

Terms of Coverage

1. Service will be dispatched within 48 hours of request. In the event of a heating emergency Company will pay up to \$65 per night (maximum 3 nights) for hotel accommodations. A receipt will be required for reimbursement.
2. This Service Contract is transferable for a \$25 fee.
3. Gold Shield Home Protection, Inc. ("Company") will not reimburse for services performed without Company authorization or for claims called in after contract expiration.
4. This Service Contract will automatically terminate for non-payment of Service Contract fees or deductibles; or for fraud and/or misrepresentation of facts material to the issuance of this Service Contract.
5. Company shall have the sole discretion for repair type or replacement on service call item.
6. The seller and buyer will assign all unexpired warranties or guarantees received in connection with the purchase of any covered items to the Company. The seller and buyer will use their best efforts to enforce any unexpired, non-assignable warranties and guarantees at Company's request.
7. Company will NOT cover any items already covered in a homeowner's insurance policy. Documentation from your insurance company may be requested.
8. Each contract is limited to an aggregate liability of \$30,000.
9. This is a limited Service Contract and may not cover all systems and/or items found in the home. If a system and/or items are not listed as covered then they are NOT COVERED.
10. The maximum Company liability on many items is NOT enough for replacement cost. Replacements will only be done if specifically stated in this Service Contract or if the maximum liability amount is enough to cover replacement of that item.
11. This Service Contract covers only those parts of mechanical systems which: Are located in a single family residence and/or condominium unit; are in place, operative and located within the main perimeter of the main foundation of the home on the effective date of this contract; are not located in rooms or buildings used for commercial or business purposes.
12. Company is not responsible for repairs or replacements required as a result of missing parts, fire, explosion or other casualty, whether or not insured by homeowner, war, terrorism, flood, smoke, water damage, lightning, freeze, earthquake, theft, storms, accidents,

vandalism, code violations, improper installation, acts of God, accidental damage, negligence and misuse. This Service Contract is intended for mechanical / component failures only.

13. This contract does not cover pre-existing conditions. Covered items must be in good working condition at the time this contract is executed.
14. Company will not upgrade equipment or improve due to lack of capacity or failure to meet city, state, federal, or utility regulations or upgrades required by law including, but not limited to, permits.
15. Company is not liable for consequential, incidental or secondary damage.
16. Services involving toxic material, lead-based paint, mold, or asbestos are not covered.
17. When it is necessary to open floors, walls or ceilings to make plumbing and or electrical repairs, the Company will restore them to a primed finish.
18. All replacements will be made with comparable materials and with standard makes and models. Appliance color is not guaranteed on replacements.
19. **ARBITRATION CLAUSE:** Any dispute arising under this agreement shall be submitted for binding arbitration under the auspices of the American Arbitration Association's local office. Each party shall pay for its own representative and shall bear arbitration costs equally. The arbitrator's award shall be final and binding and may be enforced by any Court of Law.
20. Second year of coverage is limited to the following systems and must be inspected by Gold Shield Home Protection certified inspector. Inspector must qualify (see below) each item for coverage and may, at their discretion, eliminate one or all systems from coverage.
Central Heating System: Unit must be less than 10 years old (Inspector may have to make an educated guess as to the age). Unit must be operable with no major problems.
Roof Covering: Roof must have no more than 2 layers, must be 10 or less years in age (Inspector may have to make an educated guess as to the age). Ventilation and roof covering must be in good working order.
Electrical System: System must be operable with no code violations, or major issues. System must have circuit breakers.
Plumbing System: System can not contain any galvanized plumbing. System must be in good working order with no leaks or evidence of leaks.

DISCLOSURE This is a Service Contract not an insurance policy. Your real estate broker may be paid an administrative fee for the processing of this order, the advertising of this product, and the inspection of the premises. The purchase of a Home Protection Plan is optional and there may be other Home Protection Plans available for purchase. You are free to shop and select any Home Protection Plan that may be available. If performance of the service contract is interrupted because of a strike or work stoppage at the Company's place of business, the effective period of the service contract shall be extended for the period of the strike or work stoppage.

Seller and Buyer Coverage

1. CENTRAL HEATING SYSTEM (must be centrally ducted) (limit 1 unit)

COVERED: Components of gas and electric units including, heating element, heat exchanger (**buyer only**), burners, gas valves, baseboard convectors, pumps, motors, switches, thermostat (non-digital), relays, accessible ductwork, and wiring.

NOT COVERED: Space heaters, inaccessible duct work, registers, grills, filters, oil storage tanks, solar heating systems, radiators, clocks, chimneys, chimney liners, fireplaces, digital equipment, digital thermostats, and energy management systems, wood burning stoves, geothermal, hot water or steam boiler systems, free standing, solar heating systems, and portable or thru-wall units.

COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer \$1,500 for units less than 15 years old all others \$500.

2. PLUMBING SYSTEM

COVERED: Leaks and breaks to water lines, drain, gas, valves to shower, tub diverter, faucets, toilet tank assemblies, and vent and sewer lines.

NOT COVERED: Water damage from system failure, stoppages or clogs, sinks, bath tubs, toilet tank and bowl, shower base pans, tub enclosures, tile fields, leach beds, sewage ejectors, grouting, caulking, tile, lawn, sprinklers, mineral deposits, cracking and chipping of porcelain, storage or holding tanks, loss due to insufficient capacity, rust-out, water, drain, sewer lines located outside the main foundation of the home, tree roots, high or low water pressure, galvanized plumbing, damage from freezing, and plumbing in or under a cement slab or basement floor.

COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer no limit.

3. ELECTRICAL SYSTEM

COVERED: All wiring, breakers, panels, switches, fuses, conduit, junction boxes and receptacles.

NOT COVERED: Meter boxes, service entrance cables, inaccessible and/or underground wiring, and electrical system or wiring located outside the main foundation of the home. Damage from: water, overload, power failure, lightning or a power surge.

COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer no limit.

4. WATER HEATER

COVERED: All components of gas or electric units only.

NOT COVERED: Oil hot water tanks, loss due to insufficient capacity, mineral or chemical deposits.

COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$250; Buyer \$600 unless unit is more than 10 years old then buyer limit is \$100.

5. ATTIC AND EXHAUST FANS

COVERED: Motors, controls, bearing, blades and switches.

NOT COVERED: Circulation or paddle fans, belts, shutters and filters.

COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer no limit.

6. KITCHEN REFRIGERATOR

COVERED: Compressor, seals, coils, thermostat, frost-free mechanisms and controls.

NOT COVERED: Racks, shelves, ice makers, ice crusher, beverage dispensers, interior thermal shells, food, and freezers. Appliances not part of sales contract.

COMPANY MAXIMUM AGGREGATE LIABILITY: \$700

7. KITCHEN RANGE/OVEN/COOKTOPS

COVERED: Burners, wiring elements, switches, thermostats, pilot assemblies, doors and hinges, self-cleaning mechanisms.

NOT COVERED: Clocks, meat probe assemblies, rotisseries, racks, shelves, handles, and knobs. Appliances not part of sales contract.

COMPANY MAXIMUM AGGREGATE LIABILITY: \$500

8. KITCHEN DISHWASHER

COVERED: Built in dishwashers only. Motor, pump, timers, seals, gaskets, latches, heating elements, switches and air gap spray arm.

NOT COVERED: Dish racks or shelves. Appliances not part of sales contract.

COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

9. KITCHEN MICROWAVE

COVERED: Built-in units only. All parts and components including electronic timer, transformer, magnetron tube, door latch and touch panel.

NOT COVERED: Removable bottoms. Appliances not part of sales contract.

COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

Additional Coverage for Buyer Only

1. CENTRAL AIR CONDITIONING SYSTEM (Limit 1 unit)

COVERED: Compressor, motors, coils, thermostat, valves, leaks in Freon lines, liquid suction line dryers, fuses, breakers, disconnect boxes, wiring, condensing units. Coverage is limited to electric-Freon central air conditioning units only.
NOT COVERED: Natural gas air conditioning units, filter, water cooled units, freestanding or portable, or thru-wall units, recovery of Freon, digital equipment and energy management systems, condenser fins, drain pans, cleaning, and pads.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,500 on units less than 10 years old \$500 on all others.

2. GARBAGE DISPOSAL

COVERED: All parts and components including motor, wiring, blades, switches, and casing.
NOT COVERED: High capacity units. Replacements will be standard units only.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

3. DOOR BELL (Entire system is covered)

COVERED: All parts and components. Standard wireless units may be used as replacement unit.
NOT COVERED: Intercom systems, door bells built into intercoms.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

4. ROOF COVERAGE (Repair coverage only)

COVERED: Rolled roofing, asphalt shingles. Coverage is for leak repair only.
NOT COVERED: Replacement of entire roof, rotted wood, flat and/or hot tar roofs, tiled roofs, enclosures / sunrooms and metal roofs.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

5. HUMIDIFIER

COVERED: Permanently mounted furnace humidifier including pans, housing, motors, fans, humidistat, transformer, valves and lines.
NOT COVERED: Humidifier pads, media elements, brushes, atomizers or back flush units.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

6. ELECTRONIC AIR CLEANER

COVERED: Permanently mounted systems, including transformer, power pack switches, lights, wires, and cleaning elements.
NOT COVERED: Non-permanent or detached systems.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

7. SUMP PUMP

COVERED: Primary sump pump only.
NOT COVERED: Auxiliary or secondary sump pumps.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

8. CENTRAL VACUUM

COVERED: Mechanical system only.
NOT COVERED: Duct work and accessories.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

9. WATER WELL PUMP (Must be Primary Water Source; Repair coverage only)

COVERED: All mechanical parts. Passing inspection report conducted within 180 days of settlement date will be required.
NOT COVERED: Holding or storage tanks, points, screens, well pump used for lawn sprinkler system or other like systems. Systems that have not been inspected or that did not pass inspection.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,000

10. SEPTIC TANK / SYSTEM (Repair coverage only)

COVERED: Tank, baffles, sewage ejector pump and switches. Passing inspection report conducted within 180 days of settlement date will be required.
NOT COVERED: Drain field, tile field, leach beds on similar systems. Systems that have not been inspected or that did not pass inspection.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,000

11. GARAGE DOOR OPENER

COVERED: Motors, chains, drive mechanism, and push buttons.
NOT COVERED: Garage doors, counter balance, mechanism, tracks, rollers, remote sending units, infrared sensors, hinges and spring.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

12. BASEMENT WATERPROOFING

COVERED: Poured walls only. Up to ten rod holes and four vertical cracks up to 1/4 inch wide and 12 ft long. Passing inspection report conducted within 180 days of settlement date will be required.
NOT COVERED: Block walls, crawl spaces. Any structural damage including, but not limited to, bowing or sagging walls, horizontal cracks and cracks over 1/4" inch wide. Hydrostatic pressure or leaks at the cove (where basement wall and floor meet). Backing up or plugging of sewers, floods, condensation caused by high humidity, damp spots or discoloration of walls.
LIMITATIONS OF COVERAGE: The Company must have full and unobstructed accessibility to walls and floors and will not be responsible for repairing any drywall, paneling, or flooring (i.e. carpeting, linoleum, etc.) caused by water damage or services performed. The Company is not responsible for any concealed wiring, gas, or water lines. All basement coverage is null and void if there are any alterations or tampering to basement walls or floor.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$2,000

Optional Coverage (Additional Fee):

1. WASHER AND DRYER PACKAGE

COVERED: All components and parts.
NOT COVERED: Venting, lint screens, knobs, dials, plastic mini-tubs, soap dispensers, filter screens, damage to clothing.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400 per appliance.

2. WATER SOFTENER

COVERED: Domestic water softener.
NOT COVERED: Conditions of insufficient or excessive water pressure, color or purity of water, water filters, salt replacement, rust or corrosion, normal maintenance responsibilities, rental units and water purification systems.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$600

3. SWIMMING POOL

COVERED: All mechanical parts and components for the heating, pumping and filtration system.
NOT COVERED: Foundation, walls, liner, cracks, settlement, and slides.
COMPANY MAXIMUM AGGREGATE LIABILITY: Built-in pool \$600; Above ground pool \$400

4. DELUXE PLUMBING & ELECTRICAL PACKAGE

Additional Coverage: All clogs and stoppages inside the foundation of the home, toilet tank and bowl, \$500 in coverage towards repair / replacement of sewer line to the street, lighting fixtures, and service cables.