

NORTH TEXAS APPLIANCE PROTECTION COMPANY
APPLIANCE PROTECTION AGREEMENT TERMS AND CONDITIONS

A. COVERAGE OVERVIEW

The following terms and conditions constitute an agreement (“Agreement”) between the holder of an appliance protection plan (“Plan Holder”) and North Texas Appliance Protection Company (“Company”).

In accordance with the terms and conditions of this Agreement, North Texas Appliance Protection Company will repair a covered appliance for which a service request has been submitted provided that said appliance:

- 1) Is in good, safe working order and was correctly installed at the address on file with the Company on or after the effective date of this Agreement;
- 2) Is located within the perimeter of the foundation for the main house or garage at the address on file with the Company;
- 3) Is physically operated at the address on file with the Company;
- 4) Becomes inoperative due to normal wear and tear on or after the effective date of this Agreement;
- 5) Is classified by the manufacturer as a residential appliance;
 - a) Appliances that are classified by the manufacturer as commercial are not covered by this Agreement.
- 6) Is not covered by:
 - a) A builder, distributor, or manufacturer’s warranty;
 - b) An extended warranty;
 - c) A homeowner’s insurance policy.

The Plan Holder may begin submitting service requests for any covered appliances twenty (20) business days after the registration of this Agreement has been completed and payment has been received by the Company.

B. OBLIGATIONS OF THE APPLIANCE PROTECTION PLAN HOLDER

The Plan Holder is responsible for ensuring that routine maintenance (as recommended by the corresponding manufacturer guidelines) is performed for all covered appliances.

In the event that an appliance failure occurs, the Plan Holder must:

- 1) Disconnect the appliance from its power source in order to protect it from further damage;
- 2) Submit a service request to the Company through one of the following methods:
 - a) Online via the Company’s website at www.Northtexasapplianceprotection.com;
 - b) By contacting the Company’s Customer Service department via telephone at (214)960-4080.

Should the Plan Holder fail to protect the covered appliance from further damage as outlined above, any consequent damage to said appliance will not be covered under the terms and conditions of this Agreement.

C. EFFECTIVE DATE OF THE APPLIANCE PROTECTION PLAN

Coverage begins twenty (20) days after registration of this Agreement has been completed and payment has been received by the Company.

After the initial twelve (12) month commitment has ended, this Agreement will automatically be renewed on a monthly basis unless the Plan Holder notifies the Company in writing (via email or the US postal service) that he or she does not wish coverage to continue. Any such notification must be given thirty (30) days prior to the expiration date of this Agreement.

D. REQUESTING SERVICE

In order for a covered appliance to be serviced, the Plan Holder must submit a service request to the Company through one of the following methods:

- 1) Online via the Company's website at www.Northtexasapplianceprotection.com;
- 2) By contacting the Company's Customer Service department via telephone at (214)960-4080.

Any service request for a covered appliance must be made prior to the expiration date of this Agreement.

When addressing the failure of a covered appliance, the Company will make arrangements to have an authorized repair company repair the appliance in question in accordance with the terms and conditions of this Agreement.

North Texas Appliance Protection Company retains the sole right to select and arrange an authorized repair company to perform any work covered by this Agreement. Only work authorized and arranged by the Company will be covered. North Texas Appliance Protection Company will neither reimburse the Plan Holder nor pay for any service performed by his or her own contractor without prior authorization from the Company for such service.

Under normal circumstances, a Customer Service Specialist will contact the Plan Holder within twelve (12) business hours (within forty-eight [48] business hours on weekends and/or holidays) to inform him or her which repair company has been assigned to his or her service request.

The Plan Holder is obligated to provide information relating to the cause, nature, and timing of any appliance failure.

The Company will make reasonable efforts to expedite any emergency service that may be required for a covered appliance. For the purpose of this Agreement, "emergency service" will be defined as water leakage from an appliance that is covered under its terms and conditions.

The Company will accept a request by the Plan Holder to expedite the scheduling of a non-emergency service only if an authorized repair company is available. If said repair company agrees to expedite such scheduling, the Plan Holder will be responsible for any and all additional fees, including overtime pay for authorized service technicians.

E. SERVICE FEE

The Plan Holder will be required to pay a sixty-eight dollar (\$68.00) service fee for the diagnosis and repair of each covered appliance for which such services are necessary. This service fee must be made payable to North Texas Appliance Protection Company or to the authorized repair company and will be due and at the time of the scheduled service. In the event that a service request is not completed, this service fee must still be paid if:

- 1) The Plan Holder cancels the service request while the authorized service technician is in route to his or her home;
- 2) The Plan Holder fails to provide the necessary accessibility required to perform service on the covered appliance;
- 3) The authorized service technician's diagnosis results in a partial or complete exclusion of coverage;
- 4) North Texas Appliance Protection Company approves a request made by the holder for a second opinion and said opinion matches that of the initial opinion.

Repairs to covered appliances are guaranteed at thirty (30) days for labor and sixty (60) days for parts. Should the Plan Holder experience another failure of the covered appliance within these time frames, he or she will not be charged a subsequent service fee.

Failure to pay a service fee in the manner outlined above may result in the suspension or cancellation of this Agreement. The Plan Holder's account must be current before any service request will be acted upon.

F. APPLIANCES COVERED BY THE APPLIANCE PROTECTION PLAN

This Agreement will cover the repair of all mechanical parts and components that fail due to normal wear-and-tear for the following appliances:

- Refrigerator, built-in refrigerator, refrigerator ice-maker and dispenser;
- Under-counter ice maker;
- Deep freezer;
- Instant hot water dispenser;
- Range, stove, drop-in cooktop;
- Microwave;
- Garbage disposal;
- Trash compactor;
- Dishwasher;
- Clothes washer, clothes dryer;
- Mini-bar fridge, wine cooler, outdoor bar ice-maker, outdoor fridge.

G. APPLIANCES NOT COVERED BY THE APPLIANCE PROTECTION PLAN

This Agreement will not cover the repair of detachable accessories, items that do not affect the primary operation of a covered appliance, maintenance items, and covered appliances that do not fail as a result of normal wear-and-tear. Such accessories and items include, but are not limited to:

- Shelves, drawers, hinges;
- Interior linings, insulation;
- Glass, glass tops;
- Light bulbs;
- Water filters.

In addition, food spoilage will not be covered by this Agreement even if the appliance in which the food was stored is covered under its terms and conditions.

H. LIMITATIONS OF LIABILITY

This Agreement is intended to include the costs associated with the diagnosis and repair of any appliance covered under its terms and conditions. Such coverage, however, is not all-inclusive. Situations may arise in which the Plan Holder will be responsible for paying any additional costs associated with parts or services not covered by this Agreement. In such situations, the Company will work with Plan Holder to reasonably minimize his or her out-of-pocket-expenses.

This Agreement does not cover:

- 1) Known defects and/or malfunctions that existed on or before its effective date;
 - a) Unknown pre-existing defects and/or malfunctions will be covered by this agreement only if the pre-existing defect and/or malfunction could not have been detected by visual inspection and/or a simple mechanical test.
 - b) The holder of this Agreement must have all known pre-existing defects and/or malfunctions correctly repaired by a professional service technician and deliver to North Texas Appliance Protection Company any paid invoices evidencing the repairs that were performed in order for the defective appliance to be covered by this Agreement.
- 2) Repair or remediation of cosmetic defects including dents and scratches;
- 3) Routine maintenance of appliances, including the cleaning of coils;

- 4) Failure of parts or components caused by a lack of routine maintenance (as recommended by the corresponding manufacturer guidelines);
- 5) Breakdowns that are caused by any condition that is not considered to be normal wear-and-tear;
- 6) Breakdowns caused by misuse, abuse, or improper previous repairs and/or modifications;
- 7) Damages caused by:
 - a) Manufacturer defects;
 - b) Acts of nature;
 - c) Fire, smoke, water damage, freezing, hail, lighting;
 - d) Improper soap usage;
 - e) Sedimentary build-up;
 - f) Pests;
 - g) Pets;
 - h) Other damages covered by homeowner's insurance.

The maximum coverage allowance for the diagnosis and repair of a covered appliance varies based upon the protection plan which the Plan Holder has selected. He or she must review his or her protection plan for specific coverage details.

The terms and conditions of this Agreement apply to only one unit per appliance type. Extra fees will be required in order to cover multiple units of each appliance type under this Agreement.

North Texas Appliance Protection Company reserves the right to obtain a second opinion regarding the diagnosis and/or repair of a covered appliance. This second opinion will be made at the Company's expense.

In the event that the Company informs the Plan Holder that the failure of a covered appliance does not fall under the terms and conditions of this Agreement, the Plan Holder has the right to request a second opinion. Any such request must be made within seven (7) days from the date when notification is given that the failure of a covered appliance is not covered. The Plan Holder must submit a request for a second opinion from another repair company that has been authorized by North Texas Appliance Protection Company.

In the event that the outcome of this second opinion is different than the first opinion, the Plan Holder will not be charged an additional service fee. He or she will only be responsible for the payment of an additional service fee if the outcome of the second opinion matches that of the initial opinion.

When the repair of a covered appliance is not possible, North Texas Appliance Protection Company will offer the Plan Holder a cash buy-out option. The determination as to whether to repair a covered appliance or offer a cash buy-out option will be made at the sole discretion of the Company.

North Texas Appliance Protection Company reserves the right to offer cash in lieu of repair in an amount not to exceed the maximum coverage allowance per appliance based upon the plan which the Plan Holder has selected or the estimated value of the appliance in question before the failure. The Company will make payment within thirty (30) days from the date when such a determination is made.

In the event that North Texas Appliance Company provides cash in lieu of repair, the appliance in question will not be covered for future service until the Plan Holder has it correctly repaired by a professional service technician or has it replaced. The Plan Holder must deliver to the Company any paid invoices evidencing such repairs or replacement.

The Company will not be responsible for matching identical colors, brands, or dimensions of covered appliances.

Coverage under the terms and conditions of this Agreement includes only the items stated as covered appliances and excludes all others.

I. TRANSFER OF THE APPLIANCE PROTECTION AGREEMENT

This Agreement is non-transferrable and cannot be assigned to another individual. The Agreement must be cancelled and re-established by the new Plan Holder.

J. CANCELLATION AND RENEWALS

This Agreement is cancelable by the Plan Holder after the initial twelve (12) month commitment period has passed.

This Agreement shall be non-cancelable by North Texas Appliance Protection Company, except the case of:

- 1) Nonpayment of appliance protection plan fees;
- 2) Fraud or misrepresentation of facts with regard to appliances covered under the terms and condition of this Agreement;
- 3) Mutual agreement between North Texas Appliance Protection Company and the Plan Holder.

This Agreement will automatically be renewed on a monthly basis after the initial twelve (12) month commitment period has ended unless the Plan Holder notifies North Texas Appliance Protection Company that he or she does not wish coverage to continue. The Plan Holder will be notified of any changes to his or her plan or rate forty-five (45) days prior to its date of expiration.

Cancellation of this Agreement must be made in writing. In the event that this Agreement is cancelled within fifteen (15) days of its effective date, the Plan Holder will be entitled to a full refund of the fees paid less any unpaid service fees. In the event that this Agreement is cancelled beyond this fifteen (15) day period but before the initial twelve (12) month commitment period has ended, the Plan Holder will be responsible for paying the full price of any completed repairs for any covered appliances plus a seventy-five dollar (\$75) administrative fee.

K. MANDATORY ARBITRATION

North Texas Appliance Protection Company and the Plan Holder will attempt, in good faith, to resolve any controversy or dispute arising out of or relating to it through direct discussions. If these discussions are unsuccessful, all disputes or claims between these parties or the parties' relationship will be resolved by arbitration administered through the American Arbitration Association ("AAA") under the AAA Commercial Arbitration Rules. Copies of the AAA Commercial Arbitration Rules and the forms associated with such can be obtained at www.adr.org or by calling 1-800-778-7879. Any decision made by AAA will be final, binding, and non-appealable.

By entering into this Agreement, all involved parties acknowledge that they are surrendering the right to a jury trial and the right to participate in any civil suits against North Texas Appliance Protection Company.