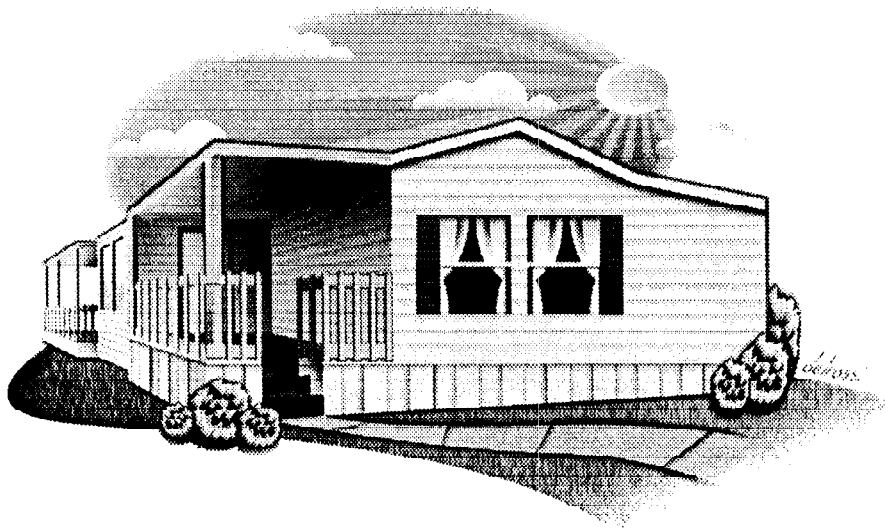


AMERICAN HOME GUARD

MANUFACTURED HOME SERVICE CONTRACT



**AMERICAN MODERN HOME SERVICE COMPANY
AMELIA, OHIO**

MAIN ADMINISTRATIVE OFFICE

MAILING ADDRESS

P.O. BOX 5323

CINCINNATI, OHIO 45201-5323

1-800-262-3555

READ YOUR CONTRACT CAREFULLY

For service information or questions concerning this contract, contact the contract seller or call **our** executive office at **1-800-262-3555**.

AMERICAN MODERN HOME SERVICE COMPANY

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DEFINITIONS

We, Us, Our means American Modern Home Service Company.

You, Your, Yours means the person(s) who own(s) and live(s) in the home at the location shown on the Declarations Page.

Repair means to provide and to pay for the labor and parts to fix a **Covered Component**.

Replace/Replacement means to provide a **Covered Component** of like kind and quality, including installation.

Failure/Fails/Failed To Perform Its Intended Function means the operational or structural **failure** of a **Covered Component** due to mechanical defect to the degree that:

The item has stopped working completely; or

The item no longer meets manufacturer's/industry requirements or specifications for its intended use; or

Continued use of the item is dangerous to the occupants; or

The item works so inefficiently that continued use is impossible or impractical.

Originally Supplied By The Manufacturer means any **Covered Component** included in the original retail sales agreement between **You** and the dealer or seller of the manufactured home to which this Contract applies. **Incidental Expenses** means those expenses incurred as a result of a **Covered Component** which has **Failed To Perform Its Intended Function**, including, but not limited to: telephone, mileage, meal and temporary housing expenses.

Consequential Damages means any damage to an item, other than a **Covered Component**, which results from the **Covered Component** having **Failed To Perform Its Intended Function**.

Covered Component means the specific item listed under the **Covered Component** category for each coverage listed in this contract.

Term Of Coverage means the length of this contract. The **Term of Coverage** is shown on the Declarations Page. Coverage is not renewable and expires at the date and time shown on the Declarations Page. Home Structure Coverage under Coverage A and C BEGINS AFTER THE EXPIRATION OF THE HOME MANUFACTURER'S STRUCTURE WARRANTY. System and Appliance Coverage under Coverage B and C begins one year after the home in-service (delivery) date.

HOME SERVICE COVERAGES

COVERAGE A - HOME STRUCTURE COVERAGE

(NOTE: **You** have this coverage only if it is shown on the **Declarations Page** for this contract.)

We will **Repair/Replace** any **Covered Component** that was **Originally Supplied By The Manufacturer** which **Fails To Perform Its Intended Function** during the **Term Of Coverage**.

Covered Components:

Steel frame,

Tie-down straps and anchors;

Sub-floor structure;

Doors;

Windows;

Sliding doors;

Load bearing and non-load bearing framing members;

Interior walls;

Exterior siding;

Roof structure; and

Ceiling

Exterior siding and interior walls, ceilings and the roof structure are covered only for defects in material or workmanship to the extent of performing the structural function for which they are intended. Peeling, chipping, discoloration, fading or other cosmetic loss or damage to the surface material of these items is not covered. Each exterior siding and interior wall, roof structure or ceiling panel is a separate covered item. If one or more panels are defective and coverage applies, **Our** obligation is **Repair** or **Replacement** of only the defective item(s). Only one deductible will apply to any one loss involving more than one of the same kind of panel.

COVERAGE B - SYSTEMS COVERAGE AND APPLIANCE COVERAGE

(NOTE: **You** have this coverage only if it is shown on the **Declarations Page** for this contract.)

We will **Repair/Replace** any **Covered Component** that was **Originally Supplied By The Manufacturer** which **Fails To Perform Its Intended Function** during the **Term Of Coverage**.

Covered Components:

1. Plumbing system:

Hot and cold water lines;
Wastepipes
Soil pipes and vents;
Faucets;
Toilets, including internal assembly parts;
Sinks;
Bathtubs (excluding hot tubs or spas);
Shower stalls;
Water heater, including;
fuel lines; and
vent pipe/chimney and connections/joints.

2. Electrical System:

Service panel, including fuses and circuit breakers if a part of another **Covered Component** in this Contract:

Wiring;
Wall receptacles;
Light fixtures
Boxes;
Switches; and
Outlets.

3. Central Heating System:

Furnace, including:
connections/joints
controls;
duct work;
fuel lines; and
vent pipe/chimney;

Fireplace, including blower and chimney;
Woodstove, including blower and chimney.

4. Central Air Conditioning System:

Air conditioning unit, including:
controls;
compressor;
condenser;
A-frame
connections/joints; and

Evaporative coolers.

5. Appliance Coverage:

We will Repair/Replace any Covered Component that was Originally Supplied By The Manufacturer which Fails To Perform Its Intended Function during the Term of Coverage.

Covered Components For Appliance Coverage:

Clothes dryer;
Clothes washer;
Dishwasher;
Garbage disposal;
Oven;
Microwave oven;

Range including exhaust hood;
Refrigerator; and
Trash compactor.

COVERAGE C - COMBINATION OF COVERAGE A AND B

(NOTE: You have this coverage only if it is shown on the **Declarations Page** for this contract.)

This coverage is a combination of Coverage A and B. All provisions in Coverage A and B apply.

DEDUCTIBLE

Each covered loss to each **Covered Component** will be subject to the Deductible Amount shown on the **Declarations Page**. When the loss is equal to or less than the deductible, **You** pay it all. When the loss of a covered portion is more than the deductible, **You** pay only the deductible and **We** pay the rest of the covered portion.

In the event that a covered item becomes damaged or unserviceable as a result of two or more defects occurring at the same time, only one deductible will apply.

LIMIT OF LIABILITY

Our aggregate liability for all claims under this contract is limited to the purchase price of the covered home.

LIMITATIONS/EXCLUSIONS

This contract does not cover You for the following:

1. Any item **You** do not own;
2. Any item that has not received proper periodic maintenance as recommended by the manufacturer;
3. Any **Covered Component** that has been subject to neglect or abuse or the damage or failure is a result of a pre-existing condition;
4. Any **Covered Component** that has been modified or altered from its original condition, unless such modification was done by the manufacturer or by its authorized representative.
5. Any **Covered Component** that is covered by:
any other warranty ;or
any other service contract or insurance policy;
6. Any **Covered Component** failure due to the subject of a voluntary or involuntary manufacturer product recall;
7. Any **Covered Component** that has not actually **Failed To Perform Its Intended Function**;

8. Peeling, chipping, discoloration, fading or other cosmetic loss or damage to the surface material of exterior siding, walls, ceilings and/or the roof structure.
9. Tires, axles and wheels;
10. Waste or soil stoppages or backups caused by improper use of the plumbing system;
11. Any damage from water which backs up through sewers, drains, overflows from a sump or from below the surface of the ground;
12. Intercoms, stereos, antennae or satellite dishes;
13. Portable heating units or solar energy equipment;
14. Portable and window air conditioning units or portable appliances;
15. Hot tubs or spas;
16. Any **Covered Component** failure or damage which results from use of the home primarily for commercial, business or professional purposes.
17. Any **Covered Component** failure or damage which results from the rental or the holding for the rental of the home;
18. Any **Covered Component** failure or damage which results from aircraft, vehicles, accidents, war, riots, nuclear action, civil commotion, theft or vandalism;
19. Acts of God, including, but not limited to fire, smoke, explosion, water escape, windstorm, hail, lightning, falling trees, flood, mudslides, landslides, earth movement, earth settling, earthquake, volcanic eruption, and changes in the level of the underground water table;
20. Any damage to or failure of a **Covered Component** resulting from or caused by the "setup" of the home subject to this contract. "Setup" means the construction of the foundation system, whether temporary or permanent, and the placement, erection and leveling of a manufactured home or manufactured home components on a foundation system, that includes supporting, blocking, leveling, securing, anchoring and connection of such home or of multiple or expandable sections or components, and the installation of air-conditioning and minor adjustments to the home or home components.
21. Any **Covered Component** failure or damage that results from the transportation or relocation of **Your** home;
22. Any **Covered Component** damaged by frost, freezing, or condensation;
23. Leaking roofs resulting from **failure** to apply roof

preservative as required by the manufacturer's owner's manual;

24. Any item that **fails** due to rotting, rust or corrosion;
25. Any item that fails due to damage by insects, vermin, birds, bats, rodents, reptiles, or domestic animals.

26. This contract does not cover:

Any loss, damage or injury to any person or property;

Any inconvenience, **Incidental Expenses**, or **Consequential Damages**;

Any discomfort, illness, inconvenience, or other potential or actual health hazards to any person, caused by:

odors;
fumes;
airborne particles;
effects of construction materials;
bonding materials; or
insulation.

27. Failure, inoperability or disruption of any **covered component** or **component** functions, or the inability to store or process data, caused directly or indirectly by design, planning, programming or engineering incompatibility with the year 1999 or 2000.

CONDITIONS

A. OUR SETTLEMENT METHODS

1. The amount **We** pay for any covered loss for a **Covered Component** is limited, at **Our** option to:
 - a. **Our** cost to **Repair** the defect by a repairer we select or approve, less the deductible; or
 - b. **Our** cost to **Replace** the defective item, including installation, less the deductible.
2. **We** cannot guarantee the availability of **Repair** parts or **Replacement** items identical to the defective part or item. **We** may use non-original manufacturers parts or used parts in **Repairing** or **Replacing** a defective item.
3. **We** will make every reasonable attempt to assist **You** in having an item **Repaired** to satisfactory working condition.

If this cannot be done, **We** will pay to **Replace** the **Covered Component** in accordance with the next paragraph.

4. If a covered loss to a **Covered Component** requires **Replacement**, **We** will **Replace** such item less the deductible. If **We** pay to **Repair** or

Replace an item, **We** may at **our** option take the defective part or item, or may leave such item with **You**. **You** shall not have the option of abandoning such part or item to **Us**.

- We** have no obligation when **Repairing** or **Replacing** a **Covered Component** to provide any ordinance of law, housing or building code upgrades.

B. AUTOMATIC REINSTATEMENT

If **We** determine that **Repair/Replacement** is necessary, coverage for the **Covered Component** involved is suspended until such **Repair/Replacement** is complete. Upon completion of **Repair** or **Replacement** of a **Covered Component** by **Us**, **Your** service contract automatically resumes for that item, for the balance of the **Term of Coverage**.

C. RELOCATION

If **You** move **Your** home, **You** may continue this contract for the remainder of the **Term of Coverage** if:

You have professional home movers move **Your** home; and

You tell **Us** in writing the location where **You** have moved; and

You permit **Us** to inspect **Your** home, if **We** request it, or **We** may have **Your** home mover inspect **Your** home. **You** are responsible for the cost of this inspection.

No coverage exists under this contract for failure or damage by or during the relocation of **Your** home.

D. CHANGES

If any provision of this contract is in conflict with or in violation of any applicable governmental requirements at the time **Your** contract is written, it is automatically changed to conform.

This contract may only be modified or changed if **We** and **You** agree to such change in writing. Such writing must be signed by **You** and **Us**. No other person has authority to change this contract.

E. TRANSFER

Your contract may be transferred to new owners or buyers of **Your** home for the remainder of the **Term of Coverage** if **you** give **us** written notice of such transfer and the Fifty (\$50) contract Transfer Fee is paid.

F. LIENHOLDER

If **Your** home is repossessed by **Your** lienholder during the **Term of Coverage**, this contract may be transferred to anyone purchasing the home from **Your** lienholder if such purchaser pays the Fifty (\$50) contract Transfer Fee, allows the home to be inspected and signs the applicable inspection

reports. **Your** lienholder may not make a claim against **us** under this contract and no coverage is afforded under this contract for the lienholder.

G. INSPECTION

We reserve the right to inspect **Your** home at any reasonable time.

H. OUR RIGHT TO RECOVER FROM OTHERS

After **we** have paid to settle **Your** loss or damage, **We** have the sole right to recover **Our** payment from anyone, except **You**, who may be responsible for **Your** loss. **You** may be required to sign papers and do whatever else is necessary to ensure **Our** right. Neither **You**, nor anyone else **We** cover in this contract has the right to prejudice **Our** right of recovery.

I. CANCELLATION

- We** can cancel this contract only if **You** :
 - Have not paid the applicable cost of this contract or any deductible, or
 - Make a false representation regarding any claim, or
 - Make a fraudulent claim, or
 - Misrepresent or use fraud in obtaining this contract or the facts in the application are incorrect; or
 - No longer live in **your** home or have no ownership interest.
- We** will mail to **Your** address shown on the **Declarations page** a cancellation notice at least ten (10) days prior to the effective date of cancellation. The cancellation notice shall be sent by certified mail. The refund upon cancellation will be computed on a pro-rata basis. If **You** financed the cost of this contract, the refund may be sent to **Your** lienholder and may be credited against **Your** loan balance.
- You** may return this contract within twenty (20) days of the date of mailing of the contract to **You**, or within ten (10) days if the Service Contract was delivered to **You** at the time **You** purchased **Your** home. If no claim has been made under the contract, this contract is void and the full purchase price of the contract shall be refunded. If a claim has been made, the refund will be calculated consistent with the next paragraph. If **You** financed the full price of this contract, the refund may be sent to **Your** lienholder and may be credited against **Your** loan balance.
- You** may cancel this contract after the ten (10) or twenty (20) day period mentioned above by notifying **Us** in writing and returning this contract to Service Company - 7000 Midland Boulevard,

Amelia, Ohio 45102. The unearned premium fees will be refunded on a pro rata basis, less a fifty-dollar (\$50) cancellation fee. If **You** financed the premium for this contract, the refund may be sent to **Your** lienholder and may be credited against **Your** loan balance.

J. REPRESENTATION

YOU ACKNOWLEDGE THAT **WE** HAVE NOT MADE ANY REPRESENTATIONS EITHER EXPRESS OR IMPLIED AS TO THE MERCHANTABILITY OR FITNESS OF **YOUR** HOME AND THAT THERE ARE NO COVERAGES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS CONTRACT. THE TERMS AND CONDITIONS OF **YOUR** HOME SERVICE CONTRACT ARE CLEARLY STATED AND **WE** ASSUME NO OBLIGATION BEYOND THAT.

WHAT TO DO WHEN YOU NEED CLAIMS SERVICE

1. **When You** need service, call **Us** at **Our** toll-free phone number 1-888-438-4485. Discontinue using the item and protect it from further damage. Service will be initiated by **Us** as soon as possible or within 72 hours, or immediately if **Your** furnace or heating system malfunctions during periods of cold weather. If, after **You** call, service is not initiated by **Us** within 72 hours, or immediately for furnace or heating system malfunctions during periods of cold weather, **You** may engage **Your** own service person and **We** will pay the reasonable and customary charge for this service.
2. **You** may write to **Us** at the address shown, if **You** prefer.
3. Give **Us Your** contract number.
4. Tell **Us** what **Covered Component** is involved. Tell **Us** what happened and how it happened. If **We** need additional information, **We** will ask **You** for it. **We** may require a statement in writing.
5. **You** must report all claims to **us** as soon as possible, but in no event later than thirty (30) days after the **Failure Of The Covered Component To Perform Its Intended Function**, EXCEPT THAT, NO COVERAGE EXISTS FOR ANY CLAIM REPORTED AFTER THE LAST EFFECTIVE DATE OF THIS CONTRACT.
6. Save the item. **DO NOT THROW IT AWAY.** **We** may want to inspect the item. Do not **Replace** or attempt to make **Repairs** to **Covered Components**.
7. Making **Replacements** or attempting **Repairs** may void coverage for the **Covered Component**. Except as stated above, **we** will not pay for any

Repair or **Replacement** unless **We** have authorized it.

8. **We** may require that **You** file with **Us** a notarized statement. **You** will be required to cooperate with

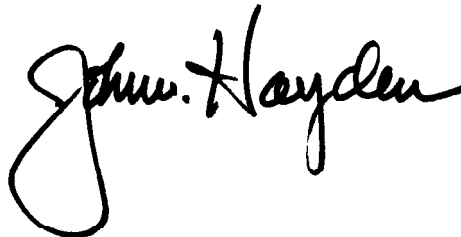
Us in **Our** effort to investigate any need for service. If **You fail** to cooperate, **We** have the right to deny **Your** request for service.

9. Once **Your** request for service has been completed, **You** may be asked to acknowledge this by signing a Certificate of Satisfaction.
10. **We** agree to complete **Repair** or **Replacement** within(30)days after:
 - a. **You** have provided **Us** with the information **We** need; and
 - b. **We** have confirmed that coverage applies.

MISCELLANEOUS

Obligations of the seller of this service contract are guaranteed under a service contract reimbursement insurance policy. If the seller fails to pay or provide service on a claim within sixty (60 days) after proof of loss has been filed, You are entitled to make a direct claim against the insurance company. The insurance company is: PO Box 5323 Cincinnati, OH 45201-5323.

The Administrator for contracts sold by the dealer is Service Company 7000 Midland Blvd., Amelia, OH 45102.



Chairman, President and CEO



Secretary