

SECTION A: YEAR ONE COVERAGE - \$0 DEDUCTIBLE

Champion Home Builders, Inc.
THE CHAMPION 7 – 7 YEAR LIMITED WARRANTY*

SECTION A: YEAR ONE COVERAGE - \$0 SERVICE FEE

THIS SECTION A PERTAINS TO A ONE-YEAR LIMITED WARRANTY COVERAGE PROVIDED TO THE RETAIL HOMEOWNER DURING THE FIRST YEAR OF OWNERSHIP FROM THE HOME MANUFACTURER. THIS NEW HOME LIMITED WARRANTY APPLIES TO MANUFACTURED, MODULAR OR OTHER FACTORY-BUILT HOMES BUILT EXCLUSIVELY BY CHAMPION HOME BUILDERS, INC.. **IF YOU NEED SERVICE FOR COVERED ITEMS DURING THE FIRST YEAR OF HOME OWNERSHIP, PLEASE PUT YOUR REQUEST IN WRITING TO THE ADDRESS ABOVE.**

SECTION A.1: ONE (1) YEAR LIMITED WARRANTY:

**MANUFACTURER'S LIMITED WARRANTY &
ARBITRATION AGREEMENT**

The Manufacturer warrants to you, the Homeowner, for a period of one year, that the new manufactured home purchased by you was manufactured free from substantial defects in materials and/or workmanship. The term "substantial defects in materials and/or workmanship" means any factory-introduced failure of the structural, mechanical, electrical, plumbing, or weather-resistance system of the home to meet the performance or specification requirements of the applicable building standards as specified on the house certification label, but excluding minor problems not caused by the manufacturing process. The warranty only applies if the home is purchased from an authorized retailer, which does not include retailers or persons that acquire the home from sources other than directly from the manufacturer.

This warranty begins on the date on which the retailer installs the home at its original installation site and continues for one year from that date. If the home is not moved from its original installation site, nor used for commercial purposes, then this constitutes the one-year "Warranty Period." The warranty only applies to substantial defects that become evident within the Warranty Period and where written notice is provided to the Manufacturer not later than 10 days following the expiration of the Warranty Period. **The only remedy for substantial defects offered under this warranty is repair or replacement of affected parts after inspection by the Manufacturer or its authorized representative.** If the identical part or component is not available, the Manufacturer will provide a similar part or component of equal or greater value. All parts or components repaired or replaced under the warranty are the exclusive property of the Manufacturer. The Manufacturer will make the final decision whether to repair or replace any part or component or system.

The Manufacturer reserves the right to make changes or improvements at any time in the design or manufacture of its manufactured home or any component thereof without incurring any obligation to others.

THIS WARRANTY DOES NOT COVER:

*Consists of one-year limited warranty from home manufacturer to original homeowner and a separate six year warranty (starting on page 5) for years 2 through 7, which is provided by independent third-party administrator; deductible will apply to extended warranty; see terms and conditions for details.

- Problems not caused by defects in workmanship, materials and/or the design of your home;
- problems resulting from failure to comply with instruction in this Guide, including instructions for obtaining warranty service, or instruction in the Installation Manual;
- the home if it is used for anything other than private residential occupancy;
- appliances and accessories installed in the manufactured home, which may be separately warranted by the appliance or accessory manufacturer;
- alterations or modifications provided by retailers, you or other third parties, including appliances, accessories or options such as air conditioning installation and service, skirting and other similar items;
- problems resulting from transportation, improper or inadequate set-up leveling or re-leveling;
- problems resulting from an inadequate foundation, settling, shifting soil, frost upheaval, drainage or problems that relate to daily changes in temperature and humidity (i.e., the appearance of minor cracks in walls or ceiling texture, wavy exterior siding, minor gaps in trim or trim pulling away from wall or ceiling, or doors or windows becoming out of adjustment – such items are generally the result of normal settling of a home or seasonal changes and not an indication of any type of warranted item and therefore, considered normal maintenance items);
- problems resulting from damage by you or others, including but not limited to, abuse, misuse, unauthorized repairs, negligence or accidental damage, or from theft, vandalism, natural disasters or Acts of God;
- deterioration or damage from high relative humidity, condensation, ground moisture, the use of moisture producing appliances (e.g., kerosene heaters, humidifiers, etc.) or extended moisture exposure caused by plants, building attachments or accessories, or unmitigated leaks; or the failure to maintain adequate ventilation in and/or underneath the home; or the failure to properly vent the dryer exhaust away from the home; or the failure to provide an adequate vapor barrier, or the failure to provide adequate drainage away from the home;
- deterioration or damage caused by unauthorized repairs or alteration of the home or any component parts or the imposition of loads for which the home was not designed to support or resist, including damage as the result of attaching additions, decks, porches, carports, etc. to the home.
- deterioration from exposure to insects or decay;
- normal wear and tear, which includes, but is not limited to, visible scratches, tears, cuts and dents, and other similar damage to the roof, exterior siding, bottom board, floor coverings, wall coverings, countertops, ceiling, cabinets, trim, doors, windows, screens and other components occurring during or after delivery and installation;
- water distribution leaks on systems that have water pressure supplies in excess of 80 psi;
- improper or inadequate connection of utility systems to the utility supply services or between sections of multi-sectional units;
- roof leaks caused by ice or debris build-up, ice or debris dams, or water standing on the roof;
- damage caused by improper electrical service grounding or connections;
- bedding, blinds, draperies, furniture, wheels, tires, axles or brakes;
- any undertaking, representation or warranty made by a retailer or other person beyond those expressly set forth in this warranty;
- loss or damage that the owner has not taken timely action to minimize or damage caused by improper preventive maintenance as specified in this Guide (e.g., caulking of roof vents, windows, doors, sinks, tubs, shingles, fasteners, or failure to clean gutters, etc.);

- payments by Homeowner to third parties for work performed on the home unless such work is approved by Manufacturer in advance pursuant to the procedures set forth herein; and
- INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO YOUR LOSS OF TIME OR INCONVENIENCE, LOSS OF REVENUE, COMMERCIAL LOSS, BEING DISPLACED OR UNABLE TO USE YOUR HOME, MENTAL DISTRESS, TRAVEL, LODGING, OR TELEPHONE CALLS. NEITHER THE MANUFACTURER NOR OTHERS ASSUME ANY RESPONSIBILITY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. ANY SUCH CLAIMED DAMAGES ARE HEREBY DISCLAIMED.

DISCLAIMER OF WARRANTIES: THIS WARRANTY IS GIVEN EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES SET FORTH IN THIS WARRANTY ARE THE SOLE REMEDIES PROVIDED BY THE MANUFACTURER. ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE EXTENT IMPLIED BY LAW, ARE LIMITED IN DURATION TO ONE YEAR AND OTHERWISE DISCLAIMED. Some states do not allow limitations on how long an implied warranty lasts, and some states do not allow the exclusion or limitation of incidental or consequential damages, so the above exclusions or limitations may not apply to you.

THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS THAT MAY VARY FROM STATE TO STATE.

If any part, subpart, clause or sentence of this warranty is determined to be in conflict with any applicable law, rule or regulations, this limited warranty and all other provisions shall be effective to the extent required thereby.

Manufacturer reserves the right to make changes at any time in prices, colors, materials, equipment, specifications and models and also to discontinue models without notice and/or obligations.

-NOTICE-

TAPE & TEXTURE DRYWALL FINISH IS NOT WARRANTED

BY THE MANUFACTURER

The Manufacturer does not warrant that tape texture finishes of drywall walls or ceilings will be free from cracks, The manufacturer will not make or pay for repairs to drywall or ceiling cracks, or drywall or ceiling finishing including multi-section close-ups. We strongly recommend that all homes with tape and texture finishes have additional perimeter blocking, as described in the Installation Manual. The additional blocking may reduce the opportunity for minor movement and settlement, which can affect tape and textured drywall finish.

DAMAGED ITEMS and NORMAL WEAR AND TEAR

Damaged items and normal wear and tear are not covered under our limited manufactured home warranty. However, we will repair the minor problems or damage described below provided they are present when the home is delivered

from the factory and provided they are listed on a written document. We must receive written notice within 30 days of your home's installation date at its original site.

The following are examples of damage or normal wear and tear:

- Loose molding, trim or counter edging; wavy exterior siding.
- Cracks, dents, bows, chips, or scratches in wood, counter top laminate, linoleum, tile, drywall or other interior or exterior finish materials.
- Loose, torn, stained, stretched, or matted (worn from foot traffic) carpet
- Scratches, chips, discoloration or other visual imperfections of fixtures, appliances, and other hardware.
- Torn, damaged, or stained screens, curtains, or shower and bath enclosures.
- Dried, cracked, or missing caulk.
- Alignment or adjustment of drawers, cabinet doors, and fixture covers.
- "Roof rumble" or other noises associated with homes equipped with a metal roof.
- Failures caused by lack of maintenance.
- Personal cosmetic preferences that differ from the construction standards of your home.

APPLIANCE AND OTHER PRODUCERS' WARRANTIES

Warranties issued by other producers of appliances, accessories, heating and air conditioning equipment, and other items installed in the manufactured home, remain in effect. These other producers or their local service agents should be contacted first for warranty repairs and for routine service and maintenance. The appliance warranties are usually shipped with the appliances. Such appliances are not covered by this warranty.

If you have problems obtaining warranty service on any factory-installed appliance, contact the service department of the Manufacturing Plant that built your home. They will assist you in obtaining warranty service from the appliance or accessory manufacturer.

ARBITRATION AGREEMENT: It is agreed that any controversy, claim or dispute between or among the Manufacturer, homeowner, independent dealer, finance company or any other person or entity arising from or relating to the Manufactured Home, its sales, transportation, setup, repair, installation, use, design, manufacture, financing, insurance, any other condition, the manufacturer's limited warranty, any contract or any alleged promise, representation, agreement or instrument relating to or delivered in connection with the Manufactured Home, or any alleged breach thereof, and any claim based on or arising from an alleged tort or claim of any kind whatsoever, including any claim relating to the validity of this arbitration provision [collectively "Claim(s)"], and if the Claim(s) cannot be resolved through direct discussions or negotiations, - and unless the parties otherwise agree on a different mediation or arbitration process - then the Claim(s) first shall be mediated as administered by the American Arbitration Association ("AAA") under its applicable mediation Rules before resorting to binding arbitration. Thereafter, any unresolved Claim(s) shall be settled by binding arbitration administered by the AAA in accordance with its applicable Rules for Claim(s), and any judgment on the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties reserve their rights to resolve the Claim(s) in an applicable small claims court for disputes or Claim(s) within the scope of the small claims court's jurisdiction. The assessment of all fees and expenses of the mediation or arbitration shall be governed by the applicable rules of the AAA, unless otherwise agreed by the parties. Moreover, each party shall bear the expense of its own counsel, experts, witnesses and other costs, including preparation and presentation of proofs, subject to re-apportionment based on applicable laws of the jurisdiction in

which the Claim(s) is heard. All mediation or arbitration proceedings shall be conducted in the jurisdiction of the original retail sale of the home or at any other place selected by agreement of all parties.

IT IS AGREED AND UNDERSTOOD THAT THE PARTIES ARE KNOWINGLY GIVING UP AND WAIVING CERTAIN RIGHTS TO LITIGATE DISPUTES IN COURT, INCLUDING WAIVING OF A TRIAL BY JURY. This arbitration provision is part of the manufacturer's limited warranty for the Manufactured Home and shall be binding on and inure to the benefit of the parties' respective heirs and assigns.

A copy of the applicable Rules of the AAA is available upon request by contracting the American Arbitration Association at the following address: 2200 Century Parkway, Suite 300, Atlanta, Georgia 30345-3203 or (800) 778-7879, or www.adr.org.

COVERAGE SECTION B: YEARS 2 THROUGH 7 - \$50 DEDUCTIBLE

THIS SECTION PERTAINS TO COVERAGE PROVIDED TO THE HOMEOWNER DURING YEARS TWO THROUGH SEVEN OF HOME OWNERSHIP. **IF YOU NEED SERVICE FOR COVERED ITEMS DURING YEARS TWO THROUGH SEVEN, PLEASE CALL 877-434-3657.**

DEFINITIONS

In this **Limited Warranty**, "**You**", "**Your**", and "**Yours**" refers to the person(s) who own(s) the home at the location shown in the Declarations Page. "**We**", "**Us**", and "**Our**" refers to the Home Manufacturer or Builder.

In this **Limited Warranty**, "**Administrator**" refers to CornerStone United, Inc.

In addition, certain words and phrases are defined as follows:

Anniversary Date means the calendar month and day that corresponds to the Sale Date of Home for all subsequent calendar years during the term of this **Limited Warranty**.

Consequential Damages means any damage to an item, other than a **Covered Component**, which results from a **Mechanical Breakdown** of a **Covered Component**.

Covered Component means the specific item originally supplied by the manufacturer and/or in the original retail sales agreement between **You** and the dealer, seller or builder of the home listed on the Declarations Page of this **Limited Warranty**. The **Covered Component** must be owned by **You** and must be located in or on the **Residence**.

Incidental Damages means expenses or other losses that occur as a result of a **Mechanical Breakdown**. **Incidental Damages** include but are not limited to: loss of use of **Your Residence**; loss of time, profit, inconvenience, wages, or any other personal or commercial loss; punitive or exemplary damages; and attorneys' fees.

Limited Warranty means **Your** warranty registration, declarations, these terms and conditions, and any amendatory endorsements.

Mechanical Breakdown or **Breakdown** means the operational failure of a **Covered Component** to the degree that:

- i. *the item has stopped working completely; or*
- ii. *the item no longer meets manufacturer's/industry requirements or specifications for its intended use; or*
- iii. *continued use of the item is dangerous to the occupants; or*
- iv. *the item works so unproductively that continued use is impossible or impractical.*

Mold means any Mold, mycotoxin, fungi, organic pathogen, bacteria, virus or their spores, scent or byproducts of any type or nature, including wet or dry rot, mildew and others, that cause, threaten to cause, or are alleged to cause Mechanical Breakdown or damage to any Covered Component.

Pre-existing Condition means the Mechanical Breakdown of a Covered Component prior to the effective date of this Limited Warranty.

Remediation means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose or In any way respond to or assess the effects of Mold.

Repair means to pay for the labor and parts to fix a Covered Component.

Replace or Replacement means to provide a Covered Component of like kind and quality, including installation.

Residence means the premises owned and occupied by You and described in the Declarations page. It is defined as the entire structure, any attached garage, and any area directly adjacent to the structure in which a heat pump or central air conditioner is located.

Term of Coverage means the length of this Limited Warranty. The Term of Coverage is listed on the Declarations Page. Term of Coverage begins on the Purchase Date of Home shown on the Declarations page. The expiration date for Limited Warranty is calculated by adding the Term of Coverage to the Purchase Date of Home as shown on the Declarations. This Limited Warranty is not renewable.

COVERED COMPONENTS

We will pay or reimburse You for reasonable costs necessary to **Repair** or **Replace** any **Mechanical Breakdown** of the **Covered Components** listed in the Schedule of Coverages, excluding those parts, components, maintenance services, and conditions listed under Exclusions, less any Deductible as shown on the Declarations Page, and in accordance with all the provisions of this **Limited Warranty**.

SCHEDULE OF COVERAGES

COVERAGE SECTION B.1 – HOME STRUCTURE COVERAGE

HOME STRUCTURE

COVERED COMPONENTS: Steel frame, Tie-down straps and anchors; Sub-floor structure; Doors; Windows; Sliding doors; Load bearing and non-load bearing framing members; Interior walls; Exterior siding; Roof structure; and Ceiling.

EXCLUSIONS: Exterior siding and interior walls, ceilings and the roof structure are covered only for defects in material or workmanship to the extent of performing the structural function for which they are intended. Peeling, chipping, discoloration, fading or other cosmetic loss or damage to the surface material of these items is not covered. Each exterior siding and interior wall, roof structure or ceiling panel is a separate covered item. If one or more panels are defective and coverage applies, **Our** obligation is **Repair** or **Replacement** of only the defective item(s). Only one deductible will apply to any one loss involving more than one of the same kind of panel.

COVERAGE SECTION B.2 – SYSTEMS COVERAGE AND APPLIANCE COVERAGE

ELECTRICAL SYSTEM

COVERED COMPONENTS: All components and parts, including ceiling fans, except those listed under Exclusions.

EXCLUSIONS: Fixtures, other than ceiling fans; door bells; alarms; intercom or speaker systems; central vacuum systems; audio/video/computer wiring or cable; telephone wiring; inadequate wiring capacity; power failure or surge; garage door openers; direct current (D.C.) wiring and/or low voltage systems including wiring and relays; and circuit overload.

PLUMBING SYSTEM

COVERED COMPONENTS: Leaks and ruptures of water, drain, gas, waste or vent lines; toilet tanks, bowls and related mechanisms; toilet wax ring seals; valves for shower, tub and diverter, angle stops, risers and gate valves; built-in bathtub whirlpool motor and pump assemblies.

EXCLUSIONS: collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots; faucets and fixtures; bathtubs and showers; shower enclosures and case pans; sinks; toilet lids and seats; caulking or grouting; septic tanks; water softeners; 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; hose bibs; and whirlpool jets.

REFRIGERATOR

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Racks; shelves; drawers; ice makers, ice crushers, beverage/water dispensers and their respective equipment; interior thermal shells; food spoilage; freezers which are not an integral part of the refrigerator; and multi-media center.

OVEN / RANGE/ COOKTOP

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Clocks (unless they affect the function of the oven); meat probe assemblies; rotisseries; racks; handles; knobs.

DISHWASHER

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Racks; baskets; rollers.

BUILT-IN MICROWAVE OVEN

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Interior linings; door glass; shelves; portable or counter top microwave ovens; meat probe assemblies; rotisseries; and clocks.

CENTRAL AIR CONDITIONING SYSTEM

COVERED COMPONENTS: Ducted electric wall air conditioning systems. Water evaporative cooler systems. Costs related to FREON recapture. Ducted electric central air conditioning systems including: condenser; metering devices (i.e. thermal expansion valves); furnace transition; evaporator coils and drain lines; air handling Unit; air handling transition; secondary drain pan and lines; and refrigerant lines.

EXCLUSIONS: Gas air conditioning systems; condenser casings; registers and grills; filters' electronic air cleaners; window units; non-ducted wall units; water towers; humidifiers; roof jacks or stands; evaporative cooler pads; flues; vents; chillers and chiller components. Improperly sized air conditioning units. Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications. Improper use of metering devices (i.e. thermal expansion valves).

HEATING SYSTEM OR BUILT-IN WALL HEATING UNIT

COVERED COMPONENTS: Heating systems including: heat pump-metering devices (i.e. thermal expansion valves); furnace transition; evaporator coils and drain lines; air handling unit, air handling transition; secondary drain pan, and refrigerant lines.

EXCLUSIONS: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping; components for geothermal and/or water source heat pumps, re-drilling of wells for geothermal and/or water source heat pumps; baseboard casings; fuel storage tanks; portable units; solar heating systems; fireplaces and key valves; filters; registers; grills; clocks; timers; heat lamps; humidifiers; flues and vents; improperly sized heating systems; chimneys; pellet stoves; cable heat (in ceiling); wood stoves (even if only source of heating); systems with improperly matched condensing unit and evaporative coil according to the manufacturer's specifications; improper use of metering devices (i.e. thermal expansion valves).

WATER HEATER

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Solar water heaters; solar components; ancillary holding or storage tanks; fuel storage tank and energy conservation unit; flues and vents; thermal expansion tanks; and instant hot water dispenser.

CLOTHES WASHER AND DRYER

COVERED COMPONENTS: All components and parts, except those listed under Exclusions.

EXCLUSIONS: Plastic mini-tubs; soap dispensers; filter screens; knobs and dials; drawers; venting; lint screens; dryer cabinet fragrance/humidity center; hangers; shelves, rods, hooks, and cabinet liner; racks; and drawers.

LIMITS OF LIABILITY

Our annual aggregate limit of liability for all claims under this **Limited Warranty** is limited to \$10,000. Specific annual aggregate limits of liability for each **Covered Component** are as follows:

Electrical System	\$1,000
Plumbing System	\$1,000
Central Air Conditioning System	\$2,000
Heating System or Built-In Wall Heating Unit	\$2,000

Annual means the time between **Anniversary Dates** during the term of this **Limited Warranty**. The above limits refer to the annual aggregate cost for access, diagnosis, and **Repair** or **Replacement** of the **Covered Component** listed. Walls and/or flooring will be returned to a rough finish condition, and no **Repair** or **Replacement** shall include painting or refinishing of the accessed areas.

EXCLUSIONS

1. **We** do not cover the following. Such loss is excluded regardless of any other direct or indirect cause or event contributing concurrently or in any sequence to the loss.
2. Any **Mechanical Breakdown** that occurred prior to the effective date of this **Limited Warranty**.
3. Any **Covered Component** that has not experienced a **Mechanical Breakdown**.
4. Any **Mechanical Breakdown** of a non-covered part when the **Breakdown** is caused directly by a covered part. **Breakdown** of a covered part when the **Breakdown** is caused directly by a non-covered part.
5. Any item that has not received proper periodic maintenance as recommended by the manufacturer or builder, or has been subject to neglect or abuse.
6. Any **Covered Component** that has been **Repaired**, modified or altered from its original condition unless such was done or authorized by Us, the manufacturer, builder or by its authorized representative.
7. Any **Mechanical Breakdown** when the responsibility for the **Repair** or **Replacement** is covered by any warranty from the manufacturer; any valid and collectible insurance policy; or any **Repairer's** guarantee or warranty.
8. Any **Mechanical Breakdown** if the manufacturer has announced its responsibility through any means, including public mandatory or voluntary recall and factory service bulletin.
9. Waste or soil stoppages or backups of the plumbing, central air conditioning or heating systems. Any damage from water that backs up through sewers, drains, overflows from a sump or from below the surface of the ground.
10. Portable heating or cooling units, window air conditioning units, portable appliances, or solar energy equipment. Antennae or satellite dishes. Hot tubs or spas.
11. Any mechanical **Breakdown** or damage which results from use of the home primarily for commercial, business or professional purposes.
12. Any **Mechanical Breakdown** or damage which results from aircraft, vehicles, war, riots, nuclear action, and civil commotion.
13. Any **Mechanical Breakdown** resulting from an outside force, including, but not limited to: accident; collision; fire or smoke; theft; vandalism; riot; explosion; lightning; earth movement, earthquake, or volcanic eruption; freezing or frost; condensation, rust or corrosion; windstorm; hail; water damage or flood; Acts of God; salt; environmental damage; pollution; introduction of foreign objects; contamination of fluids, fuels, coolants or lubricants.
14. Any paint, cosmetic damage or deterioration.

15. Any damage to or **Mechanical Breakdown** of a **Covered Component** resulting from improper transportation relocation, or installation, or caused by the "setup" of the home. "Setup" means the construction of the foundation system, whether temporary or permanent, and the placement, erection and leveling of a manufactured home or manufactured home components. This may include supporting, blocking, leveling, securing, anchoring and connection of such home or of multiple or expandable sections or components, and the installation of air conditioning and minor adjustments to the home or home components.
16. Any **Mechanical Breakdown** caused by insects, vermin, birds, bats, rodents, reptiles, or domestic animals.
17. Bodily injury liability, meaning bodily harm, sickness or disease, including required care, loss of services and death that results.
18. Property damage liability, meaning physical injury to, destruction of, or loss of use of tangible property.
19. Any incidental damage resulting from the **Mechanical Breakdown** of a covered or non-covered part(s).
20. Any **Consequential Damage** resulting from the **Mechanical Breakdown** of a covered or non-covered part(s).
21. Any failure or damage to a **Covered Component** which results from or is associated in any way with **Mold** or its Remediation.
22. Equipment in common areas when the covered **Residence** is a condominium, co-op apartment, or multi-family **Residence**.
23. Ordinance or Law, which means any ordinance or law:
 - a. requiring or regulating the construction, demolition, remodeling, renovation or **Repair** of property, including removal of any resulting debris;
 - b. the requirements of which result in a loss in value to property; or
 - c. requiring any contract holder or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.This exclusion applies whether or not a **Mechanical Breakdown** has occurred or is covered.

GENERAL PROVISIONS

SETTLEMENT METHODS

The amount **We** pay for the **Repair** or **Replacement** of a **Covered Component** is limited, at **Our** option, to:

- **Our** cost to **Repair** the **Mechanical Breakdown**, less the deductible; or
- **Our** cost to **Replace** the defective item, including installation, less the deductible.

Replacement parts may be new, remanufactured or **Replacement** parts of like and quality that meet the manufacturer's specifications and are provided by non-original equipment manufacturers.

DEDUCTIBLE

We will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations. If a **Mechanical Breakdown** takes more than one service call to **Repair** or **Replace**, only one deductible will apply for that **Breakdown**. If more than one **Mechanical Breakdown** is **Repaired** or **Replaced** in the same **Covered Component** during the same service call, only one deductible will apply.

AUTOMATIC REINSTATEMENT

Upon completion of the **Repair** or **Replacement** of a **Covered Component**, coverage for that item is automatically reinstated for the balance of the **Term of Coverage** and subject to the Limits of Liability.

RELOCATION

If **You** move **Your** home, **You** may continue this **Limited Warranty** for the remainder of the **Term of Coverage** If:

- **You** have professional home movers move **Your** home; and
- **You** tell **Us** in writing the location where **You** have moved; and
- **You** permit **Us** to inspect **Your** home, if **We** request it. **You** are responsible for the cost of this inspection.

CHANGES

If any provision of this **Limited Warranty** is in conflict with or in violation of any applicable governmental regulations at the time **Your Limited Warranty** is written, it is automatically changed to conform to such regulations. This **Limited Warranty** may only

be modified or changed if **We** and **You** agree to such change in writing. Such writing must be signed by **You** and **Us**. No other person has authority to change this **Limited Warranty**.

TRANSFER

Your Limited Warranty may be transferred to someone to whom **You** sell or otherwise transfer **Your Residence** while this **Limited Warranty** is still in force. This **Limited Warranty** can only be transferred in a private sale directly to the new owner. This **Limited Warranty** cannot be transferred if **Your Residence** is sold or traded to a dealership, leasing agency, brokerage, or any other entity or individual in the business of selling homes.

How To Transfer Your Limited Warranty: To transfer this **Limited Warranty**, the following must be submitted to **Us** within thirty (30) days of the sale & real estate closing of **Your Residence**:

- *the original Declarations Page and Contract;*
- *name and mailing address of the new owner, and date of sale to new owner, and*
- *a transfer fee of fifty dollars (\$50.00).*

INSPECTION

We reserve the right to inspect **Your** home.

OUR RIGHT TO RECOVER PAYMENT

If **You** have a right to recover payment against another party for anything **We** have paid under this **Limited Warranty**, **Your** rights shall become **Our** rights. **You** shall do whatever is necessary to enable **Us** to enforce these rights. **We** shall recover only the excess after **You** are fully compensated for **Your** loss.

CONTRACT HOLDERS RESPONSIBILITIES - MAINTENANCE REQUIREMENTS

You must maintain **Your Residence** in accordance with the builders' or manufacturers' recommendations. Failure to follow the maintenance and service recommendations may result in the denial of coverage under this **Limited Warranty**. **You** must retain verifiable receipts for maintenance and service work. Or, if **You** perform **Your** own maintenance and service work, **You** must retain verifiable receipts for purchases of all required parts and materials necessary to perform the required maintenance and service, and show the dates when the services were performed.

REPRESENTATION

YOU ACKNOWLEDGE THAT **WE** HAVE NOT MADE ANY REPRESENTATIONS EITHER EXPRESS OR IMPLIED AS TO THE MERCHANTABILITY OR FITNESS OF **YOUR** HOME AND THAT THERE ARE NO COVERAGES THAT EXTEND BEYOND THE DESCRIPTION ON THE DECLARATIONS OF THIS CONTRACT. TERMS AND CONDITIONS OF **YOUR** HOME **LIMITED WARRANTY** ARE CLEARLY STATED AND **WE** ASSUME NO OBLIGATION BEYOND THAT.

HOW TO FILE A CLAIM DURING YEARS 2 THROUGH 7 OF YOUR LIMITED WARRANTY

1. All claims for **Mechanical Breakdown** must be reported to **Us** within 72 hours after **You** discover such **Mechanical Breakdowns**. When **You** need service, call **Us** at **Our** toll-free number **1-877-434-3657**, discontinue using the system or appliance and protect it from further damage. If, after **You** call, service is not initiated by **Us** within 72 hours, or immediately for furnace or heating system malfunctions during periods of cold weather, **You** may engage **Your** own service person and **We** will pay the reasonable and customary charge for the **Repair** or **Replacement** of the **Covered Component(s)**. DO NOT EFFECT ANY **REPAIRS** OR **REPLACEMENT** WITHOUT PRIOR AUTHORIZATION FROM **US**. **WE** RESERVE THE RIGHT TO INSPECT **YOUR** HOME RELATIVE TO ANY CLAIM REPORTED TO **US**.
2. If **You** prefer, **You** may write to **Administrator** at 1899 Tate Blvd., S.E., Suite 2110, Hickory, NC 28602
3. Tell **Us** what **Covered Component** is involved and give **Us** **Your** contract number. Describe the **Repair** needed and when **You** discovered the problem. **We** may require a statement in writing.
4. Once **We** have received **Your** notice, **We** will assign a separate claim reference number to each of **Your** claims. **You** should keep a record of this reference number to facilitate future contacts with **Us**.

5. Save the item. DO NOT THROW IT AWAY. **We** may want to inspect the item. Do not **Replace** or attempt to make **Repairs to Covered Components**. **We** have the sole option to determine whether a **Mechanical Breakdown** will be corrected by either **Repair or Replacement**. **YOU ARE SOLELY RESPONSIBLE FOR ARRANGING FOR ANY REPAIR OR REPLACEMENT AUTHORIZED BY US**.
6. Once the authorized **Repair or Replacement** has been completed, **We** will reimburse **You** or an authorized **Repair** facility for the reasonable and necessary costs of making such **Repair or Replacement**, including parts, labor, and sales tax, payable by **You** for each **Mechanical Breakdown** of a component.
7. Reimbursements for authorized **Repairs or Replacements**, less the deductible, will be made as follows:
 - a. *The reimbursement payment will be made directly to the authorized **Repair** facility, or*
 - b. ***You** may pay the authorized **Repair** facility directly and submit the original invoices, with proof of payment, to **Us** for reimbursement. **You** will receive **Your** reimbursement payment within thirty (30) days after **We** receive the original documentation supporting **Your** claim.*
8. In lieu of a reimbursement payment to **You**, or an authorized **Repair** facility, **We**, at **Our** sole discretion, may offer to adjust **Your** claim by means of a lump sum cash payment to **You**. If **You** should accept such claim adjustment, **We** shall not have any further liability to reimburse **You** for this or future **Mechanical Breakdowns** of that item.
9. **You** will be required to cooperate with **Us** in **Our** effort to investigate a need for claim service. If **You** fail to cooperate, **We** have the right to deny **Your** request for service.
10. Once **Your** request for service has been completed, **You** may be asked to acknowledge this by signing a certificate of satisfaction. In the event **We** **Repair or Replace** any item, **We** may at **Our** option take the defective part or item, or may leave such item with **You**. **You** shall not have the option of abandoning such part or item to **Us**.

INFORMAL DISPUTE RESOLUTION PROGRAM:

Manufacturer participates in the Right at Home Informal Dispute Resolution Program, which is administered by the Council of Better Business Bureaus, 4200 Wilson Boulevard, Suite 800, Arlington, VA 22203.

You must file a claim under the Program before exercising rights or seeking remedies created by Title I of the Magnuson-Moss Warranty Act.

For information about the Program, or to file a claim, call the Council of Better Business Bureaus at 1-877-944-4100.

Further information about the Program can be found in the Right at Home Informal Dispute Resolution Agreement. Manufacturer reserves the right to discontinue participation in this Program at any time.