is not liable for repair of conditions caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain as specified by the equipment manufacturer, missing parts, structural changes, fire, flood, smoke, theft, accidents, riots, vandalism, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, soil settlement, storms, accidents, pest damage, or acts of God.

H. GHW has the sole right to determine whether a covered appliance, system or component will be repaired or replaced. Parts and replacements will be of similar or equivalent quality and efficiency to those being replaced, subject however to limitations stated in this contract. When replacement equipment of identical dimensions is not readily available, GHW is responsible for providing installation of like quality equipment. GHW is not responsible for the cost of construction or carpentry made necessary by different dimensions. GHW will not alter structure to affect repair or replacement, nor replace cabinets, tile or flooring. GHW is not responsible for upgrade or matching color or brand. GHW is not liable for replacement of entire systems or appliances due to obsolete, discontinued or unavailability of one or more integral part.

A. GHW is not liable for repairs related to adequacy or capacity of appliances, components and systems in the home. Improper installation, design or previous repair of appliances, components and systems, problems or failures caused by a manufacturer's defect, problems caused by alterations or modifications of appliances, and components or systems.

B. GHW will not repair or replace commercial grade equipment, systems or appliances.

C. GHW reserves the right to require a second opinion.

D. GHW will not perform normal or routine maintenance. GHW will not pay for repairs or failures that result from the contract holder's failure to perform normal or routine maintenance. GHW will not be responsible for repairs of systems or components arising from a manufacturer's defect recall or while still under manufacturer or distributor's warranties. GHW responsibilities will be secondary to any other extended or in-home warranties that exist for the included systems, components and appliances. GHW is not responsible for removal and hauling away of old equipment or appliances. Where available, you may be charged an additional fee by the service provider for removal and/or disposal of an old system, component or appliance. GHW will not be responsible for service or damage performed by unauthorized technicians and such service or damage will void warranty.

E. GHW reserves the right to offer cash back in lieu of repair or replacement, in the amount of

F. GHW's actual cost to repair or replace any covered system, component or appliance. GHW will pay no more than \$1,000 maximum aggregate for any and all plumbing and electrical repairs (subject to all other contract limitations).

G. GHW will not repair or replace any covered systems or appliances if they are inoperable as a result of pre-existing conditions, deficiencies and/or defects.

H. GHW limits apply to one (1) covered item, per claim. Each claim event is capped up to

\$1,000; any unused portion of the benefit cannot be applied towards a future claim. In no event shall we be liable for more than two (2) claims per agreement term, for an aggregate amount of up to

\$2,000. This benefit does not apply to equipment; items; or failures deemed ineligible for coverage.

VII. BUILDING AND ZONING CODE REQUIREMENTS OR VIOLATIONS

A. GHW will not contract for services to meet current building or zoning code requirements, or to correct for code violations. Nor will GHW contract for services when permits cannot be obtained. GHW will not pay for the cost to obtain permits.

B. GHW is not responsible for upgrades, additional costs or expenses that may be required to meet current building or zoning code requirements. GHW is not liable to correct for code violations this includes: City, County, State, Federal, Utility regulations and upgrades required by law.

VIII. LEASE OPTIONS

Coverage on lease options is available for the lessee only, and begins upon payment in full of contract fee and receipt of application by GHW.

IX. MULTIPLE UNITS AND INVESTMENT PROPERTY

A. If the contract is for duplex, triplex, or fourplex dwelling then every unit within such dwelling must be covered by a GHW contract, with applicable optional coverage to apply to common systems and appliances.

B. If this contract is for a unit within a multiple unit of 5 or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are excluded.

C. Except as otherwise provided in this section, common systems and appliances are excluded.

X. TRANSFER OF CONTRACT & RENEWALS

A. If your Included property is sold during the term of this 14 month contract you must notify GHW

of the change in ownership and submit the name of the new owner by phoning (505) 489-2093 in order to transfer coverage to the new owner.

A. This contract may be renewed at the option of GHW, with a new inspection. And where permitted by state law.

XI. CANCELLATION

This contract shall be non-cancelable, except for:

A. Non-payment of contract fees. Payment must be received within 20 working days of the close.

B. Fraud or misrepresentation of facts material to the issuance of this contract.

C. If contract is canceled, the homeowner (contract holder) shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less service and administrative costs incurred by GHW of \$42.50. If listing coverage is cancelled after service has been performed, and the policy fee has not yet been paid. Policy holder will be responsible for purchase of policy, or reimbursement to GHW of service costs incurred.

D. Cancellation within 30 days of acceptance of GHW if no service request has been made. If so cancelled by the contract holder, in writing the contract holder is entitled to a full refund of the contract proceeds less a cancellation fee of \$42.50

XII. MISCELLANEOUS

A. Any Dispute concerning the interpretation of this agreement shall be resolved informally between the parties, or by arbitration conducted in accordance with the rules of the recognized American Arbitration Association; except that the parties shall select an arbitrator who is familiar with the home inspection industry.

B. Pathogenic Organisms (i.e. mold fungi, mildew, and toxic otherwise) and/or Water Damage is Not Covered By this Contract.

C. Re-inspections must be performed within 30 days from the contract date.



**GHW CONTRACT PAMPHLETS ARE SUBJECT TO CHANGE AND MAY BECOME OUTDATED.
PLEASE CHECK YOUR CONTRACT SENT TO YOU BY MAIL FOR SPECIFIC COVERAGES.**