



# DEALER AGREEMENT – U.S.

Provided and Administered by:

CornerStone United, Inc.

Eastway Plaza, 1899 Tate Boulevard, SE-Suite 2110, Hickory, North Carolina 28602

Toll Free 800-824-5090 ♦ FAX 828-345-1918

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, (Dealer),

located at (Address) \_\_\_\_\_, (City) \_\_\_\_\_, (State) \_\_\_\_\_ (Zip) \_\_\_\_\_,

Telephone ( \_\_\_\_\_ ) \_\_\_\_\_, FAX ( \_\_\_\_\_ ) \_\_\_\_\_, \*E-mail \_\_\_\_\_, and  
CORNERSTONE UNITED, formerly Television & Appliance Warranty, Inc. (CORNERSTONE), with its principal place of business at Eastway Plaza, 1899 Tate Boulevard, SE –  
Suite 2110, Hickory, North Carolina, 28602, on behalf of Dealers with whom CORNERSTONE has entered into an Agreement.

\*E-Mail address is required for Dealer to receive confirmation of Warranty Plan registration from Cornerstone. No hard copy confirmation will be sent to the Dealer.

WHEREAS, CORNERSTONE is engaged in the business of providing extended service contract programs (Plan[s]) on behalf of the Dealer to the customers of the Dealer, and;

WHEREAS the Dealer desires to offer the Comfort Plus Extended Warranty Plans on products sold to customers of the Dealer and/or the Dealer desires to provide actual repairs required to be provided pursuant to the terms of the Comfort Plus Extended Warranty Plans.

NOW, THEREFORE, in consideration of the premises, mutual covenants, terms and conditions set forth herein, the Dealer and CORNERSTONE agree as follows:

## I. ACKNOWLEDGEMENT OF PROVIDER

- A. Dealer hereby acknowledges CORNERSTONE as the exclusive provider of Comfort Plus Extended Warranty Plans sold by Dealer to its customers commencing upon the date of the Agreement. CORNERSTONE will have the exclusive responsibility to honor valid claims under such Plans.

## II. APPOINTMENT OF THE SERVICE DEALER

- A. CORNERSTONE appoints this Dealer as a primary service dealer to provide repairs required under the Comfort Plus Extended Warranty Plans sold by the Dealer, provided the Dealer indicates a desire to do service under the Plan.

## III. PROVIDER OBLIGATIONS

- A. CORNERSTONE shall provide a national toll free telephone service for the Dealer and customers of the Dealer for confirmation of authorized service, service procedures, customer inquiries concerning their Plans and general communications with CORNERSTONE concerning the Plan.
- B. Direct and administer the servicing by Service Dealers of products sold by the Dealer in accordance with the terms and conditions of the Plans.
- C. Collect from the Dealer the proper purchase price of Plans sold by Dealer per the current Comfort Plus Dealer Wholesale Price Schedule.
- D. Upon completion of satisfactory repairs and submission of a repair invoice in such form as required by CORNERSTONE, CORNERSTONE will pay such invoice, less any deductible charge paid by the customer, according to the terms of this Agreement, including attachments. The Plan purchaser is responsible for any service call determined to be a nuisance call.
- E. In order to maintain the quality control standards of the manufacturer and CORNERSTONE for repairs under the program, CORNERSTONE will have the right to verify and audit service and repairs performed by the Dealer's personnel by means of mail and/or telephone contact with customers.
- F. CORNERSTONE shall have the right to off set any amount CORNERSTONE may owe the Dealer against any sums the Dealer may owe for any obligations of the Dealer to CORNERSTONE.
- G. CORNERSTONE agrees to reimburse the Dealer for performance of legitimate repairs and service to properly registered products under the Plan on the following schedules. Your service call charge is \$\_\_\_\_\_ which includes the trip to the customer's home and the first sixty (60) minutes of on-site labor. Additional labor, if required, is \$\_\_\_\_\_ per hour. Service call and hourly rates must not exceed the normal rate for the Dealer's geographic area, as determined by CORNERSTONE. Please note that all labor is reimbursed at the approved rate regardless of when the service is performed. Labor to replace cast iron boiler sections, complete heat exchangers, an entire furnace or boiler is limited to a maximum of six (6) hours at the approved rate, provided the repair is authorized by the manufacturer and CORNERSTONE.

H. CORNERSTONE will reimburse the Dealer for the wholesale cost of the covered part paid by the Dealer plus a markup as follows:

<u>Wholesale Part Cost</u>	<u>Maximum Markup</u>	<u>Calculation</u>
Up to \$50.00	100.0%	Part Cost X 2.00
\$50.01 - \$100.00	80.0%	Part Cost X 1.80
\$100.01 - \$150.00	60.0%	Part Cost X 1.60
Over \$150.00	40.0%	Part Cost X 1.40

**IV. SELLING DEALER OBLIGATIONS**

- A. When a Dealer sells a Plan at the same time as the sale of new equipment to be covered by the Plan, the Dealer shall, within ten (10) days from the date of Plan purchase by the consumer, complete the Plan Application and send it, along with proper payment, to CORNERSTONE. Failure to do so will prevent the Plan from being properly registered by the CORNERSTONE.
- B. Dealer may sell Plans on new equipment to the retail customer up to nine (9) months after installation of an eligible product under the following conditions:
  - 1. Proof of purchase is required if the Plan is not sold at the same time as the product.
  - 2. The Dealer, by purchasing the Plan on behalf of the homeowner, is certifying that the equipment is in good working condition and that no repairs are pending.
  - 3. The Plan Application and proper remittance must be sent to CORNERSTONE within ten (10) days following the Plan purchase date by the consumer. Failure to do so will prevent the Plan from being properly registered by CORNERSTONE.
  - 4. The Plan Application and proper remittance is received by CORNERSTONE within twelve (12) months following the original date of product installation.
  - 5. Plan Applications received by CORNERSTONE more than thirty (30) days following the Plan purchase date by the homeowner will not be accepted.
- C. In no case may a Plan be sold on a product more than eighteen (18) months after its original date of manufacture.
- D. Dealer shall be bound by the terms, instructions and procedures as set forth in the Comfort Plus Dealer Guidelines.
- E. Dealer shall be responsible for making full and partial refunds of the Plan retail sale price to a Plan purchaser as required by law and/or by the terms of the Plan. CORNERSTONE shall pay to the Dealer its appropriate portion of the refund based on the wholesale price received by CORNERSTONE from the Dealer.

**V. SERVICE DEALER OBLIGATIONS**

- A. Dealer accepts the appointment as an authorized Comfort Plus Service Dealer for the specific products designated.
- B. Dealer warrants that it possesses the experience and expertise to service and repair the types of products designated and will only undertake repairs on products for which it is factory authorized unless otherwise agreed to by CORNERSTONE.
- C. If CORNERSTONE should direct a customer to the Dealer for service on a product, before beginning service, the Dealer must (1) verify coverage from the Plan, (2) verify information as set forth in the CORNERSTONE service procedures, (3) advise CORNERSTONE, in advance of the repair, of its estimate of the cost to repair the product if the estimate approaches and/or exceeds the salvage value of the product as determined by CORNERSTONE.
- D. If a customer should initially contact the Dealer for service, the Dealer shall refer the customer directly to CORNERSTONE before beginning service on the product unless the Dealer actually sold the Plan to the customer, in which case the Dealer may proceed with the repair.
- E. Upon completion of satisfactory service, the Dealer shall then invoice CORNERSTONE for the covered repair on such invoice form that CORNERSTONE may require for the service rendered. The invoice form must include the repair order number, the verification number, when necessary, and such other relevant information as required by CORNERSTONE and outlined in the Comfort Plus Dealer Guidelines. All invoices must be submitted within forty-five (45) days of completion of the service or they will not be processed for payment.
- F. The Dealer agrees to seek reimbursement from the manufacturer, after the manufacturer's warranty expires, for any chronic problems or "duds allowances" and to reduce the Dealer's invoice to CORNERSTONE by the amount of the reimbursement. The Dealer will not seek reimbursement from the Manufacturer for parts or service covered under the Plans.
- G. Dealer agrees to send defective parts replaced and claimed under the Plan to CORNERSTONE, if requested, within ninety (90) days of receipt of the claim.
- H. No charge for dismantling the product to determine the malfunction (breakdown or access charge) or diagnostic charges shall be made by the Dealer. The customer is solely responsible for any diagnostic, breakdown or access charges.
- I. With respect to any additional service not provided for under the Plan, which the customer requests and the Dealer may wish to provide, the Dealer must advise the customer that the additional service is not covered under the terms of the Plan and that the customer is solely responsible for the cost of such additional service. The Dealer shall not assess the customer any fees or charges for service and repairs covered by the Plan.

- J. Dealer agrees not to subcontract any service to be provided hereunder without prior written consent of CORNERSTONE.
- K. The parties hereto are independent entities and nothing in this Agreement will be construed as an employer-employee relationship.
- L. Dealer indemnifies, defends and holds CORNERSTONE and its directors, officers, employees, successors and assigns, harmless from and against all liabilities, claims, injury expenses (including reasonable attorney's fees) or loss resulting from or arising out of acts or omissions of the Dealer, its agents, directors, officers, employees and dealers in providing service to a customer, and the Dealer shall reimburse CORNERSTONE in defending any such actions brought against the same.
- M. Dealer warrants all labor performed for a minimum of ninety (90) days from completion date.
- N. Manufacturer and/or Dealer warrant all replacement parts used for a minimum of one (1) year from service completion date.
- O. Dealer agrees to provide labor and parts as set forth above.
- P. This Agreement and any rights or obligations hereunder are personal to the Dealer and shall not be assignable, subcontracted or transferable in whole or in part without prior written consent of CORNERSTONE.

## **VI. GENERAL AGREEMENT GUIDELINES**

- A. CORNERSTONE shall be under no obligation to administer any Plan if the Service Dealer covers a product not listed in the current Comfort Plus Extended Warranty Plan Wholesale Price Schedule.
- B. CORNERSTONE shall be under no obligation to administer any Plan if the Dealer fails to remit the wholesale purchase price relating to the liability under that Plan to CORNERSTONE or remits such wholesale purchase price more than ten (10) days after the date the Plan was sold to the purchaser.
- C. CORNERSTONE assumes no responsibility for any expenses incurred under the Program for workmanship, quality of repairs or replacement parts, nor for any bodily injury, property damage, incidental damages or consequential damages whatsoever caused directly or indirectly by a product failure or malfunction, of the Service Dealer's services or repairs or any other obligation not specifically set forth herein.
- D. The Agreement may be terminated immediately by either party upon giving written notice to the other party.
- E. Upon termination by either party, all obligations hereunder shall cease provided, however, that CORNERSTONE shall continue its administration and liability for all Plans sold and properly registered by the Dealer and administrated by CORNERSTONE prior to the termination date and for which the Dealer has paid the appropriate wholesale purchase price to CORNERSTONE.
- F. This Agreement may not be assigned in whole or in part by the Dealer or CORNERSTONE without the prior written consent of the other party. CORNERSTONE may enter into agreements with affiliates or independent third parties to perform duties under this Agreement.
- G. CORNERSTONE offers Plans on various products. The conditions, coverage, exclusions, etc., described in this Agreement may be superseded by the terms and conditions contained in the various product Service Contract certificates. Any representation of the Plan other than the terms therein are not binding on CORNERSTONE, its agents or members, nor shall they be liable for any incidental or consequential damages.
- H. This document, together with any addenda, constitutes the full and entire Agreement between CORNERSTONE and the Dealer, superseding any prior oral or written representations, agreements, or understandings between the parties relating to this subject matter. Future modifications or agreements must be made in writing and signed by both parties.

## **VII. GENERAL TERMS AND CONDITIONS OF THE PLAN**

In addition to the terms and conditions of the original manufacturers' warranties and/or Dealer's warranty, the following terms and conditions will apply:

The period of the Plan is from the product installation date or eighteen (18) months from the original date of manufacture, whichever comes first and continues for the term noted on the Extended Warranty Plan, depending upon the coverage purchased. Plan coverage for labor for properly registered equipment will begin on the ninety-first (91st) day after equipment installation or the fifteenth (15<sup>th</sup>) day after CORNERSTONE's receipt of the Plan Application and proper remittance, whichever is later, and will continue for a total of five (5) or ten (10) years, depending upon the coverage purchased, from the earlier of the original date of equipment installation or eighteen (18) months from the date of equipment manufacture. Plan coverage for parts for properly registered equipment will begin on the later of the first (1st) day of the second (2nd) year following the date of equipment installation or the time of expiration of the original manufacturer's warranty and will continue up to a total of five (5) or ten (10) years, depending upon the coverage purchased, from the earlier of the original date of equipment installation or eighteen (18) months from the date of equipment manufacture. The Plan includes all manufacturers', OEM and/or dealer warranties. Work on this product must be by an authorized CORNERSTONE service agency.

The Plan will pay to repair and/or replace parts that fail under normal use at labor rates established by a separate agreement. Extra charges such as mileage, diagnostics and overtime are not covered. Nuisance calls are not covered by this Plan. This Plan is for residential products and does not apply to commercial applications, unless specific commercial coverage is purchased. If the dealer elects to purchase the commercial coverage, the terms and conditions contained herein shall apply. NOTE: Labor, under this Plan, to replace an entire boiler, furnace, air conditioning system or boiler sections is limited to a maximum total of six man (6) hours.

Only repairs that are attributed to normal failure of the electronic and mechanical functions of the unit are covered. Failure due, but not limited to, abuse, negligence, impact, fire, lightning, power failures and/or surges, rust, corrosion and water supply failures are not covered. Damage and/or repairs to cabinets and all exterior

components, normal maintenance, related ductwork, power surges, electrical spikes, or electrical circuit overloads, cleaning of drains, fuses, nozzles, pilot orifices, filters, batteries, knobs, etc. are not covered. Additional or unusual utility bills incurred due to any malfunction or defect in equipment listed on the Plan, labor cost or gaining access to or removal of a unit that requires special equipment or tools such as cranes, ladder trucks, etc. are not covered. Maintenance needed to keep the product in good operating condition is not covered. This includes, but is not limited to, diagnostics, cleaning, tune-ups, adjustment of customer controls, and customer product education. Labor, material, expenses or equipment required to comply with laws and/or regulations imposed or set forth by any government agencies including, but not limited to, the storage, handling, recovery and/or recycling of refrigerants are not covered by this Plan.

To transfer ownership of this Plan at the original site, or in the event of product exchange, send CORNERSTONE written notification with a \$15.00 transfer fee. The original Plan period remains.

To cancel a Plan, the customer should notify the dealer from whom they purchased this Plan. The dealer will be sent a prorated refund from the wholesale price paid by the dealer based on the elapsed months of coverage, less the \$15.00 cancellation fee and less any claims paid under the Plan, if applicable in the State where the customer resides. The Dealer will reimburse the customer a prorated refund from the retail purchase price paid by the customer based on elapsed months of coverage, less the \$15.00 cancellation fee and less any claims paid under the Plan, if applicable in the State where the customer resides.

Any representation of this Plan other than the terms herein is not binding on ECR, CORNERSTONE or their agents, nor shall they be liable for any incidental or consequential damages.

In witness of the above, this Agreement is executed on the dates indicated below.

_____ DEALER NAME	<u>CornerStone United, Inc.</u> ADMINISTRATOR
By: _____ SIGNATURE	By: _____ SIGNATURE
_____ PRINTED NAME	_____ PRINTED NAME
_____ TITLE	_____ TITLE
_____ DATE	_____ DATE

**YOUR COMFORT PLUS PROGRAM ID NUMBER # \_\_\_\_\_ (To be assigned by the CORNERSTONE)**

**PLEASE MAIL OR FAX YOUR COMPLETED DEALER AGREEMENT DIRECTLY TO CORNERSTONE  
828-345-1918**

**ADDITIONAL DEALER INFORMATION** *(Please Type or Print -Thank You)*

Check One That Applies: ( ) Sales & Service    ( ) Sales Only    ( ) Service Only

Main Contact Person: \_\_\_\_\_

List The Product Types & Brands You Sell: \_\_\_\_\_

\_\_\_\_\_

List Product Types & Brands You Service (If Different from Above): \_\_\_\_\_

\_\_\_\_\_