

A & R BUILDING AND HOME INSPECTIONS

P.O.BOX 81825
ALBUQUERQUE, NM 87108

(505)553-9449, (505)553-9231 FAX : (505)888-7541
Email: Service@AandRHomeInspections.com

Revised:09-03-10

Warranty contract:

This contract only includes the items mentioned as covered and excludes all others. Items must be in working order and in a safe condition at the start of the contract. All items must be inside the perimeter of the main foundation of the home. The exception to this is the heating, cooling, exterior plumbing and electrical systems that were in already installed prior to the beginning of the coverage period. Items will only be covered if they are reported during the coverage period. You must contact us prior to the expiration of the contract.

***A&RHI WILL NOT REIMBURSE YOU FOR SERVICES PERFORMED WITHOUT APPROVAL.**

NOTES: A. IF THE PROPERTY HAS CLOSED AND A FILE IS CLAIMED ON AN ITEM THAT WAS WORKING AT THE TIME OF THE INSPECTION AND HAS GONE BAD AS SOON AS THE BUYER MOVES IN A DEDUCTIBLE WILL BE CHARGED.

B. REMEMBER FAILURE TO PAY THIS DEDUCTIBLE WILL RESULT IN THE SUSPENSION OF THE WARRANTY UNTIL THIS FEE IS PAID.

C. A DEDUCTIBLE IS CHARGED FOR EACH CLAIM THAT IS FILED. THAT IS EACH ITEM.

EXMPLE: IF YOU CALL AT THE SAME TIME FOR A LEAK ON THE WATER HEATER AND THE FURNACE IS NOT WORKING YOU WILL BE CHARGED \$50.00 FOR EACH ITEM. EVEN IF ONLY ONE TRIP IS MADE.

D. A & R Building and Home Inspections or an authorized contractor provided by A.R.H.I. must be the first people to diagnose any problems. Calling of outside contractors or other people trying to address the issue will void the warranty completely on this item. Ex. Furnace not working and home owner tries to change out a thermostat before calling A.R.H.I. is not acceptable. Taking anything apart will void the warranty. Please call A.R.H.I. first.

COVERAGE PERIOD:

Coverage begins at the time of closing when payment has been made and coverage will continue for 13 months.

Payment is due at close of sale and must be received within 25 days.

Coverage past the end of the contract will not be offered without another inspection.

SERVICE CALLS:

We accept service calls 24 hours a day 365 days a year.

For Service call (505) 553-9231 as soon as the problem is discovered. Any issues or damage for failure to report problems in a timely manner will not be the responsibility of A&RHI.

A&RHI will immediately dispatch your call to a supervisor to inspect or repair the issue as soon as possible. We will make every effort to have someone on your property within a 24 hour period. With the exception of holidays. Unless the issues is an emergency. A&RHI will determine whether or not the situation is an emergency. Examples of emergencies: Gas leaks, No water at all to the home, backed up sewer lines and complete loss of electricity. If you require work to be performed on non emergency items outside normal business hours you will be required to pay overtime and after hours trade costs.

A&RHI has the sole and absolute right to select a contractor or service provider for each issue.

You will pay a \$50.00 service call fee at the time of the service appointment. This is for every service call that is needed. (Unless it is to repair a previously addressed issue.) Failure to pay this fee will result in the suspension of the contract until this fee is paid. When the fee is paid your coverage will be reinstated without extension.

When a service call is set up and an appointment made for a warranty call. If nobody shows up there will be a service call no show fee of \$50.00 plus tax for each no show. This must be paid prior to work being performed on the second trip.

TRANSFER OF CONTRACT:

If your property is sold during the term of your contract. Please notify us as soon as possible and give us the name of the new owner so the contract can be transferred to their name.

CANCELLATION:

Home service contract cannot be canceled except for the following reasons.

- A. Non - Payment.
- B. Misrepresentation of information on the contract.
- C. An unsigned contract.
- D. Misrepresentation of information regarding the home.

The following items are covered by this contract for the buyer when payment is made at close of sale.

Note: It is also important to review limits of liability.

PLUMBING:

- * Leaks and breaks of water, drain, gas, vent or sewer lines.
- * Valves shower, tub, diverter, angle stops and gate valves.
- * Toilet and tanks, bowls and interior parts.

- * Circulating hot water pumps.
- * Permanently installed sump pumps within the perimeter of the main foundation.
- * Whirlpool bath motor and pump assemblies.

Not covered: Fixtures, faucets, shower heads, shower arms, hose bibs, filters, shower enclosures, and base pans, Caulking and grouting, septic tanks, flow restrictions in fresh water lines caused by build up of corrosion, rust, deposits, water conditioning equipment, pressure regulators, sewage ejectors, Saunas or steam rooms, Whirlpool jets and fire suppression systems. Well pump and piping systems are not covered. A.R.H.I. did not inspect this item therefore is not covered by the contract.

Note: Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab, and items encased and or are covered by concrete is limited under this contract to a maximum aggregate payment of \$500.00

PLUMBING STOPPAGES:

- * Clearing of stoppages in drain, vent and sewer lines.
- Not covered: Stoppages caused by roots, collapsed or broken lines outside the main foundation, access to drain or sewer lines from vent removal of water closet, and costs to locate, access or installation of a ground level cleanout.

WATER HEATER:

- * Gas or electric
 - * Gas valve
 - * Control thermostat and thermocouple.
 - * Tanks
 - * Temperature and pressure relief valve.
 - * Drain valves
 - * Heating elements.
- Not covered: Failures caused by sediment, holding or storage tanks, solar equipment, flues and vents.

ELECTRICAL:

- * Wiring
 - * Junction boxes
 - * Circuit breakers including G.F.I's
 - * Plugs
 - * Conduit
 - * Panels and sub panels
 - * Switches and fuses
- Not covered: Door bells, intercoms, fixtures, alarms, inadequate wiring sensors, relay, low voltage, timed circuits, phone jacks, telephone wiring, Wiring which is the property of the phone company.

Note: Coverage for diagnosis, access, repair or replacement of items located in or below a concrete slab and items encased in or covered by concrete is limited under this contract to a maximum of \$500.00.

KITCHEN APPLIANCES;

- * Oven / Range / Cook top: All parts and components, except;
- Not covered: Knobs, dials, racks, rotisserie, door glass, lights, handles, interior lighting, magnetic induction units, and probes assemblies.
- * Dishwasher: All parts and components, except:
- Not covered: Racks, rollers and baskets.

- * Garbage disposal: All parts and components.
- * Microwave oven: (Built in only): All parts and components, except;
Not covered: Knobs, racks, rotisserie, removable trays, door glass, clocks, shelves, lights, interior lining, handles and meat probe assemblies.
- * Trash compactor: All parts and components, except;
Not covered: Lock/ key assemblies, knobs and removable buckets.
- * Instant hot water dispenser: All parts and components.

KITCHEN APPLIANCES;

- * Kitchen refrigerator: All parts and components, except;
Not covered: Insulation, racks, shelves, handles, lights, ice makers, beverage dispensers, ice crushers, and their respective equipment, interior thermal shelves, food spoilage, refrigerator freezers which require an additional compressor to function, stand alone freezer and refrigerator located outside the kitchen area.

ATTIC AND EXHAUST FANS:

- * All parts and components.

CEILING FANS:

- * All parts and components, except;
Not covered: Light kits and remote transmitters.

HEATING:

- | | | |
|--|---------------------------|--------------------|
| * Radiators | * Gas valves | * Heating elements |
| * Baseboard conductors | * Heat exchangers | * Vent assembly |
| * Gas, electrical and oil furnaces | * Heat pumps | |
| * Switches, wiring and relays | * Burners | |
| * Hydraulic circulating pumps | * Motors | |
| * Thermostats and thermostat sub base. | * Printed circuit boards. | |

Not covered: Auxiliary space heaters, filters (Including electronic air cleaners), registers, fuel storage tanks, heat lamps, fireplaces and key valves, humidifiers. Baseboard casing and grills, chimneys, flues and vents, outside or underground components and piping for geo-thermal and/or water source heat pumps, well pumps and well pump components for geo-thermal and/or water source heat pumps/cable heat (in ceiling) and wood stoves even if it is the main source of heat to the home.

Note: * Coverage for diagnosis, access repair or replacement of all heating systems including steam, heated water, or glycol is limited under this contract to a maximum of \$1000.00 in the aggregate.

* Coverage for diagnosis, access, repair or replacement of items in or below concrete slab, and items encased in or covered by concrete is limited under this contract to a maximum of \$500.00 in the aggregate.

COOLING SYSTEMS:

Ducted electrical central air conditioning, ducted electrical wall air conditioning, refrigeration systems, thermostats, compressor, motor, valves, coils, liquid and suction

line dryers, leaks in Freon lines, fuses, breakers, disconnect boxes, and wiring. Evaporative coolers: Pump, motor, belts, pulleys and float assembly.

Not covered: Gas air conditioning systems, condenser casings, registers, roof jacks, or stands, grills and ductwork. Filters, electronic air cleaners, window units, non-ducted wall units, water towers, chillers, humidifiers, Individual units that exceed 5 tons, improperly sized units, water towers, chillers, cooler pads, copper and flexible water tubing, filters and pads for all air conditioners, pad rotating mechanisms, commercial grade equipment.

ROOF LEAK COVERAGE:

INCLUDED: Leaks caused by rain or moisture to tar and gravel, tile, shingle, shake, and composition roofs over occupied living areas will be repaired as leaks are caused by normal wear and tear and the roof was in good watertight condition at the start of coverage. A&RHI will pay a maximum of \$500.00 per contract for the repairs of specific leaks. If replacement of the existing roof, in whole or in part, is necessary, A&RHI's liability is limited to the estimated cost of the leaking area only as if the repair of the area were possible. The maximum payment is specific to this coverage.

NOT COVERED: Roof leaks caused by or resulting from: roof mounted installation, metal roofs, improper construction or repair, missing or broken materials, skylights, patio covers, gutters, drains, downspouts, scuppers, chimneys, fiberglass, clay tile, foam roofs, rubber cap sheet, rolled roofing failure to perform standard maintenance is not covered by this contract. Secondary and consequential water damage is not covered by this contract. NOTE service delays frequently occur during the first rains of the seasons or in heavy storms. While we make every effort to expedite service, no guarantees can be made.

LIMITATIONS OF LIABILITY:

1. The following are **NOT COVERED** for the home buyer; (i) malfunction or improper operation due to rust or corrosion of all systems and appliances, (including plumbing systems, heating system, electrical systems, built-in wall units or heat pumps) and/or air conditioning systems/coolers or pools/spas, (ii) collapsed ductwork
2. A&RHI is not responsible for providing access to or closing access from any covered item which is asphalt, side walk, or concrete-encased, covered or otherwise inaccessible (i.e. Beneath crawl spacers/wood floors etc). A&RHI will pay no more then \$500.00 for diagnosis, repair or replacement of any covered components. I.E. (Plumbing or heating) that is concrete encased or otherwise inaccessible.
3. During the period of buyer's coverage, A&RHI will pay no more then \$500.00 per covered item for diagnosis, access, and repair or replacement of any hot water, glycol or steam circulating heating systems.
4. At times it is necessary to open walls or ceiling to make repairs, A&RHI's Service Provider will close the opening, and return to a rough finish condition, subject to the monetary limits outline in the sections 2 and 3 above. A&RHI is not responsible for the restoration of any wall coverings, floor coverings, plaster, cabinets, counter tops, tiling, paint or the like. A&RHI is not responsible for the repair of any cosmetic defects or performance of routine maintenance, such as heating/cooling turnover.
5. Electronic or computerized energy management or lighting and appliance management systems are **NOT COVERED**. Solar systems and components including holding tanks are not covered.

6. A&RHI is not liable for consequential or secondary damages. A&RHI will not contract to perform service involving hazardous or toxic materials or asbestos, nor costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. A&RHI is not liable for failure to provide timely service due to conditions beyond its control including but not limited to, delays in obtaining parts or equipment and labor difficulties.
7. A&RHI is not liable for repair of the conditions caused by chemical or sedimentary build up, misuse, or abuse, failure to clean or maintain as specified by the equipment manufacturer, missing parts, structure changes, fire, flood, smoke, theft, accidents, riots, vandalism, freezing, electrical failure or surge, water damage, lighting, mud, earthquake, soil movement, soil settlement, storms, accidents, pest damage, or acts of God. A&RHI has the sole right to determine whether a covered appliance, system or component will be repaired or replaced. Parts and replacements will be of similar or equivalent quality and efficiency to those being replaced subject however to limitations stated in the contract. Where replacement equipment of identical dimensions is not readily available, A&RHI is responsible for providing installation of like equipment but not for the cost of construction or carpentry made necessary by different dimensions. A&RHI will not alter structure to affect repair or replacement, nor replace cabinets, tile or flooring. A&RHI is not responsible for upgrade or matching color or brand. A&RHI is not liable for replacement of entire systems appliances due to obsolete, discontinued or unavailability of one or more integral parts.
9. A&RHI is not liable for repairs related to adequacy or capacity of appliances, components and systems in the home; improper installation, design or previous repair of appliances, components and systems; problems or failures caused by a manufacturer's defect; or problems caused by alterations or modifications of appliances, components or systems.
10. A&RHI will not repair or replace commercial grade equipment, systems or appliances.
11. A&RHI reserves the right to require a second opinion
12. A&RHI will not perform normal or routine maintenance. A&RHI will not pay for repairs or failures that result from the Contract holder's failure to perform normal or routine maintenance. A&RHI will not be responsible for repairs of systems or components arising from a manufacturer's defect or recall or while still under manufacturer or distributor's warranties. A&RHI responsibilities will be secondary to any other extended or in-home warranties that exist for the included systems, components and appliances. A&RHI is not responsible for removal and hauling away of old equipment or appliances. Where available, you may be charged an additional fee by the service vendor for removal and/or disposal of an old system, component or appliance. A&RHI will not be responsible for service or damage performed by unauthorized services and such service or damage performed will void warranty.
13. A&RHI reserves the right to offer cash back in lieu of repair or replacement in the amount of A&RHI actual cost to repair or replace any covered system, component or appliance.
14. A&RHI will pay no more than \$2,000 maximum aggregate for any and all plumbing and electrical repairs required due to rust and corrosion (subject to all other contract limitations).

15. A&RHI will not repair or replace any covered systems or appliances if they are inoperable as a result of pre-existing conditions, deficiencies and/or defects.
16. A&RHI will pay no more than \$2,000 per claim or \$5,000 in aggregate.
17. If the property has closed and a file is claimed on an item that was working at the time of the inspection and has gone bad as soon as the buyer moves in a deductible will be charged.
18. Remember failure to pay this deductible will result in the suspension of the warranty until this fee is paid.
19. A deductible is charged for each claim that is filed. That is each item.
Example: If you call at the same time for a leak on the water heater and the furnace is not working you will be charged \$50.00 for each item even if only one trip is made.
20. It is the home owners responsibility to obtain a warranty contract.
 - A. Web site is provided with information on obtaining a warranty contract on the original inspection. (Last page, last paragraph.)
 - B. Call A.R.H.I. at anytime prior to closing for a contract to be mailed or delivered.
 - C. Have title company or real estate agent contact A.R.H.I. prior to closing.
 - D. One is always mailed within (14) days of received payment to covered address.

A signature is required for the warranty contract to be valid:

A contract must be signed and returned to A & R Home and Building Inspections at:

A & R Home and Building Inspections
P.O. Box 81825
Albuquerque, New Mexico
87108

**This contract must be signed and returned to us within 25 days for the contract to be valid.

Note: If any incidents occur between this time please call us as soon as possible at (505) 553 - 9231 or (505) 553 - 9449

 Customers name (Print)

 Date:

 Customers signature

 Date: