



Service Requests Administered by STRONG HOME WARRANTY, LLC.

SHW INC., (hereafter “SHW”) is a corporation organized under the laws of the state of Illinois.

I. COVERAGE FOR STRONG HOME WARRANTY

Before using this Warranty, it is the Homeowner’s first obligation to seek reimbursement or service from Homeowner’s insurance, manufacturer warranty or contractor warrant.

During the coverage period, SHW’s sole responsibility will be to arrange for a qualified Service Contractor or ("Service Provider") to repair or replace with like value, at SHW’s expense (up to the limits set forth below), the Systems and Components mentioned as "Covered" in accordance with the Terms and Conditions of this Warranty so long as such Systems and Components:

(A) Are located inside the confines of the main foundation of the residence or attached or detached garage (with the exception of the Exterior Pool/Spa, Well Pump, Septic Tank Pumping and Air Conditioner); This coverage is for one Appliance/System only unless otherwise listed below and (B) Become inoperable due to Mechanical or Electrical breakdown; Breakdown is defined as Failure, (not gradual reduction in operating performance due to wear and tear), of a Defective Covered Part. All items must have been in good working order upon purchase date of the Warranty, they must have been maintained as specified by manufacturer’s requirements and recommendations and must have been [properly sized and installed to meet federal, state, local, manufacturer specification and industry codes and standards]. (C) Are in place and in proper working order on the effective date of this Warranty. This Warranty does not cover any known or unknown Pre-Existing Conditions. It is understood that SHW IS NOT A SERVICE PROVIDER and is not itself undertaking to repair or replace any such Systems or Components. This Warranty covers Single-Family Homes (including Manufactured Homes), New Construction Homes, Condominiums, Townhomes, and Mobile Homes under 5,000 square feet, unless an alternative dwelling type (i.e. above 5,000 square feet or Multi-Unit Home) is applied, and appropriate fee is paid. Coverage is for Occupied, Owned or Rented Residential Property, not Commercial Property or Residences used as Businesses, including, but not limited to, Day Care Centers, Fraternity/Sorority Houses, and Nursing/Care Homes. This Warranty describes the basic coverage and options available. Coverage is subject to limitations and conditions specified in this Warranty. Please read your Warranty carefully. (D) The current systems and units in your home all have different life expectancy, and your Warranty is designed to help them reach their life expectancy. Your home Warranty aims to provide some protection for out-of-pocket repair expenses. Coverage is not all-inclusive, and there may be situations in which you (the homeowner), will need to pay additional costs for parts or services not covered by the Warranty plan. (E) It is your responsibility to inform Strong Home Warranty if your documentation is not received within 7-10 business days. SHW will not be held responsible for the Member’s failure to notify SHW of paperwork not being received. All Guidelines will be held to the published online version if the Member did not notify us to resend their Warranty Packet. For any changes to your Account, please call 312.809.5733.

II. COVERAGE PERIOD

Coverage starts on the 1st day after the Warranty's sale date upon receipt of payment and continues through the elected time shown on the Declaration Page.

III. SERVICE CALLS

SHOULD YOU NEED SERVICE, PLEASE READ YOUR COVERAGE CAREFULLY AND THEN PLACE YOUR CALL OR SEND AN ONLINE REQUEST TO – On www.stronghomewarranty.com, select Contact Us, email: claims@stronghomewarranty.com, or call 312.809.5733 or connect through our app. (A) You or your Agent (including previously approved Tenant) must notify SHW of any breakdown immediately upon discovery and this must be during the coverage Period. SHW will accept Service order through our App 24 hours a day and 7 days a week. Those Service Requests will be assigned between 8am-5pm central M-F. Notice of any Malfunction must be given to SHW prior to expiration of this Warranty, SHW must also have all pertinent information and a Case Number assigned to this Service Request for it to be valid. Throughout the service effort, SHW urges you to take reasonable measures to prevent Secondary Damage (ex. turning off water to the home in the case of a major leak, discontinue use of faulty items once breakdown is noticed, calling Emergency Services if necessary, etc.)

*If a Failure to Covered Part results initially from a Non-Covered Item Malfunction, the resulting Damage will not be approved or included for coverage; i.e. Secondary Damage from a Non-Covered Item. (B) Upon request for Service, SHW will contact an authorized Service Provider within two (2) days during normal business hours and four (4) days on weekends and holidays. (*SHW is not an Emergency Service and will be closed on Nationally Recognized Holidays therefore resulting in delayed Service Request Assignments.) If you feel your Service Request is an Emergency and SHW is not available, SHW urges you to take all reasonable measure to ensure the safety of your Home and its Occupants. If you should request SHW to perform Non-Emergency Service outside of normal business hours, you will be responsible for payment of additional fees and/or overtime charges. (C) SHW has the sole and absolute right to select the Service Provider to perform the Service.

- SHW requires the Make, Model, and Serial number to be provided prior to service, in some cases if the Member cannot locate the information in its entirety SHW will provide a Licensed Technician to the Residence. In these cases, if the Technician is not able to locate such information or it is no longer visible, SHW will not accept a request on said Appliance or System. It will not be a covered item.
- Some Appliance/System brands require “Factory Certified Technicians” in these cases SHW cannot be held liable for possible delays in Service or Diagnosis.

(D) You will pay a Service Call Fee ("Diagnostic Fee ") per your Warranty Declaration Page. The Diagnostic Fee is for each item inspected (1(one) Service Call fee (\$100) for appliances, 1(one) Service Call fee (\$100) for Electrical, and 1(one) Service Call (\$100) fee for Plumbing) by a SHW approved Service Provider and is payable directly to the SHW approved Service Provider at the time of each visit.

If a replaced part formally authorized by SHW fails again within the term of your Warranty you will not be charged an additional Diagnostic Fee. The Diagnostic Fee applies to each call dispatched and scheduled, including but not limited to those calls wherein coverage is excluded, or denied.

The Diagnostic Fee also applies in the event you fail to be present at a scheduled time, or in the event you cancel a Service Call at the time a Service is scheduled, is in route to your Home or at your Home. Failure to pay the Diagnostic Fee will result in suspension or cancellation of coverage until the proper Diagnostic Fee is paid. At that time, coverage may be reinstated; however, the Warranty period will not be extended.

VIII. STRONG HOME WARRANTY COVERAGE. The Warranty only covers the Components listed one (1) through eighteen (18). Only one Appliance/Systems is covered unless otherwise listed. NOTE: You may purchase any additional optional coverage for up to 31 days after commencement of coverage with an additional waiting period. After the 60th day, optional coverage may be purchased, provided an Inspection is performed (at Member’s expense) and the Inspection results are approved by SHW. Anything that is not listed under covered or Non-Covered will subsequently be a Non-Covered item from the Warranty Guidelines. SHW will pay up to \$1,500 per item per Warranty term for access, diagnosis, repair or replacement unless otherwise stated per the items specific term.

1. CLOTHES DRYER COVERED: Main Control Board-Thermal Fuse-Drum Glide- Gas Valve Solenoid- Pilot Burner-Heating Element- Heating Element Assembly- Bearing- Cycling Thermostat- Timer- Drum Support Axle- Drum Bearing-

Igniter- Drive Belt- Thermistor- Idler Pulley- Idler Assembly- High Limit Thermostat- Surface Limit Control- Power Pack- Blower Wheel-Flame Sensor- Drive Motor- Rotary Switch- Snap Retaining Ring.

NON-COVERED: Drum, Seals, Gaskets, and Maintenance.

*Please refer to Limits of Liability for higher end/professional grade equipment.

2. CLOTHES WASHER COVERED: Main Control Board-Motor Coupling- Drain Pump- Agitator Repair Kit- Spanner Wrench- Water Inlet Valve- Clutch- Retainer- Shock Dampening Device- Shock Absorber- Wigwag- Drive Belt- Suspension Spring- Shipping Bolt- Tub to Pump Hose- Tub Bearing- Idler Assembly- Drive Block- Drive Bell- Drain Hose- Mounting Clip- Suspension Rod- Suspension Spring- Shift Actuator- Rotor Position Sensor- Belt Kit- Snubber Pad- Lid Switch.

NON-COVERED: Tub, Seals, Gaskets, Spider Bracket. Overloading.

*Please refer to Limits of Liability for higher end/professional grade equipment.

3. KITCHEN REFRIGERATOR NOTE: Must be located in the kitchen. COVERED: Main Control Board-Condenser-Motor-Condenser Fan Motor- Thermistor- Closing Cam- Electronics Circuits- Compressor- High Limit Thermostat- Temperature Control Thermostat- Temperature Sensor- Defrost Thermostat- Defrost Heater Assembly- Drive Motor- Defrost Timer- Evaporator Fan Motor- Clip- Snap Retaining Ring- Start Relay- Damper Control Assembly-Fan Blade- Start Device.

4. ICE MAKER COVERED: All Components and Parts which affect the primary function of the Ice-Maker.

NON-COVERED: Touch Panel/Display - Dispenser - Ice Crusher - Removable Parts - Water Lines – Leaks – Filters *SHW will pay up to \$500.00 per Warranty Terms.

5. WATER HEATER (Gas and/or Electric) Limited to one unit COVERED: (One unit) Gas Valve- Main Burner- Pilot Burner- Thermocouple- Regulator- Standard Thermostat- High Limit Thermostat- Manifold- Electrical Heating Element- Spark Electrode- Igniter- Pilot- Heating Element- Switch- Gas Burner- Anode Rod- Overload Protector- Flame Sensor- Gas Valve Assembly- Temperature- Regulator- Dip Tube- Drain Valve- Air Diverter- Relay- Flow Sensor.

NON-COVERED: Main, Holding or Storage Tanks – Noise -- Sediment – Fuel Storage Tank and Energy Conservation Unit - Commercial Grade equipment and units exceeding 75 gallons - Tankless Water Heaters unless separately added to Warranty at the time of purchase. *SHW will pay up to \$1,000.00 per Warranty Terms.

6. OVEN/RANGE/STOVE/COOKTOP (Gas or Electric; Built-in or Freestanding). COVERED: Bake Element- Element Receptacle and Wire Kit- Valves- Sensors- Spark Electrode- Surface Element Switch- Coil Surface Element- Surface Burner- Element Receptacle and Wire Kit- Oven Control Board- Temperature Sensor- Manifold Transformer- Sensor – Diode.

NON-COVERED: Any failure that arises during the “Self-Cleaning” Function of your unit. Glass. NOTE: Sensi-Heat Burners will only be replaced with Standard Burners. Only one Oven is covered unless Double Oven addition is added on at the time of purchase, an additional fee is paid and listed in additional coverages per the Declaration Page.

*Please refer to Limits of Liability for higher end/professional grade equipment.

7. DISHWASHER COVERED: Heating Element- Pump- Drain Valve- Motor Assembly- Timer- Float Switch- Inter Valve- Internal Hoses- Thermal Fuse- Washer Arm Bearing, Control Board, Touch Panel.

NON-COVERED: Front Panel.

*Please refer to Limits of Liability for higher end/professional grade equipment.

8. GARBAGE DISPOSAL COVERED: The Components and Parts of entire Unit. Upon failure, SHW will allocate the cost of the new Unit directly to the Homeowner.

NON-COVERED: New Unit Installation - Diagnosis - Problems and/or Jams caused by Bones, Glass, Misuse, or Foreign Objects. * SHW will pay up to \$125.00 per Warranty Terms.

9. GARAGE DOOR OPENER COVERED: 2 Units-Garage Door Opener Motor- Capacitor- Garage Door Opener Gear and Sprocket Assembly- Helical Gear- Limit Switch- Receiver Logic Board- Chain Spreader.

NON-COVERED: Springs, Tracks, Belts, Safety Sensors. *SHW will pay up to \$500.00 per Warranty Terms.

10. BUILT-IN MICROWAVE COVERED: All Components and Parts, except:

NON-COVERED: Touch Panel/Display - Doors – Seals - Hinges - Handles - Door Glass - Lights - Interior Linings - Trays - Clocks - Shelves - Portable or Countertop Units - Meat Probe Assemblies - Rotisseries. *SHW will pay up to \$1000.00 per Warranty Guidelines, an additional Diagnostic Fee of \$100.00 will be applied if removal of the Unit is necessary for complete Diagnosis or Age Verification.

11. AIR CONDITIONING/COOLER Limited to two units. Coverage available on Air Conditioning Units up to a 5 ton capacity and designed for Residential use. Coverage applies to ducted units only. COVERED: Electric Units below 21 SEER- Condenser- Defrost Heating Element- Standard Thermostat- Fuse- Relay- Transformer- Blower Motor- Compressor- Capacitor- Dual Capacitor- Semi Conductors- Main Control Board- Evaporator Coil- Cold Coil-Timer-Fan Control-Bearings-Fluid Pump-Electrodes- Electronic Circuits-Rectifiers. *SHW will pay up to \$25.00 per pound for Refrigerant, Maximum limit 10 pounds limited to a one-time occurrence. Members are responsible for payment of any costs more than \$25.00 per pound. *Standard Thermostat shall not exceed cost of \$80.00. *Per EPA standards Freon (R-22) will become obsolete circa January 1, 2020. When Freon (R-22) is phased out, it will be the Member's responsibility to upgrade all equipment to Federal or State code to be covered. On Jan. 1, 2020, The R-22 phase out mandates that R-22 refrigerant will no longer be manufactured. At this point SHW will only include coverage for equipment which utilizes environmentally friendly R-410A refrigerant. *SHW will pay up to \$2,000.00 per Warranty Terms.

NON-COVERED: Gas Air Conditioning Systems - Condenser Casings - Registers and Grills - Filters - Electronic Air Cleaners - Window Units - Non-Ducted Wall Units - Water Towers - Humidifiers - Improperly Sized Units - Chillers - All Exterior Condensing, Cooling and Pump Pads - Roof Mounts, Jacks, Stands or Supports - Condensate Pumps - Cost for Crane Rentals - Air Conditioning with Mismatched Condensing Unit and Evaporator Coil - Improper use of Metering Devices - Thermal Expansion Valves - Refrigerant Conversion - Leak Detections - Water Leaks - Drain Line Stoppages - Maintenance – Recapturing of Freon- Noise- Addition of Freon on Pre-Existing Failure.

12. HEATING SYSTEMS OR BUILT-IN WALL UNIT Limited to two units. Main source of Heat to home up to 5 (five) ton capacity and designed for Residential use. Coverage applies to ducted units only. Units below 21 SEER Units- Forced air, Heat pumps, Ducted Built-in Heater Boiler (Gas or Steam). COVERED: Power Switch-Wire Terminal-Independent Solenoid-Junction Box- Thermostat Control- Pilot and Thermocouple- Drain Cock-Burners- Main Burner- Limit Control- Pilot Burner- Flame Spreader- Regulator- Standard Thermostat- Manifold- Fuse- Transformer- Relay- Igniter- Sensor- Blower Motor- Power Pack- Bearings- Pulleys- Fan Control- Low Water Cut off- Coupler- Motor- Pressure Gauge- Pressure Control- Heat Coil/Element – Control Board.

NON-COVERED: Non-Ducted Wall Units- External Boiler Components-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, and Well Pump and Well Pump Components for Geothermal and/or Water Source Heat Pumps. Access - Radiators or Valves - Baseboard Casings - Radiant Heating –Cracked Heat Exchangers- Dampers - Valves - Fuel Storage Tanks - Portable Units - Solar Heating Systems - Filters - Line Dryers and Filters - Oil Filters, Nozzles, or Strainers - Registers - Backflow Preventers - Evaporator Coil Pan – Primary or Secondary Drain Pans - Grills - Clocks - Timers - Add-Ons for Zoned Systems - Heat Lamps - Humidifiers - Flues and Vents - Improperly Sized Heating Systems - Mismatched Systems Cable Heat (in ceiling) - Calcium Build-Up - Leak Detections - Water Leaks - Drain Line Stoppages – Maintenance. *Standard Thermostat shall not exceed cost of \$80.00. If the Unit is over 10 years old SHW will use the Depreciation Schedule, if the Repairs outweigh the Value of the Unit.

13. INTERIOR ELECTRICAL COVERED: Interior Wiring- Panel and Sub Panels- Circuit Board- Circuit Breakers.

NON-COVERED: Audio/Video/Computer/Intercom/Alarm or Security Wiring Cable – Circuit Overload- Low Voltage -

Inadequate Wiring - Aluminum Wiring- Broken and/or Severed Wires- Fixtures- Switches- Outlets- Wire Tracing-Smart Home Equipment or Wiring. * SHW does not assist with upgrades in wiring. * SHW will pay up to \$500.00 per Warranty Terms.

14. INTERIOR PLUMBING SYSTEM COVERED: Visible Interior Leaks and Breaks of Water Supply Pipes, Drain, Vent and Waste Lines - Dishwasher Supply Line-Toilet Tanks/Bowls (replaced with white Builder's Grade as necessary)-Toilet Wax Ring Seals-Flush Valve-Refill Tube-Ballcock-Flapper-Fill Valve- Overflow Tube, and Diverter Angle Stops- Hose Bibs - P Traps.

NON-COVERED: Piping Failure which includes Collapsed Piping, Freezing or Damage from Roots, Gas Leaks, Slab Leaks, Polybutylene or Quest Piping, Galvanized Drain Lines, Galvanized Piping, Drum Traps, Flange, Filters for Faucets, Fixtures, Cartridges, Valves, Shower Heads & Shower Arms, Pop-Up Assemblies, Bathtubs and Showers, Glass, Shower Enclosures and Base Pans, Bathtubs, Sinks, Toilet Lids and Seats, Cracks, Cabling or Grouting, Whirlpool Jets, Whirlpool Control Panel, Water Softeners, Pressure Regulators, Inadequate or Excessive Water Pressure. Pipes which have failed due to excessive age. Stoppages, Leak Searches. *SHW will pay up to \$500.00 per Warranty Terms. NOTE: SHW will provide access to Plumbing Systems through Unobstructed Walls, Ceilings, or Floors, only, and will return the access opening to rough finish condition up to \$250.00 which will deduct from Plumbing Limit. SHW shall not be responsible for payment of the cost to remove and replace any Built- In Appliances, Cabinets, Floor Coverings, or other Obstructions impeding access to Walls, Ceilings, and/or Floors. Stoppages (unless added on), Leak Searches, Faucets (unless added on). *SHW will pay up to \$500.00 per Warranty Terms.

15. FAUCETS COVERED: The Components and Parts of the Faucet. Upon failure SHW will allocate the cost of the new Unit directly to the Homeowner.

NON-COVERED: New Unit Installation - Diagnosis – Physical Damage – Units under Manufacturer Warranty. * SHW will pay up to \$150.00 per Warranty Terms.

16. INTERIOR PLUMBING STOPPAGES COVERED: Unobstructed access to stoppage up to 75 ft. from the Access Point, via Snaking System i.e. Sewer Drain Snake.

NON-COVERED: Costs to locate or access Cleanout not found or accessible, or costs with installing Cleanouts, Stoppage caused by Frozen Piping, Collapsed Piping Roots, or Foreign Objects even within the Home's Foundation, Septic Systems. *SHW will pay up to \$500.00 per Warranty Terms. *Stoppage clean out will be subject to a \$60.00 Diagnostic Fee per Service Request, Cleanout cannot be guaranteed.

17. DUCTWORK COVERED: All Standard Ductwork throughout the Residence. Attachments to HVAC Units.

NON-COVERED: Ductwork exposed to Outside Elements - Improperly Sized Ductwork - Separation due to Settlement and/or lack of Support-Cleaning. *SHW will pay up to \$250.00 per Warranty Terms.

18. TANKLESS WATER HEATER COVERED: Heat Exchanger – Computer Boards - Sensors.

NON-COVERED: Timeliness of Hot Water –Thermostat- Insufficient Sized Unit for Home – Piping – Valves (Gas only) – Maintenance.

IV. NON COVERED ITEMS

List of items that are not included for coverage under this Warranty. Please read your Declaration Page carefully and insure any additions you added are listed. Only one Appliance/System is covered unless otherwise listed.

A. POOL AND/OR SPA EQUIPMENT (Salt Water/Chlorinated) Shared

B. WELL PUMP (Main Source of Water to the Home)

C. SUMP PUMP

- E. STAND ALONE FREEZER COVERED
- F. SECOND REFRIGERATOR COVERED
- G. SEPTIC SYSTEM COVERED
- H. HOT WATER DISPENSER COVERED
- F. DUCT WORK

V. LIMITATIONS OF LIABILITY

A. GENERAL LIMITATIONS

1. If your Warranty is financed and your Service Request exceeds the amount you have paid in you will be required to pay the entire balance remaining before the repair is done. If your Warranty is past due on the monthly payment, you will be subject to a \$10.00 late fee. If your Warranty is cancelled you will be responsible for the total amount of claims paid by SHW and this will be deducted from any refund amount.
2. The following are not covered during the Warranty Term; (i) Malfunction or Improper Operation due to Rust or Corrosion of all Systems and Appliances, (ii) Collapsed Ductwork, (iii) Known or Unknown Pre-Existing Conditions.
3. In the event a Realtor arranged the transaction your coverage begins after payment is processed by SHW. The Administrator reserves the right to request a copy of an Inspection Report or a Maintenance Report for Covered Item.
4. SHW is not responsible for the repair of any Cosmetic Defects or Performance of Routine Maintenance.
5. Electronic or Computerized Energy Management or Lighting and Appliance Management Systems, Solar Systems and Equipment are not covered.
6. SHW is not liable for Service involving Hazardous or Toxic Materials including but not limited to Mold, Carbon Monoxide, Lead Paint, or Asbestos, nor Costs or Expenses associated with Refrigerant Recovery, Recycling, Reclaiming or Disposal. SHW is not liable for any failure to obtain timely service due to conditions beyond its control, including, but not limited to, Labor Difficulties or Delays in Obtaining Parts or Equipment.
7. SHW is not liable for repair of conditions caused by Chemical or Sedimentary Build-Up, Rust or Corrosion, Mildew, Mold, Misuse or Abuse, Failure to Clean or Maintain as specified by the Equipment Manufacturer, Missing Parts, Structural Changes, Fire, Freezing, Electrical Failure, Electrical Shorts or Power Surge, Water Damage, Lightning, Mud, Earthquake, Soil Movement, Soil Settlement, Settling of Home, Storms, Accidents, Pest Damage, Acts of God, or Failure due to Excessive or Inadequate Water Pressure.
8. SHW is not liable for repairs related to Costs of Construction, Carpentry or other Incidental Costs associated with Alterations or Modifications of Appliances, Components, or Installation of different Equipment and/or Systems. SHW is not responsible for providing Upgrades, Components, Parts or Equipment required due to the incompatibility of the Existing Equipment with the Replacement System, Appliance or Component/Part, including but not limited to efficiency as mandated by Federal, State or local Governments.
9. Anything that is not listed under Covered or Non-covered will subsequently be a Non-covered Item from the Warranty Guidelines.

B. MAINTENANCE

1. SHW is not liable for Normal or Routine Maintenance Failure to perform Normal or Routine Maintenance. A prior satisfactory Annual Maintenance record from a Licensed Technician will be required before accepting a Request for Service on your HVAC System and/or Tankless Water Heater. Annual is defined as 12 Calendar Months or less. *If a Failure is discovered during your Annual Maintenance Check-Up, you will be required to provide prior proof of a Satisfactory Maintenance Check-Up within the last 12 months to receive Service.
2. SHW is not liable for repairs caused by misuse, abuse, or failure to maintain manufacturer's specified maintenance for

items such as, but not limited to: coil cleaning, filtration changes, water heater flushing, consumable component replacement, proper refrigerant levels, or lubrication. This Warranty does not cover “cleaning” of any parts or equipment.

C. ACCESS AND CLOSING

1. SHW is not responsible for providing access to or closing access from any covered item which is concrete-encased or otherwise obstructed or inaccessible.
2. SHW shall not be responsible for payment of the cost to remove and replace any Built-In Appliances, Cabinets, Floor Coverings, or other Obstructions impeding access to Walls, Ceilings, and/or Floors.

D. DISPOSAL

1. You may be charged an additional fee by the Service Provider to dispose of an Old Appliance, System, or Component, including, but not limited to the following items: Condensing Units, Evaporator Coils, Compressors, Capacitors, Refrigerators, Freezers, Water Heaters, and any System or Appliance which contains Dangerous or Hazardous Materials.

E. DETERMINING VALUE OF SYSTEMS OR APPLIANCES

1. Appliances and Systems experiencing Mechanical Wear Out overtime or the Cost of Repair may exceed the Value of the System or Appliance: in these cases, the following Guidelines will be implemented to provide a Replacement Allowance. For Appliances, Water Heater, and Additional Items 5 years or older SHW will use a Guide for a Prorated amount based on age. For HVAC Systems (10 years or older), SHW will use a Guide for a Prorated amount based on Age.
2. SHW has the sole right to determine whether a Covered System or Appliance will be repaired or replaced based on Value. SHW is responsible for Replacement or Value Evaluation based on Equipment of similar Features, Capacity, and Efficiency, but not for Matching Dimensions, Brand, or Color.
3. SHW is not responsible for Upgrades, Components, Parts, or Equipment required due to the incompatibility of the existing Equipment with the Replacement System/Appliance/Component/Part thereof as well as new types of Chemical or Material utilized to run the Replacement Equipment including, but not limited to, differences in Technology, Refrigerant Requirements, or Efficiency as mandated by Federal, State, or local Governments. If parts are no longer available, SHW will offer cash payment in the amount of the average cost between Parts and Labor of the Covered Repair. SHW reserves the right to locate Parts at any time. For the Warranty period, SHW is not liable for Replacement of Entire Systems or Appliances due to Obsolete, Discontinued or Unavailability of one or more Integral Parts. However, SHW will provide Reimbursement for the costs of those parts determined by Reasonable Allowance for the Fair Value of like parts. SHW reserves the right to rebuild a Part or Component, or replace with a Rebuilt Part or Component.

F. COMMERCIAL AND PROFESSIONAL GRADE EQUIPMENT

1. SHW is not liable for the Repair or Replacement of Commercial Grade Equipment, Systems, or Appliances.
2. SHW is not liable for the Repair or Replacement of Commercial Grade Equipment, Systems, or Appliances.

SHW shall pay no more than \$1000.00 in Aggregate for Professional Series or like Appliances such as, but not limited to, High End Brand Names such as Sub Zero, Viking, Wolf, Bosch, Samsung, LG, Jenn-Air, GE Monogram, Thermador, etc.

G. SHW RIGHTS

1. SHW reserves the right to obtain a second opinion at its own expense, you as the Member have the right to receive a second opinion at your own expense, via a Licensed Technician of your choosing, if you do not agree with the first assessment, this must be in writing and submitted for review by SHW.
2. SHW reserves the right to offer Cash Back In lieu of Repair or Replacement in the amount of SHW’s actual cost (which at times may be less than retail) to Repair or Replace any Covered System, Component, or Appliance. All items in the Home begin to apply to the Depreciation Schedule at 5 years of age unless otherwise stated in their specific section. You have the right to request a copy of the Depreciation Schedule at any time during your active Warranty or 30-day Waiting Period.

- SHW responsibility for Repairs and/or Replacement will never exceed the Fair Market Value of the Unit, in total,

per the Depreciation Scale. If the current Fair Market Value of your Unit exceeds the maximum Payout Limit per the Warranty Terms, SHW will not allocate more than the specified limit per item, per Warranty.

- If the Cost of Repair outweighs the current value of your unit, SHW has the right to offer the remaining value to you in a Cash Buyout Option, instead of performing the Repair, per the Depreciation Schedule.
- Cash in Lieu must be confirmed by you within the timeline of an active account on the residence for funds to be released.

3. SHW is not responsible for any Repair, Replacement, Installation, or Modification of either any Covered System or Appliance arising from a Manufacturer's Recall or Defect of said Covered Terms, nor is SHW responsible for any Covered Item while still under an existing Manufacturers, Distributors, or In-Home Warranty. SHW will not be held responsible for any Part or Labor Costs associated with a Manufacturer Warranty, all Manufacturer covered Breakdowns will initially go through the Manufacturer Service Process if a Warranty is still in place on the unit. The product Manufacturer must be contacted for Service.

4. SHW will not pay for the Repairs or Replacement of any covered Systems or Appliances if they are inoperable because of known or unknown Pre-Existing Conditions, Long Term Failures, Deficiencies and/or Defects.

5. You agree that SHW is not liable for the negligence or other conduct of the Service Provider, nor is SHW an Insurer of Service Provider's performance. You also agree that SHW is not liable for Consequential, Incidental, Indirect, Secondary, or Punitive Damages. You expressly waive the right to all such damages. Your sole remedy under this Agreement is recovery of the cost of the required Repair or Replacement, whichever is less. You agree that, in no event, will SHW's liability exceed \$1,500.00 per Warranty item for Access, Diagnosis and Repair or Replacement, unless otherwise stated.

If SHW approves the Member to obtain their own Licensed Technician please be aware,

- SHW will not reimburse any Member for work done by an Unlicensed Technician.
- SHW will not be held responsible for any Failure to the Home on a System or Appliance that was Repaired or Replaced by an Unlicensed Technician.
- You (the Member) waive all rights to Service on the Appliance or System that was repaired or replaced by an Unlicensed Technician.

6. SHW is not responsible for repairs related to Inadequacy, Lack of Capacity, Improper Installation, Mismatched Systems, Oversized Defect, and any Modification to the System or Appliance.

7. SHW reserves the right to send a Technician at any time. By sending a Technician this in no way constitutes responsibility of Service from SHW.

8. Unless otherwise stated, the aggregated total SHW will pay per Warranty term is \$5,000.00.

VI. MEDIATION AND ARBITRATION

In the event of a dispute over Service Request(s) or coverage you agree to file a written notification with SHW, Inc. and allow SHW thirty (30) Calendar Days to respond to the Notification. The parties agree to mediate in good faith before resorting to Mandatory Arbitration in the State of Illinois in Metropolitan Chicago, Illinois at a site selected by SHW, Inc. If a dispute arises from or relates to this Agreement or its breach, and if the dispute cannot be settled through direct discussions, the parties agree to try first to settle the dispute by 1 Mediator, the Mediation administered by the American Arbitration Association in the State of Illinois under its Commercial Mediation Rules. If they are unable to arrive at a mediated settlement, they agree to submit all Disputes that are not resolved to Arbitration before the American Arbitration Association in accordance with its Commercial Arbitration Rules Illinois in Metropolitan Chicago, Illinois at a site selected by SHW, Inc. If the Parties agree, the Mediator involved in the Parties' Mediation can serve as the Arbitrator.

Any award of the Arbitrator against SHW cannot exceed \$1,500.00 per Service Request or Aggregate. You expressly waive all Service Requests in excess of, and agree that its recovery shall not exceed, these amounts. Any such award shall be in satisfaction of all claims by You against SHW. If either Party is required to defend itself in Litigation, Arbitration, or

otherwise, then the defending party is entitled to recover from the instigating Party the amount of Attorney's' fees and expenses the defending Party incurs in defending the Litigation, Arbitration, or other proceeding unless the instigating Party substantially prevails in the Litigation, Arbitration, or other proceeding. To the extent that the instigating Party seeks monetary relief, to substantially prevail means that the instigating Party must recover at least 35% of whatever that Party is seeking. In the event that you do not comply with this provision and instead file an action in any Court, you agree to pay the costs incurred by SHW, Inc. in hiring a Lawyer in that Jurisdiction.

YOU EXPRESSLY WAIVE ANY RIGHTS TO LITIGATE ANY ISSUES IN ANY COURT, TO HAVE A JUDGE OR JURY DECIDE YOUR CASE, AND AGREE THAT MEDIATION AND ARBITRATION UNDER THIS PROVISION SHALL BE YOUR EXCLUSIVE REMEDIES.

VII. GOVERNING LAW

This Agreement shall be Governed by and construed in accordance with the Law of the State of Illinois, without regard to its conflicts of Law Rules.

VIII. BUILDING AND ZONING CODE REQUIREMENTS OR VIOLATIONS

(A) SHW will not contract for Services to meet current Building or Zoning Code requirements or to correct for Code Violations, nor will it Warranty for services when Permits cannot be obtained. SHW will not pay for the cost to obtain Permits. (B) Except as required to maintain compatibility with Equipment Manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, SHW is not responsible for upgrade or additional costs or expenses that may be required to meet current Building or Zoning Code Requirements or Correct for Code Violations. This includes City, County, State, Federal and Utility Regulations and Upgrades required by Law.

VIV. MULTIPLE UNITS AND INVESTMENT PROPERTIES (A) If the Warranty is for Duplex, Triplex, or Fourplex dwelling, then every unit within such dwelling must be covered by a SHW Warranty with applicable coverage to apply to common Systems and Appliances. (B) If this Warranty is for a Unit within a multiple Unit of 3 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 WARRANTY & RENEWALS

(A) If your covered property is sold during the term of this Warranty, you must notify SHW of the change in Ownership and submit the name of the new Owner by phoning 312.809.5733 to transfer coverage to the new Owner. (B) You may transfer this Warranty to a new Owner at any time. There is a \$50.00 fee to Transfer Warranty. Once this Transfer is confirmed the new Member will be subject to the most current updated terms, which will be sent to the Member and will reflect with their Warranty number. Any monetary amount used of the limits by the prior Owner will apply to the new Owner of the property.

Transfers do not apply to new Properties. (C) This Warranty may be renewed at the option of SHW and where permitted by State Law. SHW has the sole desecration on if the Warranty will be renewed. (D) All Warranty Terms are renewed automatically 30 days prior to Agreement expiration date unless cancelled within that period by Administrator or Member. Payment information provided initially will be used for all Renewals unless Member provides new information prior to payment date. Coverage ends in the event of non-payment. Your Renewal will not have a 30-day, 100% money back guarantee review period as you are a continued Member, nor will you have another waiting period. (E) If a System or an Appliance was subject to the Cash-out /Buyout Option on the previous Warranty SHW will not include coverage on the same item upon renewal, if the Member purchased a new item after the Cash-out/Buyout was concluded we will include coverage as long as the receipt has been submitted and confirmed.

XI. AMENDMENTS AND WAIVERS

Any provision of this Agreement may be amended or waived, but only if such Amendment or Waiver is in writing and is signed, in the case of an Amendment, by all Parties to this Agreement or, in the case of a Waiver, by the Party against whom the Waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall

operate as a Waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

XII. MERGER

This Agreement contains the entire Agreement between the Parties with respect to the subject matter of the Agreement and supersedes all prior Agreements and understandings, both oral and written, between the Parties with respect to the subject matter of the Agreement.

XIII. CLASS ACTION WAIVER

Any Service Request must be brought in the Parties' individual capacity, and not as a Plaintiff or Class Member in any Purported Class, Collective, Representative, Multiple Plaintiff, or similar proceeding ("Class Action"). The Parties expressly waive any ability to maintain any Class Action in any forum.

The Arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any Person or entity not Party to the arbitration. Any claims that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a Court of Competent Jurisdiction and not by an Arbitrator. **THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.**

XIV. CANCELLATION

THIS IS NOT A WARRANTY OF INSURANCE. This Warranty shall be non-cancelable by SHW except for: (1) Nonpayment of Warranty fees; Failure to make payment of initial or Monthly payment; If your Warranty is cancelled for non-payment no refund is due. (2) Nonpayment of Diagnostic Fee, as stated in Section III; (3) In the event you threaten, threaten to harm, use threatening language, make a SHW agent fear for their safety or wellbeing, or harm a SHW Agent (not limited to sales, service or technicians) SHW holds the right to terminate your Warranty. You will be notified of this termination in writing within 7-14 calendar days or the action. (4) Fraud or misrepresentation of facts material by You to the Issuance of this Warranty; (5) Mutual Agreement of SHW and You. For new Members, you may cancel within the first 30 days of the order date for a refund of the paid Warranty. If canceled after 30 days, you shall be entitled to a prorated, from the date the Cancellation is received in writing, the Refund of the paid Warranty Fee, less any Service Request(s) paid and time used in Warranty by SHW. Refunds are assessed by full month periods. All refunds will be returned to the original payment method used. After 30 days, there will be a \$100.00 Cancellation Fee. (6) Regarding month to month Warranty Enrollment Fees are non-refundable after the 30-day review period, if cancelled no refund is due. (7) If you cancel your Warranty and you have an open Service Request any said Service Request will be terminated immediately upon receiving of Cancellation Letter.

To cancel your Warranty, please send a signed letter addressed to:

SHW INC.
Cancellation Department
329 West 18th Street Suite 614
Chicago, IL 60616