

****SAMPLE CONTRACT****

THIS INSPECTION WAS PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY TO DETERMINE WHETHER INSPECTED ITEMS/SYSTEMS CAN BE COVERED BY CPI'S ONE (1) YEAR SERVICE CONTRACT

**Consumer Protection Inc.
7017 Lantern Rd NE
Albuquerque, New Mexico 87109
(505) 345-7878**

SERVICE CONTRACT

- I. Consumer Protection, Inc. ("the Company") will service for a period of one year from the date of closing the items listed below, subject to the items which have been inspected, repaired or replaced as required by the Company and are in operating condition. The Company will inspect and at its option, repair or replace each such item, if they prove upon examination to be defective because of NORMAL use.

At the time of service, contract holder shall be responsible to pay no more than the first \$75.00 PLUS TAX per trip per contract year for each category of items listed below, per single family unit. ANY COSTS INCURRED FOR SERVICE FOR ITEMS THAT ARE NOT COVERED BY THIS CONTRACT OR NO PROBLEM FOUND WILL BE CHARGED TO THE CONTRACT HOLDER.

CATEGORIES OF ITEMS LISTED:

1. *Heating Systems* -- All systems included except portable, wood, coal, solar units, fireplaces, gravity, and High-boy furnaces, filters, all humidifying and de-humidifying devices and related parts, programmable clock thermostats, all dampers, and asbestos vent pipes. Also excluded are radiant in-floor tubing and manifolds, hot water heater storage tanks and all duct work, plenums, transitions, etc. Also excluded are all p.c. boards.
2. *Air Conditioning* – All evaporative and central refrigerated systems only. Excluded are all window and wall mounted refrigeration air conditioners, copper and flexible water supply tubing, and supply valves, all dampers, filters and pads for all air conditioners. Also excluded is all duct work, plenums, transitions, etc.
3. *Plumbing System* – All water and gas carrying piping, related fittings and fixtures located within the foundation perimeter except polybutylene piping and fittings, and all piping located in or under concrete slab. Excluded from the contract are shower stall and bath tile wall covering failure (as these are considered structural not plumbing) , shower pans, bathtubs and sinks, shower and tub enclosures, bathtub and shower door assemblies, all bathtub and sink stopper mechanisms, water softening and conditioning devices, defects in plumbing fixtures that do not affect function or operation, hand held and massage type shower heads, and the accessories and related parts of interior and exterior wells, pumps, septic systems, swimming pools, hot tubs, whirlpools, steamers, fireplace log lighters, copper or flexible icemaker supply lines and supply valves and sprinkler systems.
4. *Hot Water Heaters* – Natural gas, propane and electrical units only. Excluded are Saturn burner assemblies, instant hot water heaters, solar assists and all related parts, and hot water recirculating pumps. Also excluded are hot water heater storage tanks.
5. *Electrical System* – Basic house wiring and related parts, only within the foundation perimeter. Excluded from this contract are light fixtures, exhaust hoods and all fan motors, all alarm systems, central vacuum systems, door bells, chimes, intercoms, ceiling fans, garage door openers, all non-permanent wiring, i.e., extension cord wiring, lamp cord wiring, sprinkler control panels. Also excluded are any/all additions to electrical panel/service, if panel/service is overloaded or operating at maximum capacity.
6. *Built in Dishwasher and Garbage Disposal* – Excluding damage or failure resulting from foreign objects, i.e., metal, plastic, wire, etc. Also excluded are all p.c. boards, and touch pad controls.
7. *Stoves, Ovens, and Ranges & Built-in Trash Compactors* – All gas and electric stoves, ovens and ranges included in the purchase, except all micro-wave ovens, smoothtop stoves and ranges, convection ovens, self and continuous clean features, oven calibrations, clocks, timers, lights, rotisseries, meat probes, and lock and key replacements and removable buckets for trash compactors.

8. *Roof* – For coverage of repair of leaks of the roof covering only herein defined as the exterior roof covering which provides weather protection for the building. Excluded are all metal, fiberglass, foam, porch, patio, clerestory windows and/or skylights, chimneys, horizontal valleys, and leaks resulting therefrom. Ponding and adequate water drainage are not covered. Also excluded are all solar equipment and walking and sun deck areas and the roof area beneath them and leaks resulting from those areas, also all flush mounted roof drains and leaks resulting from those drains. Any leaks resulting from rooftop duct work are not covered.

CONDITIONS:

- A. The Company will make an inspection of the residences(s)/buildings and any systems included proper to the issuance of a Service contract. All inspections performed by the Company or its agents are solely for the Company's benefit to ascertain whether the Company will issue its service contract for the property.

This contract includes only the aforementioned items and shall remain in effect for a period of one (1) year and will expire on the date shown, or if a residence is abandoned for a period of thirty (30) consecutive days with Contract Holder having no apparent intent to return and occupy the property. The Company, or its agents, have the right to inspect the items covered at regular six (6) month intervals, at other times and upon reasonable notice during the term of this contract, and at such times as a claim is made for repairs, and shall have the right to repair or replace covered items at the time of that inspection.

- B. The Contract Holder will, within seven (7) days, give notice to the Company of the failure of a covered item. The Company reserves the first right to make all repairs and will send a licensed insured contractor to inspect and repair and/or replace said covered items within a reasonable time after notification. The decision of repair or replacement shall be made only by the Company and/or the contractor involved. **AT THE TIME OF SERVICE, CONTRACT HOLDER SHALL BE RESPONSIBLE TO PAY NO MORE THAN \$75.00 + TAX PER TRIP. All repairs MUST be authorized by the Company. Reimbursement will not be made for homeowner repairs or to contractors hired directly by the Contract Holder or his agents. Any alterations or additions to items covered and any subsequent damage or repairs needed as a result of an alteration or addition are expressly excluded for this contract's coverage.**

Failure by the contract holder to make any payments required AT THE TIME OF SERVICE will result in the interruption of service. No further service will be authorized until all outstanding charges have been paid. If all charges are not brought up to date within 30 days of written notice, the contract will be terminated. Any dispute between the contract holder and the Company must be mediated according to the Better Business Bureau's Arbitration Rules.

- C. The Company does not warrant or guarantee the life or efficiency of any item/system covered in this Service Contract. Further, the Company will not be liable for any items inadvertently not specified in this report, for any costs to upgrade or redesign any system or equipment either in the course of repair/replacement or to meet current building code requirements. The Company will not be responsible for any expenses for normal home maintenance, i.e., winterization/summarization of heating/cooling systems, or for expenses required to finish, open, or close walls, floors, ceilings, doorways, counter tops, or cabinetworks when making repairs or replacements of covered items within this contract.

If repair or replacement of a covered item/system becomes necessary, CPI will spend no more than \$300.00 total toward the repair or replacement of that item/system. Any item, system or component that is under an installer's or manufacturer's warranty will not be covered by this contract. When replacement of covered items/systems becomes necessary, the Company shall not be responsible to match colors, pairs or sets. If extraordinary services/equipment (i.e., professional leak detection, inspection cameras, cranes, etc.) are necessary in the course of repair or replacement of a covered item/system, the contract holder shall bear all of these costs. Failure of any duct work, plenums, transitions, etc., caused by rust, water or water infiltration is expressly excluded.

This contract does not cover the cost of repairs and/or replacements which are normally covered by the homeowners insurance or damages incurred by freezing, structural failures, wars, riots, vandalism, fires, disorders, thefts, or acts of God or by interruption in utility services, (or damages) caused by the misuse or abuse by the owner or his agents. Furthermore the Company will not be liable for consequential damages resulting from the failure of any component, system or appliance. This service contract expressly excludes any and all structural failures within the foundation perimeter and excludes all detached buildings.

- D. EMERGENCY shall mean complete failure of an electrical, heating or plumbing system.

BE AWARE THAT PRESENT CONDITIONS, EXCLUSIONS, AND REQUIRED REPAIRS LISTED ON THE INSPECTION REPORT, IF NECESSARY, WILL BE TRANSFERRED TO THIS ORIGINAL CONTRACT FOLLOWING CLOSING AND RECEIPT OF DOCUMENTS BY THE COMPANY FOR FINAL PROCESSING.

EXCLUSIONS TO THIS CONTRACT: