

TERMS OF COVERAGE

1. If a covered system and/or appliance fails during the contract term, the contract holder must contact the Fidelity National Home Warranty (FNHW) Customer Service Department toll free at 1-800-308-1420. Calls are received 24 hours a day - 7 days a week. Should the contract holder contract directly with others, or do the work themselves, FNHW will not be responsible for reimbursement of that cost. Upon receiving a request for service, FNHW will contact an independent service contractor within 3 hours during normal business hours, and 48 hours on weekends and holidays. Our assigned independent service contractor will then call the contract holder directly to schedule a mutually convenient appointment during normal business hours. FNHW will determine what failures constitute an emergency and will make reasonable efforts to expedite emergency service. If the contract holder should request FNHW to perform non-emergency service outside normal business hours, the contract holder will be responsible for payment of additional fees, including overtime. **Should you have any concerns with the independent service contractor providing service under this contract or with scheduling an appointment, please contact the FNHW Customer Service Department at 1-800-308-1420.**

2. Should FNHW grant the contract holder authorization to contact an independent service contractor directly to perform a covered service, FNHW will provide reimbursement based on the following conditions:

- a. The contract holder selects an independent service contractor that is qualified, licensed and insured.
- b. The independent service contractor provides fair and reasonable rates on parts and labor.

c. The contract holder **must contact FNHW** to confirm that service work is covered under the warranty contract by calling **FNHW at 1-800-208-3151** once the independent service contractor arrives at the property, and **prior** to contractor performing any repairs for which the contract holder may seek reimbursement.

3. Service Call Fee: There is a **\$55.00 service fee due for each trade call, or actual cost of service, whichever is less**, paid to the independent service contractor at the time of service. For example, if a contract holder needs both a plumber and an appliance technician, each will require a separate service call fee. Failure to pay the service call fee will result in suspension of coverage until such time as the proper fee is paid. Upon receipt of that payment, coverage will be reinstated for the remainder of the contract term.

4. Service work is guaranteed (without an additional service fee) for 30 days on labor and 90 days on parts. The 30/90 day guarantee only applies to malfunctions that are reported to FNHW during the term of this contract. Pest control service work is guaranteed for 30 days from the original date of service.

5. Buyer's Coverage starts at the close of escrow and continues for one year provided the contract fee is paid at the close of escrow. When the contract fee has not been received by FNHW, request for service will be dispatched once contract payment can be verified by the closing agency and/or another source of contract payment is made (i.e., credit card). You must call for service prior to the expiration of this contract.

6. New Construction Coverage: Plan coverage and any optional coverage begins on the first anniversary of the close of escrow and continues for 4 years from that date, provided the plan fee is received by FNHW within 10 working days from the close of escrow. All systems and appliances to be covered must be in good working condition at the time coverage begins on the first anniversary after the close of escrow. Anytime during the first year of coverage, the contract holder may call FNHW for assistance in the event of a problem with the systems or appliances generally described in this plan. FNHW will assist the contract holder in contacting the manufacturer or contact the manufacturer on the contract holder's behalf to determine the remedies available to the contract holder under the manufacturer's warranty for the system or appliance associated with the contract holder's request.

7. This contract covers single-family dwellings under 5,000 square feet, unless amended by FNHW prior to the start of coverage. Call 1-800-862-6837 for prices on homes in excess of 5,000 square feet, multi-unit homes, guest houses, casitas and the like. Covered dwellings cannot be used for commercial purposes (for example, as day care centers, nursing care homes, fraternity/sorority houses, etc.).

8. This contract covers only those parts, systems and/or appliances specifically mentioned as covered and excludes all others. Covered systems and/or appliances must be located within the main foundation of the home or garage except for exterior well pump, air conditioner/evaporative cooler, pressure regulator, waste/stop valves, sewage ejector pump, water heater and swimming pool/spa equipment. All coverage is subject to the limitations and conditions mentioned in this contract.

9. Optional Seller's Coverage can only be selected in conjunction with the Buyer's Standard Plan or Buyer's Comprehensive Plus Plan and begins upon issuance of a confirmation number by FNHW and continues for 180 days, close of escrow, or termination of listing, whichever comes first. Seller's Coverage may be extended at the sole discretion of FNHW. Seller's Coverage is not available on homes in excess of 5,000 square feet, multi-unit homes, guest houses, casitas and the like. When Seller's Coverage is selected, the access, diagnosis, repair or replacement of the heating and/or air conditioning system/evaporative cooler, and ductwork is limited to a combined aggregate of \$1,500.00 maximum during the listing period. If the failure of a furnace is due to a cracked heat exchanger or combustion chamber, the access, diagnosis, repair or replacement of the furnace is limited to \$500.00 maximum during the listing period. All Limits of Liability apply.

10. Covered systems and/or appliances must be in good working order at the start of coverage. Unknown pre-existing conditions will be covered if, at the time coverage began, the defect or malfunction would not have been known to the buyer, seller, agent, or home inspector by a visual inspection and/or by operating the system or appliance. Known defects of covered items found at the time of a home inspection report are excluded from coverage until proof of repair is received by FNHW.

11. FNHW will repair or replace covered systems and appliances which mechanically malfunction due to insufficient maintenance, rust, corrosion or sediment, unless otherwise noted in the contract.

Fidelity National Home Warranty (FNHW) Contract Coverages



BUYER'S STANDARD COVERAGE

PLUMBING SYSTEM/STOPPAGES

Covered: Repair of leaks and breaks in water, waste, vent, or gas lines within the perimeter of the main foundation of the home or garage - shower/tub valves/diverters (replaced with chrome builder's standard) - angle stops - gate valves - waste and stop valves - toilet tanks, bowls, and working mechanisms (replacement toilets will be white builder's standard) - wax ring seals - permanently installed sump pumps (ground water only) - built-in whirlpool bathtub motor pump assemblies - stoppages which can be cleared with standard sewer cable (1/2") through an existing, accessible, ground level mainline cleanout without excavation - pressure regulators - pop-up assemblies.

Not Covered: Stoppages and/or collapse of water, drain, or gas lines caused by roots - shower heads - shower arms - fixtures - faucets - bathtubs - sinks - shower enclosures and base pans - caulking and grouting - filters - hose bibs - sewage ejector pumps - toilet seats and lids - septic tanks - water softeners - flow restrictions in fresh water lines - access to drain or sewer lines from vent - saunas - steam rooms - bidets - whirlpool bathtub jet plumbing - indoor/outdoor sprinkler systems - booster pumps - conditions of electrolysis.

Limits: The access, diagnosis and repair of concrete-encased or inaccessible plumbing lines is limited to \$1,000.00 aggregate per contract term. FNHW will provide access through unobstructed walls, ceilings, floors, concrete slabs and the like, and will return all openings made for access to a rough finish only, subject to the \$1,000.00 limit indicated. FNHW is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like.

WATER HEATER (Gas or electric)

Covered: All parts and components that affect operation including tankless water heaters and recirculating pumps.

Not Covered: Solar units and/or components - holding tanks - flues and vents.

HEATING SYSTEM (Must be main source of heat to home and designed for residential application; not to exceed 5 ton capacity)

Covered: All parts and components that affect the operation of the heating unit, including heat pumps. If FNHW determines that the replacement of a heat pump-split system type of heating unit is required, and once R-22 equipment is no longer available, FNHW will replace with a unit that uses R-410A refrigerant and meets 13 SEER* requirements, including the replacement of any covered components that are necessary to maintain compatibility with the replacement unit, including the air handler, evaporative coil, transition, plenum, indoor electrical, duct connection, accessible refrigerant and condensate drain lines, and thermostatic expansion valve. FNHW will pay for costs associated with the use of cranes and other lifting equipment to service roof-top heating units.

Not Covered: Solar heating systems - geothermal systems - glycol systems - portable and free-standing units - humidifiers and electronic air cleaners - fuel and water storage tanks - registers and grills - filters - heat lamps - fireplaces - wood, pellet or gas stoves (even if only source of heating) - chimneys - flues - vents - fireplace inserts and key valves - cable heat (in ceiling) - clocks - timers - outside or underground piping and components for geothermal and/or water source heat pumps - well pump and well pump components for geothermal and/or water source heat pumps - inaccessible refrigerant and condensate drain lines - general maintenance and cleaning - improper use of metering devices - systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications, except where otherwise noted in this contract.

Limits: The access, diagnosis, repair or replacement of the hot water or steam circulating heating system(s) is limited to \$1,500.00 aggregate per contract term.

Optional Seller's Coverage: When Seller's Coverage is selected, the access, diagnosis, repair or replacement of the heating and/or air conditioning system/evaporative cooler and ductwork is limited to a combined aggregate of \$1,500.00 maximum during the listing period. If the failure of a furnace is due to a cracked heat exchanger or combustion chamber, the access, diagnosis, repair or replacement of the furnace is limited to \$500.00 maximum during the listing period.

DUCTWORK

Covered: Accessible and inaccessible ducts from heating and/or cooling unit to connection at register or grill.

Not Covered: Registers - grills - dampers - insulation - improperly sized ductwork - collapsed or crushed ductwork - ductwork where asbestos is present - ductwork damaged by moisture - costs for inspections, diagnostic testing, verification and permits as required by any federal, state or local law, regulation or ordinance, including CA Title 24 requirements.

Limits: The access, diagnosis, repair or replacement of the ductwork is limited to \$1,000.00 aggregate per contract term.

Optional Seller's Coverage: When Seller's Coverage is selected, the access, diagnosis, repair or replacement of the heating and/or air conditioning system/evaporative cooler, and ductwork is limited to a combined aggregate of \$1,500.00 maximum during the listing period.

ELECTRICAL SYSTEM/DOORBELL/SMOKE DETECTOR

Covered: All parts and components that affect operation.

Not Covered: Fixtures - alarms/intercoms and circuits - inadequate wiring capacity - power failure or surge - low voltage wiring - direct current (D.C.) wiring or components.

TELEPHONE WIRING

Covered: Telephone wiring used primarily for residential telephone service located within the walls of the main dwelling.

Not Covered: Telephone jacks - plugs - lights - transformers and other power units - cover plates - telephone units - answering devices - burglar alarm and circuits - telephone fuses - wiring which is the property of a telephone company - audio/video/computer or other cable.

CENTRAL VACUUM SYSTEM

Covered: All parts and components that affect operation.

Not Covered: Removable hoses - accessories - clogged pipes.

Limits: FNHW is not responsible for the cost of gaining access to, or closing access from the floor or walls either to locate the cause of malfunction or to affect repair or replacement.

GARAGE DOOR OPENER

Covered: Wiring - motor - switches - receiver unit - track drive assembly.

Not Covered: Garage doors - hinges - springs - rollers - guides - remote transmitters.

CEILING/WHOLE HOUSE/EXHAUST/ATTIC FANS (Built-in)

Covered: All parts and components that affect operation (replaced with builder's standard).

Not Covered: Light kits and remote transmitters.

RANGE/OVEN/COOKTOP/DISHWASHER (Gas or electric; Built-in or free-standing)/MICROWAVE OVEN (Built-in)

Covered: All parts and components that affect operation.

Not Covered: Meat probe assemblies - light sockets - indoor barbecue - clocks (unless it affects the operation of the unit) - rotisseries - racks - handles - knobs - dials - interior lining - door glass - shelves - rollers - baskets - Portable or countertop microwave units.

Limits: Sensi-heat burners replaced with standard burners.

GARBAGE DISPOSAL/INSTANT HOT WATER DISPENSER

Covered: All parts and components that affect operation.

TRASH COMPACTOR/FOOD CENTER (Built-in)

Covered: All parts and components that affect operation.

Not Covered: Removable accessories including removable buckets/accessories - knobs - lock and key assemblies.

PEST CONTROL

Covered: Roaches - ants (except Fire, Pharaoh and Carpenter varieties) - Silverfish - Black Widow spiders - earwigs - Brown Recluse spiders - millipedes - mice - crickets - ground beetles - centipedes - pillbugs - sowbugs - Clover Mites.

Not Covered: Termites - fungus - wood-boring beetles - rats - any pests not specifically listed above as covered.

*Seasonal Energy Efficiency Ratio

BUYER'S COVERAGE OPTIONS

The contract holder may purchase optional covered items up to 30 days after the close of escrow, provided systems and/or appliances are in good working order. Coverage shall commence upon receipt of fees and will expire one year after the close of escrow. Optional Buyer's Coverage is subject to the same Terms of Coverage and Limits of Liability of this contract.

AIR CONDITIONING/EVAPORATIVE COOLER OPTION (Electric; includes built-in wall units; must be designed for residential application and cannot exceed a 5 ton capacity.)

Covered: All parts and components that affect the operation of the system including refrigerant recovery. If FNHW determines that replacement of an air conditioning unit is required, and once R-22 equipment is no longer available, FNHW will replace with a unit that uses R-410A refrigerant and meets 13 SEER requirements, including the replacement of any covered components that are necessary to maintain compatibility with the replacement unit, including the indoor furnace or air handler, evaporative coil, transition, plenum, indoor electrical, duct connection, accessible refrigerant and condensate drain lines, and thermostatic expansion valve. FNHW will pay for the cost associated with the use of cranes and other lifting equipment to service roof-top air conditioner/evaporative cooler units.

Not Covered: Humidifiers and electronic air cleaners - inaccessible refrigerant and condensate drain lines - filters - registers and grills - window units - condenser housing - gas or propane air conditioners - general maintenance and cleaning - improper use of metering devices - systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications, except where otherwise noted in this contract.

SWIMMING POOL AND/OR SPA EQUIPMENT COVERAGE OPTIONS

Covered: All above ground and accessible parts and components of the filtration, pumping and heating system (including the pool sweep pump, pump motor, blower motor and timer).

Not Covered: Lights - liners - solar related equipment - underground water, gas and electrical lines - skimmers - chlorinator or ozinator - ornamental fountains - waterfalls and their pumping systems - structural and/or cosmetic defects - cost of access to make repairs or replacements - inaccessible portion of the spa jets - pop-up heads - turbo or motorized valves - electronic/computerized controls and/or control panels - pool sweeps and related cleaning equipment - salt.

Limits: Both pool and spa are covered when they use common equipment.

ADDITIONAL POOL OR SPA EQUIPMENT OPTION

Note: May only be purchased when the Swimming Pool and/or Spa Equipment Option is purchased.

Limits: Additional fee is required for the second set of equipment as in the case of separate equipment for a swimming pool and a portable hot tub or spa.

SALT WATER SWIMMING POOL EQUIPMENT OPTION

Note: May only be purchased when the Swimming Pool and/or Spa Equipment Option is purchased.

Covered: Control unit, salt cell, and flow sensor for the salt water chlorinator.

Limits: The access, diagnosis, repair or replacement of the control unit, salt cell, and flow sensor for the salt water chlorinator is limited to \$1,500.00 aggregate per contract term.

WASHER/DRYER OPTION

Covered: All parts and components that affect the operation.

Not Covered: Knobs - dials - touch pads - plastic mini tubs - lint screens - venting - dispensers - damage to clothing.

REFRIGERATOR COVERAGE OPTIONS

Covered: All parts and components that affect the operation for various types of refrigerator options when the option is purchased. Icemakers/water dispenser, provided parts are available. In cases where parts are not available, FNHW's obligation is limited to cash in lieu of repair based on the cost of the replacement parts.

Not Covered: Any removable component which does not affect the primary function - ice crushers - internal thermal shells/insulation - food spoilage - freezers that are not an integral part of the refrigerator - multi-media centers - wine chillers - filters.

Kitchen Refrigerator Option (including units with dual compressors)

Note: Both compressors are covered. Unit must be located in the kitchen.

Limits: The access, diagnosis, repair or replacement is limited to \$5,000.00 aggregate per contract term.

Additional Refrigerator Option

Limits: May only be purchased when the Kitchen Refrigerator Option is purchased. Refrigerators with more than one compressor are not covered under this option.

Wet Bar or Wine Refrigerator Option

Limits: The access, diagnosis, repair or replacement of the unit is limited to \$500.00 aggregate per option per contract term. Wine refrigerator is limited to 6.0 cubic feet.

Free-Standing Icemaker Option**WELL PUMP OPTION**

Covered: All parts and components that affect the operation of one well pump; must be utilized as the main source of water to home.

Not Covered: Holding or storage tanks - pressure tanks - booster pumps - access to remove and/or repair well pump system - all piping and electrical lines - well casing - redrilling wells - damage due to low water table.

SEPTIC TANK PUMPING OPTION

Covered: The clearing of mainline stoppages that can be cleared through an existing cleanout access without excavation.

Not Covered: Collapsed or broken waste lines outside the foundation - stoppages or roots that prevent the effective use of an externally applied sewer cable - the cost of finding or gaining access to the septic tank - the cost of sewer hook-ups - disposal of waste - chemical treatment of the septic tank and/or waste lines - tanks - leach lines - cesspools - mechanical pumps or ejectors.

Limits: If the stoppage is due to a full septic tank, FNHW will pump the septic tank once during the contract term. This coverage is not renewable and is not available on Direct to Consumer contracts.

SEWAGE EJECTOR PUMP OPTION

Covered: All parts and components that affect the operation of one sewage ejector pump.

Not Covered: Basins and any costs associated with locating or gaining access to, or closing access from the sewage ejector pump.

Limits: The access, diagnosis, repair or replacement of the sewage ejector pump is limited to \$500.00 aggregate per contract term.

LIMITED ROOF LEAK REPAIR OPTION

Covered: Repair of leaks caused by rain to shake, shingle, composition, tile, tar and gravel, or metal roofs located over the occupied living area.

Not Covered: Cracked or missing tiles, shakes or shingles, foam roofs, or any other material not specifically mentioned as covered. Structural leaks or leaks at, adjacent to, or caused by, appendages of any kind including gutters, downspouts, flashing, patio covers, skylights, decks, solar equipment, vents, heating or cooling equipment, antennas, balconies or chimneys, built-up roofs. Damage caused by persons walking or standing on roof. Failure due to lack of normal or preventative maintenance will not be covered.

Limits: Roof repairs are limited to \$1,000.00 aggregate per contract term for the repair of specific leaks that are a result of rain and/or normal wear and tear provided the roof was in good, watertight condition at start of contract term. If replacement of the existing roof is necessary, in whole or in part, FNHW's liability is limited to cash in lieu of the estimated cost of repair of the leaking area only, as if the repair of that area were possible. Leaks existing prior to the start of the contract term will not be covered. This coverage is not renewable and is not available on Direct to Consumer contracts.

COMPREHENSIVE OPTION

The following items that are **NOT** covered in the Buyer's Standard Coverage **ARE** added as covered when the Comprehensive Option is ordered.

Mismatched Systems: FNHW will repair or replace a system or appliance that has failed due to a mismatch in capacity or efficiency provided the system is not undersized relative to the square footage of area being cooled or heated. If the mismatched system violated a code requirement, the \$250.00 Code Violation aggregate stated applies.

Fidelity National Home Warranty (FNHW) Contract Coverages



Improper Installations, Repairs and Modifications: FNHW will repair or replace a system or appliance that has failed due to improper installation, repair or modification. If the improper installation, repair or modification violates a code requirement, the \$250.00 Code Violation aggregate stated applies.

Removal of Defective Equipment: FNHW will pay the costs to dismantle and dispose of an old appliance, system or component when FNHW is replacing the covered appliance, system or component.

Refrigerant Recapture, Recovery and Disposal: FNHW will pay costs related to the recapture, recovery and disposal of refrigerant as required.

Permits: FNHW will pay the cost of obtaining permits for FNHW-approved repairs and replacements up to \$250.00 per occurrence.

Code Violations: FNHW will pay to correct code violations and/or code upgrades if necessary to affect FNHW-approved repair or replacement of a covered system or appliance up to the combined aggregate of \$250.00 per contract.

Plumbing System/Stoppages: Faucets (replaced with chrome builder's standard) - shower heads - shower arms - hose bibs. Replacement toilets will be of like quality.

Heating System: Registers - grills - filters - heat lamps.

Ceiling Fans: Replacement ceiling fans will be of like quality.

Range/Oven/Cooktop/Dishwasher/Microwave Oven: Clocks - rotisseries - racks - handles - knobs - dials - interior lining - microwave door glass - shelves - rollers - baskets.

Trash Compactor: Removable buckets - knobs - lock and key assemblies.

Garage Door Opener: Hinges - springs - remote transmitters.

Air Conditioning/Evaporative Cooler Option: Upon purchase of the Air Conditioning/Evaporative Cooler Option, filters - registers - grills - window units - condenser housing are covered.

COMPREHENSIVE PLUS PLAN

The Comprehensive Plus Plan bundles the following coverages into one combined plan. Coverages are as previously described in the contract:

- Buyer's Standard Plan + Comprehensive Option + Air Conditioning/Evaporative Cooler Option

Optional Seller's Coverage: When Seller's Coverage is selected, the access, diagnosis, repair or replacement of the heating and/or air conditioning system/evaporative cooler and ductwork is limited to a combined aggregate of \$1,500.00 maximum during the listing period. If the failure of a furnace is due to a cracked heat exchanger or combustion chamber, the access, diagnosis, repair or replacement of the furnace is limited to \$500.00 maximum during the listing period.

LIMITS OF LIABILITY

1. FNHW's liability is limited to failures due to normal wear and tear during the term of the contract.
2. FNHW reserves the right to obtain a second opinion at its own expense. The contract holder may order their own second opinion, but shall be responsible for the cost of said opinion.
3. FNHW will determine whether a covered item will be repaired or replaced. Except as otherwise noted in this contract, replacements will be of similar features, capacity and efficiency as the item being replaced. FNHW is not responsible for matching brand, color and/or dimensions. When parts are necessary for completion of service, FNHW will not be responsible for delays that may occur in obtaining those parts. FNHW reserves the right to repair systems and appliances with non-original manufacturer's parts, including rebuilt or refurbished parts. Repairs and/or replacements that are subject to a manufacturer's warranty are excluded from this contract. Unless otherwise noted in the contract, FNHW is not responsible or liable for the disposal cost(s) of appliances, systems, equipment and/or components of equipment including refrigerant, contaminants, and/or other hazardous or toxic materials.
4. When federal, state or local regulations, building and/or similar code criteria require improvements and/or additional costs to service a covered system and/or appliance, including permits, the costs to meet the proper code criteria shall be the sole responsibility of the contract holder, except where otherwise noted in this contract. FNHW will be responsible for repairs and/or replacement of covered systems and/or appliances after the proper code criteria are met, except where otherwise noted in this contract. When upgrading covered systems, parts or components to maintain compatibility with equipment manufactured to be compliant with R-410A and 13 SEER (Seasonal Energy Efficiency Ratio) standards, FNHW is not responsible nor liable for the cost of construction, carpentry, or other structural modifications made necessary by installing different equipment. FNHW is not responsible to perform service involving hazardous or toxic materials and/or conditions of asbestos.
5. FNHW is not responsible for repairs or replacements due to misuse or abuse, disassembled or missing parts nor for failures or damages due to: fire, flood, smoke, lightning, freeze, earthquake, theft, storms, accidents, riots, war, vandalism, animals or pests, power failure, surge and/or overload, soil movement, structural changes, design deficiency, manufacturer's recall, inadequate capacity, land subsidence, slope failure or cosmetic defects. Except where otherwise noted in this contract, failures due to improper previous repair or installation of appliances, systems or components is not covered. FNHW will not perform routine maintenance or cleaning. The contract holder is responsible for providing maintenance and cleaning of covered items as specified by the manufacturer to ensure continued coverage of such items. For example, heating and air conditioning systems require periodic cleaning and/or replacement of filters and water heaters require periodic flushing.
6. FNHW is not responsible for consequential or secondary damages resulting from the failure of a covered system and/or appliance and/or failure to provide timely service due to conditions beyond FNHW's control, including but not limited to delays in securing parts, equipment, and/or labor difficulties.
7. FNHW is not responsible for providing access to repair or replace a covered system or appliance unless otherwise noted in this contract. When access is provided under this contract, restoration to walls, closets, floors, ceilings, or the like, will be to a rough finish only. FNHW is not responsible for the cost of modifications necessary to repair or replace a covered system or appliance, including but not limited to pipe runs, flues, ductwork, structures, electrical, or other modifications. FNHW does not cover commercial systems, appliances, or equipment modified for domestic use.
8. FNHW is not responsible for electronic, computerized, or remote energy management systems including, but not limited to, zone controlled systems, lighting, energy, security, pool/spa, entertainment/media/audio, or appliances. Solar systems and components are not covered.
9. Common systems and appliances are not covered except in the case of a duplex, triplex, or fourplex dwelling, and unless every unit is covered by FNHW. If this contract is for a dwelling of 5 units or more, only the items contained within each individual unit are covered. Common systems and/or appliances are excluded.
10. This contract is non-cancelable, except for: (a) non-payment of contract fees; (b) fraud or misrepresentation of facts material to the issuance of this contract; or (c) when contract is for Seller's Coverage and close of escrow does not occur. If this contract is canceled, the provider of funds shall be entitled to a pro-rated refund of the paid contract fee for the unexpired term, less an administrative fee and less any service costs incurred by FNHW. Upon renewal, this contract is non-cancelable except for non-payment of contract fee, fraud, or misrepresentation of facts.
11. FNHW has the right to offer cash in lieu of repair or replacement of a covered system and/or appliance in the amount of FNHW's actual cost to repair or replace such a system or appliance. The amount paid as cash in lieu may be less than the retail or actual cost incurred by the contract holder.
12. If the covered property changes ownership prior to the expiration of the contract, the contract holder may call 1-800-862-6837 to transfer coverage to the new owner for the remainder of the current contract term. This contract may be continually renewed at the sole discretion of FNHW, subject to applicable rates and terms.
13. Coverage on lease options is available for the lessee only. Contract fee is due and payable to FNHW upon execution of the lease and continues for one full year.
14. FNHW is not responsible under any circumstances for the diagnosis, repair, removal, or remediation of mold, mildew, rot, or fungus and/or damages resulting from the above mentioned, even when caused by, or related to the malfunction, repair, or replacement of a covered system or appliance.