

## SERVICE CONTRACT COMPREHENSIVE COVERAGE

This document sets forth the entire Contract between the Service Contract Administrator, hereinafter referred to as We, Us and Our, and the Purchaser, hereinafter referred to 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 Contract where in accordance with and as allowed by state law. If this Contract is purchased in Florida or Oklahoma, **Service Net Solutions of Florida, LLC** is contractually obligated to You to provide service under this Contract.

**1. WHAT IS COVERED.** Depending on the coverage You purchased, We will furnish a diagnostic charge; labor; parts; and/or replacement equipment (or pay for same) necessary to repair operational or mechanical breakdowns of the Product specified in this Contract, provided such service is necessitated by Product failure during normal usage. The Product specified and covered includes only equipment as originally configured and installed at time of purchase and charged for in this Contract. Coverage also applies to the parts and accessories that are necessary to the covered Product's functionality, but does not apply to accessories used in conjunction with or to enhance the performance of the covered Product. This Contract is inclusive of the manufacturer and dealer warranty, as reported to Us by Your dealer, and does not replace the reported warranties. Please refer to Your original purchase receipt for specific details on the reported warranties. Important Note: Some manufacturers offer longer parts warranties as registration incentives. Contact the manufacturer of Your product for information.

**2. ELIGIBILITY.** If You purchased Your Contract greater than twelve (12) months from Your Product's original install date, this section applies to you. Contract purchase must be within sixty (60) months of original Product installation date. To be eligible for coverage, the Product must be in good working order at time of Contract purchase. If it is determined that a claim results from a pre-existing condition, the payment of claim may be denied. Information regarding the original install date of the product must be correct. Inaccurate information regarding install date may result in the product being ineligible for coverage. We reserve the right to inspect Your Product at any time to determine eligibility for coverage.

**3. WAIT PERIOD. Coverage begins thirty (30) days from contract purchase or upon expiration of the dealer's labor warranty, whichever is later, unless the contract is sold greater than twelve (12) months from the Product's installation date. If the contract is sold greater than twelve (12) months from the installation date, there is a ninety (90) day wait period. Claims or losses that occur prior to or during the wait period are not covered by Your Contract.**

**4. ANNUAL MAINTENANCE.** All Products covered by this Contract require annual maintenance performed by an authorized service technician and as specified by the manufacturer. You may be required to submit proof of annual maintenance in the event of a claim. Lack of annual maintenance or failure to provide proof of annual maintenance may result in denial of payment for claims under Your Contract. You will be responsible for payment of denied claims due to the lack of annual maintenance or failure to provide proof of annual maintenance.

**5. TO OBTAIN SERVICE.** If service is required, contact the number shown on the front side of this Contract and explain the problem. Prior to any repair being made, the dealer may be required to follow authorization procedures. In these cases, any claim for repairs without authorization will not be covered except as provided under emergency repairs.

**6. 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.

**7. ACCESSIBILITY OF PRODUCT.** If onsite service is required, You agree to make the Product reasonably accessible to the authorized service technician. If the Product is not accessible, the authorized service technician 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. All service fees incurred by Us will be applied to the maximum liability of this Contract.

**8. TERMINATION FOR OTHER CAUSE.** Any attempts by YOU to repair or alter the Product, or if We cannot provide service due to removal or alteration of serial number, or because You have committed fraud upon us, at our discretion we may terminate this Contract without liability. If We exercise this right, You will receive a pro rata refund of one-hundred (100%) of the purchase price of Your Contract based on the time remaining on Your plan less the value of any services or claims that have been provided or paid.

**9. IMPORTANT NOTE.** Repairs recommended by the authorized service center not necessitated by mechanical breakdown are not covered unless specifically authorized by Us. We reserve the right to inspect the Product prior to coverage determination or during the coverage period. Model number, serial number and original date of purchase of all Products to be covered must be provided to initiate a request for service. If You request a service call for a non-covered repair or "no failure found" diagnosis is determined for the same problem on a second trip, You may be responsible for all costs associated with the repair/call. In the event You are unable to meet the authorized service technician, 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, service will not be authorized and You will be responsible for costs incurred.

**10. 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 authorized service center. Any additional costs above the authorized rates (premium or overtime charges) or after hours service will be at Your expense with exception of health related or severe weather related emergencies.

**11. PLACE OF SERVICE.** Onsite service will be provided at the address listed on the front side of Your Contract. Service will be performed by the Dealer named on the front side of this Contract, or by an authorized service technician.

**12. UNABLE TO REPAIR.** If We determine that We are unable to repair Your Product due to the unavailability of functional parts, service or technical information, or if the cost to repair will exceed the Claims Limitation as described herein, the total liability owed to You under this Contract will be the lesser of (I) the current market value of a Product of comparable specifications; or, (II) the retail price paid for Your Product minus sales tax and claims paid, in lieu of service repairs or replacement of a Product of comparable specifications. In all cases where parts or technical information are on extended backorder for a minimum of sixty (60) calendar days, We will determine if a replacement or reimbursement will be made. All contractual obligations are fulfilled, in lieu of repairs, upon Product replacement, reimbursement or Contract term expiration and the covered Product becomes the property of Service Net and We may, at Our discretion, require the Product to be returned to Us (or Our designee) at Our expense.

**13. DEDUCTIBLE.** A per claim deductible may apply to your contract. If a deductible applies, the amount is stated on the front side of Your Contract.

**14. RENEWABILITY.** This Contract is renewable at Our sole discretion.

**15. LIMITATIONS OF COVERAGE – This Contract Does Not Cover:**

a. Any Product located outside the continental United States, Alaska, and Hawaii.

b. Service required as a result of any alteration of the equipment, or repairs made by anyone other than an authorized service technician. This would include any unauthorized alterations made by You to the Product.

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, abuse, vandalism, theft, fire, flood, wind, freezing, power failure, inadequate power supply, unusual atmospheric conditions, acts of war or acts of Nature.

d. Service necessary because of improper storage, improper ventilation, or any utilization of the equipment that is inconsistent with either the design of the equipment, the specifications set by the manufacturer or Air Conditioning and Refrigeration Institute, or the way the manufacturer intended the equipment to be used. Any installation that prevents normal service. Any and all cases in which the manufacturer of the equipment would not honor any warranty regarding the equipment.

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f. Cosmetic defects, damage, or failures of non-operational components that do not inhibit the proper operation and performance of the covered items.

g. Consumable items defined as any part that is considered consumable by the manufacturer 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.

h. 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.

i. Repairs to Product, including parts, labor, or Product replacement covered by the reported manufacturer warranty, reported dealer warranty, manufacturer's recall, or similar manufacturer's incentive or repair program (regardless of whether or not the manufacturer or dealer is doing business as an ongoing enterprise).

j. 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 Contract.

k. Loss of use, loss of business, loss of profits, down-time and charges for time and effort.

l. 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. Rentals and "loaner" equipment are not covered.

m. Damage or failure caused by animals or insects.

n. Operational or mechanical failure which is not reported prior to expiration of this Contract or within 60 days of Product failure.

o. Equipment sold without a manufacturer's warranty, sold "as is" or refurbished Products.

p. Normal, periodic or preventative maintenance and/or checkups, including but not limited to customer education, adjustments, cleanings, and convergence. Regular maintenance, 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.

q. Pre-existing conditions (incurred prior to the effective date of coverage), known to You or discovered during annual maintenance.

r. Equipment where the serial plate attached to the equipment is removed, defaced or made illegible.

s. Damage resulting from user facilitated minor adjustments and settings outlined in the Product's owner's manual, inaccessible products or parts, negligence, misuse or abuse whether willful or not.

t. Failure and replacement caused by contamination of the sealed system such as Green Slime, Dirty Sock Syndrome, etc. Consequential or damage(s) otherwise caused by rust, brownouts, or blackouts. Premature failure due to the use of inferior building material such as Chinese Dry Wall, corrosive conditions caused by location or moisture. Leaks in the equipment in 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). Miscellaneous items such as nitrogen that are used to detect or diagnosis failures.

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u. Transit or delivery damage, damage caused by packing, unpacking, assembly, installation, or removal.

v. You are responsible for all 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, blown fuses or circuit breakers that are external of the equipment.

w. Repairs to alter the equipment to meet changes in federal, state or local codes and regulations, or repairs which require additional parts and labor to bring the equipment into working condition as a result of such Government Regulations.

x. Products over sixty (60) months of age at the date of Contract purchase.

y. Manual or digital thermostats and control equipment unless specifically listed on the face of this Contract.

z. Any cost recoverable under any other warranty, guarantee, or under an insurance policy (in such case, this Contract will cover any applicable deductible).

aa. Damage or failure caused by bodily fluids, including but not limited to urine and vomit.

bb. Product that has been leased or rented to You.

cc. Products used in a commercial environment, which is defined as non-residential, multiuser, communal, or industrial use.

**16. CANCELLATION.** You may cancel this Contract for any reason during the first thirty (30) days after it is issued and obtain a full refund of the purchase price less any services or claims provided or paid. After the first thirty (30) days, You will receive the lesser of a pro rata refund based on the term remaining on Your Contract OR ten percent (10%) of the price of this Contract. In either case, the refund will be reduced by the value of any services or claims provided or paid plus any applicable administrative fees.

**17. CLAIMS LIMITATIONS.** The maximum liability owed to You under this Contract will be the lesser of (I) the current market value of a Product of comparable specifications; or, (II) the retail price paid for Your Product minus sales tax and claims paid, in lieu of service repairs or replacement of a Product of comparable specifications. When determining the current market value of a Product of comparable specifications a fair analysis is completed using current manufacturers' and distributors' pricing on comparable products. In the event We (I) replace the Product with a Product of comparable specifications; (II) reimburse You for the current market value of a Product of comparable specifications; or (III) reimburse You for the retail amount of the Product, minus claims, minus sales tax, We shall have satisfied all obligations owed under this Contract and the covered Product becomes the property of Service Net and We may, at Our discretion, require the product to be returned to Us (or Our designee) at Our expense.

**18. BUYOUT.** We may elect, at Our option, to buyout the Contract during the coverage term for the lesser of (I) current market value of a Product with comparable specifications, (II) purchase price of Your Product minus sales tax and claims paid, or at Your request (III) cost of repair in lieu of repair. You have up to forty five (45) days from the date of authorization to complete your product buyout transaction. We will have satisfied all obligations owed under this Contract if any one of the buyout options is accepted by You.

**19. TRANSFERABILITY.** This Contract may be transferred to subsequent owners if the maintenance has been performed as required by the manufacturer. You may transfer this request by sending a) written notice, b) proof of equipment/home acquisition or original owner signature, and c) a twenty-five dollar (\$25) transfer administrative fee to: Service Net, P.O Box 1411, Jeffersonville, IN 47131-1411. Important Note: This contract does not cover changes or reductions in coverage of the manufacturer or dealer warranty due to transfers of ownership.

**20. STATE VARIATIONS.** Certain states have specific conditions; conditions listed on the front of this form may apply to You.

**21. 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.

**22. COVERAGE AND TERM.** 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 Contract. Upon inspection and diagnosis, if it is determined that the failure is covered by this Contract, You or the authorized service center must submit an invoice, work order, and/or customer reimbursement for any replacement parts and/or labor for which charges are being made. The invoice MUST show model and serial number(s), the "Contract Number" located on the front side of this form, and the authorized service technician's cost and/or charges. The work order/invoice MUST secure a customer signature as acknowledgement of service and be submitted to Us within sixty (60) days of the date of repair or replacement at Service Net Warranty LLC, 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 the date the claim was received in Our office or on site inspection was made. The Contract is secured by a contractual liability or reimbursement insurance policy provided by Illinois National Insurance Company in all states with the exception of AR, CA, FL, MS, NC, NY, OK, VA, which are covered by New Hampshire Insurance Company Inc., both located at 180 Maiden Lane, 25th Floor, New York, NY 10038. 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 Contract when sending correspondence to the insurer.

**23. ENTIRE CONTRACT.** This is the entire Contract and no other written or oral modifications are valid.

**24. 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.

If You have any questions, require customer service, or wish to report a claim, please contact: Service Net Warranty, LLC, 650 Missouri Ave., Jeffersonville, IN 47130.