

JH TERMITE BARRIER WARRANTY CONDITIONS

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This warranty is given by JH Envirtech Pty Ltd (ABN 36 163 906 241) of Suite 40, L2, No.89-97 Jones Street, Ultimo, NSW 2007 (Phone Number 02 9564 2199) in respect of the JH Termite Barrier products (as defined below).

DEFINITIONS

Betterment means that part of any Loss associated with the use of materials of superior quality to those used in the construction of the Covered Property.

Compliant Damage means Subterranean Termite Damage to the Covered Property caused by Subterranean Termites that, according to the terms of this Warranty, is the responsibility of JH Envirtech to repair, remediate or replace. Compliant Damage is damage caused or created by Subterranean Termites that breach or otherwise penetrate a properly installed, intact, undiminished, unmodified and undamaged JH Termite Barrier component. Any other damage is Non-Compliant Damage and is not the responsibility of JH Envirtech to repair, remediate or replace.

Covered Property means the residential or commercial building(s) specifically identified in this Warranty as being protected by JH Termite Barrier. Additions made to the Covered Property within which JH Termite Barrier is not installed by a JH TB Authorized Installer are not covered by this Warranty.

JH Authorized Installer means a person or entity who has within the last year been accredited or reaccredited by JH Envirtech to install JH Termite Barrier and to offer this Warranty.

Loss means all costs and expense incurred to repair, remediate or replace Compliant Damage. According to this Warranty, JH Envirtech may not be responsible for paying to repair, remediate or replace all Loss that occurs to the Covered Property.

Non-Compliant Damage means Subterranean Termite Damage to the Covered Property that, according to the terms of this Warranty, is not the responsibility of JH Envirtech to repair, remediate or replace. Non-Compliant Damage includes any damage not classified as Compliant Damage.

Property Owner means the holder of the Warranty including successors in title.

Subterranean Termites means termites of the families Rhinotermitidae and Termitidae, which require soil contact or a continuous supply of moisture and are regarded as the group of termites most damaging to buildings.

Subterranean Termite Damage means Subterranean Termite consumption of Timber that impairs the integrity of structural and/or internal Timber(s).

Warranty Inception Date means the date on which the Warranty took effect on the Covered Property. The JH Termite Barrier Warranty Activation Form must first be completed and forwarded to the JH Authorized Installer who installed the JH Termite Barrier in the Covered Property.

Warranty Period means the period beginning on the Warranty Inception Date and ending on the date of the termination of this Warranty.

WARRANTY

Subterranean Termite Control

During the Warranty Period, JH Envirtech agrees to be responsible for the control of subterranean termites attacking the Covered Property that breach or otherwise penetrate a properly installed, intact, undiminished, unmodified and undamaged JH Termite Barrier component that was installed in the Covered Property by a JH Authorized Installer. The Warranty only provides for control of Subterranean Termite attacks discovered and notified to JH Envirtech during the Warranty Period.

Subterranean Termite Damage Repair

During the Warranty Period, JH Envirtech agrees to be responsible for Loss that is the caused by Subterranean Termites that breach or otherwise penetrate a properly installed, intact, undiminished, unmodified and undamaged JH Termite Barrier component that was installed in the Covered Property by a JH Authorized Installer. The total liability of JH Envirtech for Loss to a Covered Property during the Warranty Period shall not exceed in the aggregate \$100,000.00 (including GST). The Warranty only covers certain Subterranean Termite damage discovered and notified to JH Envirtech during the Warranty Period, referred to as Compliant Damage. After certain elapsed periods of time during the Warranty Period, JH Envirtech's responsibility for repairing, remediating or replacing Compliant Damage applies to only a portion of the cost of repairing, remediating or replacing such damage.

WARRANTY PERIOD

The Warranty Period shall begin on the Warranty Inception Date and shall continue for a minimum of one year. The Warranty Period shall be automatically extended on the first and each subsequent, consecutive anniversary of the Warranty Inception Date for another one year provided that a Qualified Inspection of the Covered Property for the presence of Subterranean Termites, performed at the Property Owner's expense, has been performed since the last (immediately prior) anniversary of the Warranty Inception Date (or since the Warranty Inception Date in the case of the first extension of the Warranty Period). The Warranty Period will, upon the performance of the required annual Qualified Inspections, be extended for fifty consecutive one year periods.

WARRANTY PERIOD EXPIRATION AND WARRANTY TERMINATION

The Warranty Period will not be extended and the Warranty will be irrevocably terminated if all Qualified Inspections required according to the Warranty Period section of this Warranty are not performed when and to the extent required. This Warranty shall be terminated automatically and without notice to the Property Owner on the first anniversary of the Warranty Inception Date that occurs without a Qualified Inspection of the Covered Property having been performed since the last Warranty Inception Date anniversary. All of JH Envirtech's obligations according to this Warranty shall be terminated upon the termination of the Warranty.

LIMITATION ON JH ENVIRTECH'S RESPONSIBILITY FOR LOSS

Beginning on the tenth anniversary of the Warranty Inception Date and for the remainder of the Warranty Period, JH Envirtech shall be responsible for the repair of only a portion of any Compliant Damage and only if the amount of Loss exceeds a certain amount, with the amount of Loss for which JH Envirtech is responsible varying based on the number of years that have elapsed between the Warranty Inception Date and the date on which the Compliant Damage is notified to JH Envirtech, as follows:

Property Owner shall be responsible for the first \$2,500.00 of Loss notified to JH Envirtech between the tenth and fifteenth anniversaries of the Warranty Inception Date.

Property Owner shall be responsible for the first \$5,000.00 of Loss notified to JH Envirtech between the fifteenth and twentieth anniversaries of the Warranty Inception Date.

Property Owner shall be responsible for the first \$10,000.00 of Loss notified to JH Envirtech between the twentieth and fiftieth anniversaries of the Warranty Inception Date.

REQUIRED ANNUAL QUALIFIED INSPECTIONS

Inspections of the Covered Property for the presence of Subterranean Termites shall be considered to be Qualified Inspections only if they are performed according to the inspection frequency requirement imposed in the Warranty Period section of this Warranty and only when they are performed by the JH Authorized Installer who installed the JH Termite Barrier in the Covered Property (unless said Installer ceases to trade or to be accredited to install JH Termite Barrier in which case an alternate JH Authorized Installer appointed and accredited by JH Envirtech may be employed to perform the inspections). Inspections shall be performed in accordance with the recommendations contained in the then current Australian Standard AS 3660 Termite management – Part 2, in and around existing buildings and structures or Australian Standard AS 4349 - Inspection of Buildings – Part 3, Timber pest inspections or other Australian Standards with respect to Timber Pest Inspections in force on the date of the inspection(s). The results of such inspection must be reduced to writing by the inspector and such report must be retained by the Property Owner as proof of the thoroughness and timing of the inspection(s).

At the time of a claim of Loss the Property Owner must, upon such request by JH Envirtech, present written evidence satisfactory to JH Envirtech that all of the Qualified Inspections of the Covered Property required according to the terms of this Warranty have been performed on the Covered Property when and to the extent required. Failure of Property Owner to present evidence satisfactory to JH Envirtech that all required Qualified Inspections have been made when and to the extent required may result in denial of the claim by JH Envirtech and automatic cancellation of this Warranty retroactively to the end of the one year extension of the Warranty Period following the last one year extension of the Warranty Period for which the Property Owner is able to provide evidence satisfactory to JH Envirtech that a Qualified Inspection occurred during that one year time period.

NON-COMPLIANT DAMAGE

JH Termite Barrier protects the Covered Property from Subterranean Termite attack by preventing concealed entry of Subterranean Termites into the Covered Property through openings, cracks, joints and other normal points of discontinuity in the foundation of the

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Covered Property below, above, across and along which it has been installed. Termites are deterred from entry into the Covered Property on account of the presence of a chemical termiticide within the JH Termite Barrier components which deters their penetration and/or breaching of the components. JH Termite Barrier components are effective at deterring Subterranean Termite attacks against the Covered Property only if they are installed properly and are intact, undisrupted, undiminished, unmodified and undamaged at any time at which they are under attack by termites attempting to penetrate or breach them. JH Envirtech shall not be responsible for the repair of damage to the Covered Property caused by Subterranean Termites that breach or otherwise penetrate an improperly installed, disrupted, diminished, modified and/or damaged JH Termite Barrier component or a JH Termite Barrier component installed by anyone other than a JH Authorized Installer.

Based on circumstances that may be present or events that may occur in the Covered Property during the Warranty Period that are beyond the control of JH Envirtech, termites may be able to bridge, circumvent or otherwise avoid a JH Termite Barrier component and enter and attack the Covered Property without having to breach or penetrate a JH Termite Barrier component. Such unimpeded entry can occur if termites are able to bridge across, around or over JH Termite Barrier or if they are able to enter the structure at an opening in the foundation that is, for whatever reason, unprotected by JH Termite Barrier. JH Envirtech is not responsible for the repair of Subterranean Termite damage caused by termites entering the Covered Property under such circumstances or in such a manner or caused by Subterranean Termites entering the property in any manner or by any route other than by directly penetrating or breaching a JH Termite Barrier component.

NO OTHER WARRANTIES

No other warranties, representations or other terms and conditions of any nature not expressly contained in this Warranty shall have any force unless they have been reduced to writing and signed by all parties and are expressed to be a modification of this Warranty. This clause does not exclude statutory warranties or conditions.

PROPERTY OWNER'S RESPONSIBILITIES

The Property Owner must:

1. not damage, remove, modify, tamper or interfere with any JH Termite Barrier component.
2. act with the utmost good faith in the event of a Loss or in filing a claim for Loss. If the Property Owner lodges a fraudulent claim or provides false or misleading information, JH Envirtech may cancel the Warranty and/or deny responsibility for the claim.
3. immediately notify JH Envirtech in writing if termites or termite damage are found in the Covered Property.
4. have all Qualified Inspections performed, at their expense, according to the terms contained in the Required Annual Qualified Inspections Section of this Warranty.
5. not allow or fail to prevent the accumulation of wood, rubbish or timber against the exterior of the Covered Property.
6. not allow the JH Termite Barrier dividing the soil surface from the Covered Property to be bridged or broken by any material or matter through or over which termites may bypass a JH Termite Barrier component and enter the Covered Property.
7. not allow the finished ground level against the exterior of the Covered Property to, at any point, exceed in height the level of the lowest JH Termite Barrier component in the Covered Property opposite that point.

EXCLUSIONS

No cover under this Warranty shall be provided in respect of:

1. the repair of any Subterranean Termite Damage discovered or reported after the termination or expiration of the Warranty.
2. consequential or indirect loss or loss of any nature except as specified herein. JH Envirtech will not pay or compensate the Property Owner and JH Envirtech hereby disclaims any responsibility for devaluation of the Covered Property, stress, loss of sleep, anxiety, alternative accommodation or loss of income.
3. any Loss associated with Betterment.
4. any Loss on account of alterations, additions or modifications to the Covered Property that disrupt, diminish, modify or damage a JH Termite Barrier component.
5. damage occurring to chattels of any nature including, but not limited to, antiques, artwork, heirlooms, paintings, carpets, floor coverings, fittings, furniture, personal property or stored materials.

6. damage to fences, gates, poles, bridges, wharves, jetties, landscaping timbers, garden structures or pergolas.
7. damage to buildings connected to or additions to the Covered Property that are not protected by JH Termite Barrier.
8. damage to the Covered Property that occurs other than as a result of a performance failure of a JH Termite Barrier component.
9. damage to the Covered Property if any JH Termite Barrier component protecting the Covered Property was installed by any person or entity other than a JH Authorized Installer.

OTHER CONDITIONS

Control of termites that penetrate or breach a JH Termite Barrier component and that are the responsibility of JH Envirtech to control shall be controlled according to the method of control chosen by JH Envirtech. All repair, remediation and replacement of Compliant Damage performed according to and/or on account of this Warranty shall be performed at the direction and expense of JH Envirtech. JH Envirtech shall not be responsible for reimbursement or other compensation for the repair, remediation or replacement of Compliant Damage when the repair, remediation or replacement is performed or otherwise arranged for by the Property Owner or some other third party (including a JH Authorized Installer) not working under the authority and direction of JH Envirtech, unless prior to performance of such repair, remediation or replacement, written authorization for such repair, remediation or replacement was received from JH Envirtech.

The responsibility of JH Envirtech to perform repairs to the Covered Property shall be limited in scope to the repair, remediation or replacement of components of the Covered Property that JH Envirtech deems necessary to correct or remedy the effects on the Covered Property of any Compliant Damage.

The valuation of Loss shall be computed from the following formula. Loss = cost of the materials and labour (at prevailing local per hour wage rates) deemed necessary by JH Envirtech to correct or remedy the effects of the Compliant Damage plus applicable taxes, permits and insurance plus twenty five percent for overhead.

During the inspection and authentication of any Compliant Damage to the Covered Property, JH Envirtech will not be responsible for creating openings to and/or dismantling any part of the Covered Property directly upon which no visible evidence of Compliant Damage is found by JH Envirtech.

Any repairs by JH Envirtech to the Covered Property will be performed to match, as close as reasonably possible, the existing fit, finish and appearance of the damaged area of the Covered Property. If any part or component of an item of decor (e.g. paint, tile, flooring, wallpaper, panelling, molding, trim, siding, roofing, brick, finishes, etc.) of the Covered Property sustains Compliant Damage or is damaged during the repair of Compliant Damage, JH Envirtech will make a reasonable effort during repair or replacement of this part or component of this item of decor to match it to existing, similar, undamaged parts or components of this item of decor. However, JH Envirtech will not be responsible for repairing and/or replacing undamaged parts or components of the item of decor in order that they exactly and indistinguishably match parts or components of the item that were repaired or replaced.

During the performance of repairs, JH Envirtech, in lieu of removing and replacing any damaged component of the Covered Property, can instead, at its option, reinforce and/or reconstruct the component or part of the Covered Property containing the component in such a way that the structural purpose of the component is preserved, supplemented or transferred to another component, existing or installed by JH Envirtech, provided that the area of the Covered Property that contains such component shall have an appearance after repair, when viewed from the exterior or interior living spaces of the Covered Property, similar to its appearance before it was damaged.

DISPUTE RESOLUTION

Any dispute under, or arising out of, this Warranty shall be referred to the Institute of Arbitrators & Mediators Australia, for resolution. Each case will first be referred to a Conciliator appointed by the Institute unless either party wishes to proceed directly to arbitration. If the conciliation is not satisfactorily concluded within six weeks or if the parties want to proceed directly to arbitration, the Institute will appoint an Arbitrator who will make a final and binding award.