



SERVICE AGREEMENT TERMS & CONDITIONS

Revised March, 2011

This agreement is between the home owner ("Homeowner") and R.S. Andrews Enterprises of Kansas, Inc. d/b/a A.B. May Company ("Company"). Services under this Agreement are provided by Company and other such companies under their direction may be used to perform repair service on the home mechanical systems outlined in this Agreement. The Company, during the term of this Agreement and subject to the following conditions, agrees to repair or replace, at the Company's discretion, any covered appliance or home mechanical system (plumbing, heating, air conditioning, electrical) located at the covered property to normal operational condition. This Agreement covers only the appliances and systems which are noted on the Agreement confirmation as being covered and which are located on the covered property and in normal operating condition on the first date of the term of this Agreement.

TERM

The term of this Agreement for covered appliances and systems shall be one year, which will commence upon full payment therefore being received by the Company or upon date of execution of a Monthly Payment Plan and Company accepting the payment and issuing this Agreement. Company reserves the right to inspect the covered property and all covered appliances and systems before issuing this Agreement.

AGREEMENT FEES

Homeowner agrees to pay the costs shown on the Agreement for covered appliances, systems, and options ("Agreement Fees"). Company reserves the right to charge a service fee of \$25.00 for any returned check or bank account debit.

MONTHLY PAYMENT OPTION

Homeowner may elect to pay monthly with automatic credit card or bank account debits. The minimum initial term is 12 months. Coverage will automatically continue after the initial twelve-month term unless cancelled by either the Homeowner or Company. Following the initial twelve-month term Company may increase Agreement Fees with 30 days written notice.

SERVICE

Company guarantees a response time of 24 Hours on emergency service 24 hours daily, and 7 days weekly, including holidays, with priority service on all service requests. For non-emergency service requests it is the Homeowner's responsibility to provide access to the Covered Property for repairs during normal business hours.

PLANNED MAINTENANCE

During the initial term of this Agreement and each subsequent 12 month term, Company will schedule two (2) heating and cooling planned maintenance visits with the Homeowner. It is the responsibility of Homeowner to contact Company to schedule planned maintenance visits. Maintenance under the Agreement will be performed during normal working hours and scheduled at the Company's discretion, before and after peak heating and cooling season. Service fees will not be charged for planned maintenance visits. Company will only perform this maintenance on working systems; the repair of non-working systems is subject to applicable service fees.

SERVICE CALL FEES

Under the Silver and Gold plan a \$60 trade service fee shall be charged for each occurrence. There may be an additional trade service fee for non-emergency service calls after hours and on weekends. Service fee(s) shall be charged for each occurrence for items repaired or replaced under the same home mechanical system. Company reserves the right to charge a service fee of \$25.00 for any returned check or bank account debit. Service calls for different trades cannot be combined into one call. Repairs performed under this Agreement will be warranted for 30 days on parts and labor. Service fees are in addition to Agreement Fees. Under the Bronze plan repair of non-working systems is NOT covered. Under the Bronze plan the cost of all repairs will be the sole responsibility of the Homeowner. Under the Bronze plan the Homeowner may receive a discount of 15% for emergency or other repairs during normal business hours.

ITEMS COVERED

Bronze Agreements: Planned maintenance. Silver Agreements: Planned maintenance; gas or electric furnace*; electric central air conditioning*; heat pumps*; boiler controls (thermostat, flue damper, transformer, thermocouple, pilot, pilot safeties, sight glass, gas valve, electronic ignitor, coupler). Gold Agreements: Planned maintenance; up to two heating and cooling systems*, all drain cleaning; water heater-first system* (**standard residential 50 gallon max**); toilet mechanisms; toilet seats; dripping and broken faucets; all listed plumbing fixtures; washing machine hook-ups; whirlpools (motor and pump assembly); built in appliances-first system* (range, range hood, dishwasher, trash compactor, microwave); home electrical systems.

When covered as an option under Bronze, Silver or Gold: Built in appliances-first system (range, range hood, dishwasher, trash

compactor, microwave); washer, dryer, refrigerator, freezer, humidifier, electronic air cleaner, media air filter, zone controls; ultra-violet germicidal light (includes 1 bulb per year), air source heat pump, geothermal and/or water source heat pump. When covered as an option (available on Gold plan only): septic tank (distribution box, inlet & outlet Tee's and necessary pumping only); water softener (excludes maintenance); sewage ejector; tankless water heater; battery back-up sump pump;

*Additional fees are applicable and coverage is required for additional HVAC systems, heat pumps, additional water heaters, and additional appliances.

ITEMS NOT COVERED HEREUNDER INCLUDE (BUT NOT LIMITED TO) THE FOLLOWING:

Cosmetic defects; appliance failure resulting from rust or corrosion; poor water pressure or rust in water where original galvanized piping is still in place; color or purity of hot and cold water systems; water recirculating systems; hot water dispensers; sewage grinder pump and lift station; grouting; caulking; cracked or broken ceramic, fiberglass, simulated marble, granite, tubs, sinks, tile, walls, floors, sub flooring and any fixture; foundation and building structure; window air conditioning units; oil furnaces; gas air conditioning systems; outside or underground piping and components for geothermal and/or water source heat pumps, pumps and pump components for geothermal and/or water source heat pumps; heating/water heater combination units; solar water heating and components; power vented water heaters; water heater maintenance; generators; fireplace systems; electric garage door openers; built-in or sub-zero refrigerators; lighting fixtures; exhaust fans; cracked or broken sewer or water service lines; exterior gas lines; intercom systems; fire, smoke and security alarm systems; batteries; computerized/electronic management systems for energy, lighting system, security or appliances; and doorbell when part of an integrated intercom system. Items damaged by abuse, negligence or improper use; hazardous or toxic materials; mold and/or fungus; chemicals; asbestos; duct cleaning; missing parts; detachable accessories for any covered item. Mechanical system failure due to local code violations, pre-existing conditions and concealed or camouflaged damage. Damage resulting from alterations or additions made to property or grounds and damage to any item as a result of fire, flood, smoke, lightning, freeze, earthquakes or settling of foundation, theft, storms, accidents, war, riots, acts of God, vandalism, improper installation, power failure or surge, pest/pet damage, neglect (including coil and blower cleaning), or misuse. Septic tank drain field lines and pumps within the septic tank. Boiler sections, piping, radiators, pumps and gauges. Treatment for wood infestation insects.

LIMITATIONS

This Agreement applies only to a single family residence. This Agreement does not cover mobile homes. This Agreement covers only matters of which the Company is advised during the term of the applicable Agreement, and does not cover conditions which existed prior to the issuance of this Agreement, nor items that are the responsibility of the Homeowner. Company is not responsible for matching color or brand. Replacement is based on builders standard makes and models. Company will not reimburse other vendors for services performed without prior approval. Company will not be liable for consequential damages to property or personal injury resulting from the failure of any component, system or appliance or from Company's delay or failure to provide service due to conditions beyond Company's control such as, but not limited to, unavailability of materials or labor difficulties. Company is not responsible for code violations or design limitations in systems or appliances. Company will upgrade to code at Homeowner's expense, but such upgrades are not covered by this Agreement. Company will not be responsible for replacing combination appliances when failure of one component does not affect operation of the remaining appliances within the unit. If any system otherwise covered is rendered inoperable due to non-availability of one or more of its parts, the Company shall not be responsible for replacement of the entire non-operating system or appliance. Company shall only be required to make a reasonable allowance based on the value of the available comparable parts. It is the Homeowner's responsibility to provide access required to make repairs. The expense incurred to gain access, or the expense of repair of damage necessary in order to gain access such as, but not limited to landscaping, sheetrock, flooring, carpet, ceramic tile, bath or shower enclosures and paving and damage to finished areas such as paint, wallpaper and cosmetic damage resulting from any repair made under this Agreement shall be the responsibility of the Homeowner.

LIMITS OF LIABILITY

The express warranties and agreements set forth in this Agreement are the only obligations of the Company to the Homeowner under the Agreement. All other agreements, undertakings and warranties by the Company, including but not limited to warranties of merchantability or fitness for a particular purpose are expressly excluded. This Agreement does not create, establish or confirm any obligation of Company to any person not designated as a Homeowner hereby. The maximum liability of the Company under this Agreement shall be \$2000.00 per occurrence and a \$500 maximum coverage for the life of the contract on blue polybutylene pipe. Under no circumstances shall the company be liable for actual, incidental, or consequential damages arising out of its performance or claimed nonperformance under this Agreement, including but not limited to, liability for damage to property, personal injury or death. In no event will Company be responsible for any loss, damage, illness or injury resulting from condensation leaks or frozen pipes or drains. Notice to Kansas residents - any disclaimers or exclusions of the warranties of merchantability or warranties of fitness for a particular purpose may be void under Kansas law. Notwithstanding any such disclaimers or exclusions other remedies may be available to the consumer under Kansas law.

RENEWAL AND TRANSFER

At Company's sole discretion and option, this Agreement may be renewed for additional one-year periods upon payment to the Company of the Company's then effective renewal charge for the renewal Agreement requested. This Agreement may be assigned during its term to a subsequent purchaser of the covered property (a "Transferee Homeowner"), but after such assignment this Agreement will only cover systems and appliances which are transferred to the Transferee Homeowner as part of the sale. For an assignment of this Agreement to be effective, the Transferee Homeowner must, within 30 days of the closing of the sale of the covered property, notify the Company in writing of the sale and of the name and address of the Transferee Homeowner. The Company reserves the right to inspect the covered property and all covered appliances and systems before renewing or transferring the coverage.

PERFORMANCE GUARANTEE

This is not a contract of insurance.

TERMINATION AND CANCELLATION

The initial term of this agreement is 12 months. Following the initial 12-month term this Agreement may be cancelled by the Homeowner or Company with 30 days written notice. This Agreement may be cancelled by Company: 1) for Owner's failure to pay Agreement or Service Call Fees when due; 2) in the event of fraud or material misrepresentation by Homeowner of any fact or circumstances relating to appliances, electrical, mechanical systems, and related damage, covered by this Agreement; 3) in the event the covered property is determined to be unsafe and the conditions are not corrected within 30 days of notification in writing by Company.

DEFAULT

If Homeowner fails to make payment as required by this Agreement, Company may terminate the Agreement without notice to Homeowner. Homeowner acknowledges all services have been provided under the Agreement at a discount per the Agreement and agrees to be responsible for the full price of all services provided to date at the current rate for like services not provided under a service Agreement. Said amounts will be billed to Homeowner by Company and are due and payable upon receipt. Said unpaid balance will accrue interest at 1.5% per month. If this agreement is referred for collection or legal action, Homeowner agrees to pay Company all interests, costs and expenses including reasonable attorney's fees not to exceed 15% incurred by Company.

ENTIRE AGREEMENT

This Agreement and the items listed on the agreement confirmation constitutes the entire Agreement between the parties. No oral representation applies. This Service Agreement is not effective until payment is received in full or upon date of the execution of a Monthly Payment Plan.

†An "emergency is defined as the failure of a covered item, which may cause personal injury or substantial damage to property if not repaired within 24 hours of notification.

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