

SAMPLE COVERAGE TERMS

I. COVERAGE

During the coverage period, HWA's sole responsibility will be to arrange for a qualified service contractor ("Service Provider") to repair or replace, at HWA's expense (up to the limits set forth below), the systems and components mentioned as "Included" in accordance with the terms and conditions of this contract so long as such systems and components:

A. Are located inside the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior pool/spa, well pump, septic tank pumping and air conditioner); and

B. Become inoperative due to normal wear and tear; and

C. Are in place and in proper working order on the effective date of this home warranty contract.

It is understood that HWA™ IS NOT A SERVICE PROVIDER and IS NOT ITSELF UNDERTAKING to repair or replace any such systems or components.

It is further understood that HWA's obligation to pay for the repair or replacement of covered systems and components is limited to \$5,000 per covered item and \$15,000 in the aggregate.

This contract only covers single-family homes, town homes and condominiums (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square feet or more, new construction or multiple units) is applied for by phoning 1-888-HWA-RELY. Coverage is for owned or rented residential-use property, not commercial property or residential property converted into a business.

This contract describes the basic coverage and options available. For the specific coverage detail on your home, see the front of this contract as it relates to Articles IV, V & VI. Coverage includes only the items stated as included and excludes all others. Coverage is subject to limitations and conditions specified in this contract. **Please read your contract carefully. Note: this is not a contract for insurance.**

II. COVERAGE PERIOD

Home Owner's coverage begins and ends pursuant to the period noted at the top front of this contract provided payment is made in full on or before the first day of the period.

III. SERVICE CALLS... FOR SERVICE CALL: 1-888-HWA-RELY

A. You or your agent (including tenant) must notify HWA™ for work to be performed under this contract as soon as the problem is discovered. HWA™ will accept service calls 24 hours a day, 7 days a week, 365 days a year at 1-888-HWA-RELY. Notice of any malfunction must be given to HWA™ prior to expiration of this contract.

B. HWA™ will immediately dispatch your call to a Service Provider (48 hours on weekends and holidays). HWA™ will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service (emergency usually considered to be loss of life or peril). If you should request HWA™ to perform non-emergency service outside of normal business hours, you will be responsible for any additional fees and/or overtime charges.

C. HWA™ has the sole and absolute right to select the Service Provider to perform the service; and HWA™ will not reimburse for services performed without its prior approval. Wisconsin residents refer to section XIII.B.

D. You will pay \$60 for each trade service call ("Trade Call Fee") or the actual cost, whichever is less. The Trade Call Fee is for each visit by an HWA™ approved Service Provider, except as noted in this Article III (E), and is payable to the HWA™ approved Service Provider at the time of each visit. The Trade Call fee applies to each call dispatched and scheduled, including but not limited to those calls wherein coverage is included, excluded, or denied. The Trade Call fee also applies in the event you fail to be present at a scheduled time, or in the event you cancel a service call at the time a service contractor is in route to your home or at your home. Failure to pay the Trade Call Fee will result in suspension of coverage until such time as the proper Trade Call Fee is paid. At that time, coverage will be reinstated, but the contract period will not be extended. NV residents see XII. Cancellations

E. If service work performed under this contract should fail, then HWA™ will provide for the necessary repairs without an additional Trade Call Fee for a period of 90 days on parts and 30 days on labor.

IV. COVERED SYSTEMS AND APPLIANCES

The following items labeled "Included" are covered for the Appliance Plus Plan except; certain limitations of liability apply to Included systems and appliances. (See Articles I, II, III, VII, VIII, & IX).

A. KITCHEN APPLIANCES

1. Dishwasher (Built-in or Portable)

INCLUDED: All components and parts, except:
EXCLUDED: Racks - Baskets - Rollers - Door seals.

PREMIUM COVERAGE INCLUDES: Racks - Baskets - Rollers - Door seals

2. Garbage Disposal

INCLUDED: All components and parts, including entire unit.
EXCLUDED: Problems and/or jams caused by bones and foreign objects other than food.

3. Built-in Microwave Oven

INCLUDED: All components and parts, except:
EXCLUDED: Interior linings - Door glass - Clocks - Shelves - Portable or counter top units - Meat probe assemblies - Rotisseries - Door seals - Lighting and handles - Glass.

PREMIUM COVERAGE INCLUDES: Interior linings - Rotisseries - Clocks - Door seals - Lighting and handles.

4. Range/oven/cooktop (Gas or Electric; Built-in, Portable or Free Standing).

INCLUDED: All components and parts, except:
EXCLUDED: Clocks (unless they affect the cooking function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Sensi-heat burners will only be replaced with standard burners - Door seals - Lighting and Handles - Glass.
PREMIUM COVERAGE INCLUDES: Racks - Rotisseries - Clocks - Door seals - Lighting - Handles and knobs.

5. Trash Compactor (Built-in or Portable).

INCLUDED: All components and parts, except:
EXCLUDED: Lock and key assemblies - Removable buckets - Door seals.

PREMIUM COVERAGE INCLUDES: Removable buckets - Door seals.

B. LAUNDRY PACKAGE

1. Kitchen Refrigerator

INCLUDED: All components and parts, including integral freezer unit, except:
EXCLUDED: Racks - Shelves - Ice makers, ice crushers, beverage dispensers and their respective equipment - Water lines and valve to ice maker - Interior thermal shells - Freezers which are not an integral part of the refrigerator - Food spoilage - Door seals - Lighting and handles - Units moved out of the kitchen - Audio/Visual Equipment and Internet Connection Components

2. Clothes Washer

INCLUDED: All components and parts, except:
EXCLUDED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Door seals.

3. Clothes Dryer

INCLUDED: All components and parts, except:
EXCLUDED: Venting - Lint screens - Knobs and dials - Damage to clothing - Door seals.

C. ELECTRICAL PACKAGE

1. Electrical System

INCLUDED: All components and parts, including built-in exhaust fans, except:
EXCLUDED: Fixtures - Carbon monoxide alarms, detectors or related systems - Intercoms and door bell systems associated with Intercoms - Inadequate wiring capacity - Solar power systems and panels - Direct current (D.C.) wiring or components - Attic fans - Commercial grade equipment - Damages due to power failure or surge, or—loads greater than the system's design - Circuit Overload - Solar Components - Energy Management Systems. HWA™ will pay no more than \$2,000 maximum aggregate for any and all electrical repairs required due to rust and corrosion (subject to all other contract limitations).

2. Door Bells

INCLUDED: All components and parts.
EXCLUDED: Door Bells associated with Intercom Systems.

3. Ceiling Fans and Exhaust Fans

INCLUDED: Motors - Switches - Controls - Bearings - Blades.
EXCLUDED: Whole House - Fans - Bells - Shutters - Filters - Lighting. HWA™ will pay no more than \$400 maximum aggregate per contract.

4. Central Vacuum

INCLUDED: All mechanical system components and parts except:
EXCLUDED: Duct Work - Blockages - Accessories. HWA™ will pay no more than \$400 maximum aggregate per contract for diagnosis and repair of each vacuum.

5. Burglar and Fire Alarm Systems

INCLUDED: All components and parts, except:
EXCLUDED: Any wiring or parts located outside the main confines of the foundation of the home - Batteries - Video cameras - Video monitors - Sprinkler alarms & systems. HWA™ will pay no more than \$400 maximum aggregate per contract for diagnosis and repair of each burglar and fire alarm system.

V. OPTIONAL COVERAGE AVAILABLE FOR THE HOME OWNERS:

A. ALL STAR PACKAGE INCLUDES IV, AND VA

1. HEATING SYSTEM - PRIMARY GAS, OIL, OR ELECTRIC HEATER, HEAT PUMP OR BUILT IN WALL UNIT (If Main Source of Heat to Home not exceeding 5 ton capacity and designed for residential use).

INCLUDED: All components and parts necessary for the operation of the system (including heat pumps which cool or heat the home). For heat pumps, coverage only applies when system is used in heat mode. For units below 13 SEER and/or R-22 equipment and when HWA™ is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating or with R-22 equipment, repair/replacement will be performed with 13 SEER/R410A equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: Baseboard casings - Oil storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Electronic air cleaners - Registers - Grills - Clocks - Timers - Heat lamps - Fuel Storage Tanks - Flues and Vents - Humidifiers - Commercial grade equipment - Outside or underground piping - Well pump and components for geothermal and water source heat pump systems - Condensate Pumps - Electronic, computerized, and manual systems management and zone controllers - Systems with mismatched condensing unit and evaporative coil per manufacturer specifications - Improper use of metering devices (ie. thermal expansion valves) - HWA™ is not responsible for the costs associated with matching dimensions, brand or color made - HWA™ will not pay for any modifications or upgrades necessitated by the repair of existing equipment or the installation of new equipment - Condensate pumps - After market inducer fan motors - Pellet Stoves - Cable heat - Wood stoves - Solar Heating and Components - Cost for crane rentals. During the period of Buyer's coverage, HWA™ will pay no more than \$1,500 per covered item for diagnosis, access, and repair or replacement of any hot water or steam circulating heating systems or any glycol system.

PREMIUM COVERAGE INCLUDES: Filters and Heat Lamps.

2. DUCTWORK

INCLUDED: Duct from heating unit to point of attachment at registers or grills, except:
EXCLUDED: Registers and grills - Insulation - Asbestos-insulated ductwork - Flues, vents and breaching - Ductwork exposed to outside elements - Separation due to settlement and/or lack of support - Damper motors - Electronic, computerized, and manual systems management and zone controllers. Diagnostic testing of, or locating leaks to ductwork, including but not limited to, as required by any federal, state or local law, ordinance or regulation, or when required due to the installation or replacement of system equipment. When covered repairs require access to ductwork, HWA™ will only provide diagnosis, repair, sealing, or replacement to ductwork through unobstructed walls, ceilings or floors (obstructions include but are not limited to floor coverings, appliances, systems and cabinets). If the ductwork is accessible only through concrete enclosed floor, wall, or ceiling, HWA™ will pay no more than \$500 for diagnosis, repair or replacement of such ductwork, including returning the access to rough finish, but will not cover any costs as a result of or determined by diagnostic testing.

3. PLUMBING SYSTEM

INCLUDED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and mechanisms (replaced with builder's standard as necessary), toilet wax ring seals - Valves for shower, tub, and diverter angle stops, rings and gate valves - Permanently installed interior sump pumps (used for storm water only) - Built-in bathtub whirlpool motor and pump assemblies, except:
EXCLUDED: Stoppages/clogs - Polybutylene piping - Hose Bibs - Collapse of or damage to water, drain, gas, waste or vent lines caused by freezing, settlement and/or roots - Fixtures, cartridges, shower heads & shower arms - Bathtubs and showers - Shower enclosures and base pans - Bath tub drain mechanisms - Sinks - Toilet lids and seats - Cabling or grouting - Whirlpool jets - Septic tanks - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Sewage ejector pumps - Holding or storage tanks - Saunas or steam rooms - Back up and battery sump pump systems - Basket strainers. HWA™ will pay no more than \$500 for diagnosis, repair or replacement of any covered components that are concrete encased or otherwise inaccessible. HWA™ will pay no more than \$2,000 maximum aggregate for any and all plumbing repairs required due to rust and corrosion (subject to all other contract limitations).

PREMIUM COVERAGE INCLUDES: Stoppages/clogs which can be cleared with standard sewer cable one time only - Fixtures and Cartridges, faucets, shower heads and shower arms (replaced with chrome builders standard) - Interior Hose Bibs - Toilets of like quality (\$500 limit).

4. WATER HEATER (Gas, Tankless, Electric, or Oil)

INCLUDED: All components and parts, including circulating pumps, except:
EXCLUDED: Low boy and/or Sqaug water heaters - Solar water heaters - Solar components - Fuel, holding or storage tanks - Noise - Energy management systems - Flues and vents - Commercial grade equipment - Problems resulting from sediment - and units exceeding 75 gallons - Drain pans and drain lines - HWA will pay no more than \$1,000 for repair or replacement of Tankless or Oil Water Heaters and the like.

PREMIUM COVERAGE INCLUDES: Problems caused by sediment.

B. POOL AND/OR SPA EQUIPMENT

INCLUDED: Both pool and spa (including exterior hot tub and whirlpool) are covered if they utilize common equipment - If they do not utilize common equipment, then only one or the other is covered unless an additional coverage fee is paid - Coverage applies to all above ground components and parts of the heating, pumping and filtration system, (this section is subject to \$1,000 aggregate maximum except:
EXCLUDED: Pool sweep motors - Lights - Liners - Concrete encased above ground or underground electrical, plumbing or gas lines - Structural defects - Solar equipment - Jets - Fuel Storage Tanks - Built in or detachable cleaning equipment - Control Panels - Control Switches - Computerized Control Boards - Ornamental fountains and other water-fall type equipment - Pool cover and related equipment - Disposal filtration medium.

C. 2nd KITCHEN REFRIGERATOR (Stand Alone Freezer or Stand Alone Ice Maker use below)

INCLUDED: All components and parts, including integral freezer unit, except:
EXCLUDED: Racks - Shelves - Ice makers, ice crushers, beverage dispensers and their respective equipment - Water lines and valve to ice maker - Interior thermal shells - Freezers which are not an integral part of the refrigerator - Food spoilage - Door seals - Lighting and handles - Units moved out of the kitchen - Audio/Visual Equipment and Internet Connection Components - HWA™ will pay no more than \$1,000 for repair or replacement of Stand Alone Ice Maker

D. REFRIGERATOR'S ICE MAKER

INCLUDED: All components and parts.
EXCLUDED: Stand alone ice maker (unless separate option purchased).

E. GARAGE DOOR SYSTEMS

INCLUDED: All components and parts except:
EXCLUDED: Garage doors - Hinges and Springs - Infra-red sensors - Chains - Tracks - Rollers - Remote receiving/transmitting devices.
PREMIUM COVERAGE INCLUDES: Remote receiving/transmitting devices - Hinges and Springs.

F. WELL PUMP

INCLUDED: All components and parts of well pump utilized for main dwelling only (HWA™ will pay no more than \$1,500 per contract term for diagnosis, repair or replacement), except:
EXCLUDED: Well casings - Pressure tanks - Pressure switches - Hoisting or removal - Piping or electrical lines leading to or connecting pressure tank and main dwelling - Holding or storage tanks - Redrilling or wells

G. SEPTIC TANK PUMPING

INCLUDED: Main Line Stoppages/Clogs (one time only, must have existing access or clean out). If a stoppage is due to a septic tank back up, then we will pump the septic tank one time during the term of the plan. Coverage can only become effective if a septic certification was completed within 90 days prior to close of sale. HWA™ may require a copy of the certification prior to service dispatch.
EXCLUDED: The cost of gaining or finding access to the septic tank; the cost of sewer hook ups; Disposal of waste; Chemical treatments; Tanks; Leach lines; Cess pools; Mechanical pumps/systems.

H. PREMIUM COVERAGE Upgrade PLAN

INCLUDED: This plan adds Code violations and permits up to \$350 in aggregate, and certain coverages to the heating, cooling, plumbing, and kitchen appliances that are otherwise excluded. See each covered item's sections for details.

I. Not Used

J. AIR CONDITIONING/COOLER (not exceeding 5 ton capacity and designed for residential use)

INCLUDED: Ducted electric central air conditioning, ducted electric wall air conditioning and water evaporative coolers - All components and parts, for units below 13 SEER and/or R-22 equipment, and when HWA™ is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating or with R-22 equipment, repair/replacement will be performed with 13 SEER/R410A equipment and/or 7.7 HSPF or higher compliant, except:
EXCLUDED: Gas air conditioning systems - Condenser casings - Registers and Grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Improperly sized units - Chillers - All exterior condensing, cooling and pump pads - Roof mounts, jacks, stands or supports - Condensate pumps - electronic, computerized, and manual systems management and zone controllers - Commercial grade equipment - Cost for crane rentals - Air conditioning with mismatched condensing unit and evaporative coil per manufacturer specifications - Improper use of metering devices (ie. thermal expansion valves) - HWA™ is not responsible for the costs associated with matching dimensions, brand or color made - HWA™ will not pay for any modifications or upgrades necessitated by the repair of existing equipment or the installation of new equipment.

PREMIUM COVERAGE INCLUDES: Filters, costs related to Freon recapture and window units.

K. HWA™ GREENPLUS

INCLUDED: If a covered appliance (limited to Dishwasher, Refrigerator, Clothes Washer), Heating System (limited to Furnace), or Water Heater breaks down according to all other contract inclusions, exclusions and limitations, and it cannot be repaired, HWA™ will replace as follows: the appliance with an ENERGY STAR Qualified product (subject to availability), one with all other like kind and features as existing appliance; the Heating System with a 90 percent efficiency model; and Water Heater with a tankless water heater, except:
EXCLUDED: All other contract limitations of liability and exclusions apply. HWA™ will pay no more than \$1,500 for upgrade replacement of tankless water heater and will only be paid upon proof of replacement. Receipt for replacement must be obtained by HWA™ within contract period. No costs for modifications or alterations will be paid for heating system.

VI. Not Used

VII. ARBITRATION & LIMITATIONS OF LIABILITY

A. Arbitration

If a dispute arises from or relates to this agreement or its breach, and if the dispute cannot be settled through direct discussions, the parties agree to try first to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If they are unable to do so, they agree to submit all disputes that are not resolved to arbitration before the American Arbitration Association in accordance with its Commercial Arbitration Rules. If the parties agree, the mediator involved in the parties' mediation can serve as the arbitrator. Any award of the arbitrator against HWA™ cannot exceed \$5,000 per claim or \$15,000 in the aggregate. HOME OWNER expressly waives all claims in excess of, and agrees that its recovery shall not exceed, these amounts. Any such award shall be in satisfaction of all claims by HOME OWNER against HWA™. Judgment on any award rendered in such arbitration can be entered in and enforced by any court having jurisdiction.

SAMPLE COVERAGE TERMS CONTINUED

Arizona Residents: Arbitration may not be an absolute dispute remedy. The AZ Consumer must agree to the terms and conditions of the arbitration provisions of a Service Contract. The AZ Service Contract holder may file any complaint against a Service Contract obligor/provider, under the provisions of A.R.S. § 20-1095.04 and/or A.R.S. § 20-1095.09, with the Consumer Affairs Division of the Arizona Department of Insurance @ toll free number 800-325-2548 or 602-364-2499.

Georgia Residents: This Arbitration is nonbinding.

Wisconsin Residents: The Arbitration clause is not valid in the state of Wisconsin.

Wyoming Residents: Arbitration proceedings will be conducted in accordance with the Wyoming Arbitration Act.

B. Limitations of Liability

- The following are not included for the first 30 days of the contract period; (i) malfunction or improper operation due to rust or corrosion of all systems and appliances, (including plumbing systems, heating systems, electrical systems, built-in wall units or heat pumps) and/or air conditioning systems/coolers or pools/spas, (ii) collapsed ductwork.
- HWA™ is not responsible for providing access to or closing access on any covered item which is concrete-encased or otherwise obstructed or inaccessible (ie. Beneath crawl spaces, floor coverings, systems, cabinets etc.). HWA™ will pay no more than \$500 for diagnosis, repair or replacement of any covered components within Section V.A.4. (Plumbing) or Section V.A.2. (Ductwork) that are concrete encased or otherwise inaccessible or obstructed.
- During the period of Buyer's service, HWA™ will pay no more than \$1,500 per covered item for diagnosis, access, and repair or replacement of any hot water, or steam circulating heating systems.
- At times it is necessary to open walls or ceilings to make repairs. The Service Provider obtained by HWA™ will close the opening, and return to a rough finish condition, subject to the monetary limits outlined in this article VII, Sections 2 and 3 above. HWA™ is not responsible for restoration of any wall coverings, floor coverings, plaster, cabinets, counter tops, tiling, paint, or the like. Similarly, HWA™ is not responsible for the repair of any cosmetic defects or performance of routine maintenance.
- Electronic or computerized energy management or lighting and appliance management systems, solar systems and equipment are not included.
- HWA™ is not liable for service involving hazardous or toxic materials including but not limited to mold, lead paint, or asbestos, nor costs or expenses associated with refrigerant recovery, recycling, reclaiming or disposal. HWA™ is not liable for any failure to obtain timely service due to conditions beyond its control, including, but not limited to, labor difficulties or delays in obtaining parts or equipment.
- HWA™ is not liable for repair of conditions caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain as specified by the equipment manufacturer, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, soil settlement, storms, accidents, pest damage, or acts of God.
- HWA™ has the sole right to determine whether a covered appliance, system or component will be repaired or replaced. Parts and replacements will be of similar or equivalent quality and efficiency to those being replaced subject, however, to limitations stated in this contract. Where replacement equipment of identical dimensions is not readily available, HWA™ is responsible for providing installation of like quality equipment but not for the cost of construction or carpentry made necessary by different dimensions. HWA™ is not responsible for upgrade or matching color or brand. For the first 30 days of the contract period, HWA™ is not liable for replacement of entire systems or appliances due to obsolete, discontinued or unavailability of one or more integral parts. However, HWA™ will provide reimbursement for the costs of those parts determined by reasonable allowance for the fair value of like parts.
- HWA™ is not liable for repairs related to: adequacy or capacity of appliances, components and systems in the home; improper installation, design or previous repair of appliances, components and systems; problems or failures caused by a manufacturer's defect. HWA™ is not liable for repairs related to costs of construction, carpentry or other incidental costs associated with alterations or modifications of appliances, components or installation of different equipment and/or systems. Also, HWA is not responsible for providing upgrades, components, parts or equipment required due to the incompatibility of the existing equipment with the replacement system, appliance or component/part including but not limited to 13 SEER, R410A and/or 7.7 HSPF or higher compliant as well as any other efficiency mandated by federal, state, or local governments.
- HWA™ is not liable for the repair or replacement of commercial grade equipment, systems or appliances. HWA™ shall pay no more than \$1,000 in aggregate for professional series or like appliances such as, but not limited to, brand names such as Sub Zero, Viking, Bosch, JENN-AIR, GE Monogram, Thermador, and etc.
- HWA™ reserves the right to require a second opinion.
- HWA™ is not liable for normal or routine maintenance. HWA™ will not pay for repairs or failures that result from the Contractor holder's failure to perform normal or routine maintenance. For example, you are responsible for providing maintenance and cleaning pursuant to manufacturers' specifications, such as periodic cleaning of heating and air conditioning systems, evaporator coils and condenser coils, as well as periodic filter replacement. HWA™ will not be responsible for repairs of systems or components arising from a manufacturer's defect or recall or while still under manufacturer's or distributor's warranties. HWA's responsibilities will be secondary to any other extended or in-home warranties that exist for the included systems, components and appliances.
- HWA™ is not responsible for removal and hauling away of old equipment or appliances. Where available, you may be charged an additional fee by the service vendor for removal and/or disposal of an old system, component or appliance.
- HWA™ reserves the right to offer cash back in lieu of repair or replacement in the amount of HWA's actual cost to repair or replace any covered system, component or appliance.
- HWA™ will pay no more than \$400 maximum aggregate per contract for diagnosis and repair of each burglar and fire alarm systems, fans and vacuums.
- HWA™ will pay no more than \$2,000 maximum aggregate for any and all plumbing and electrical repairs required due to rust and corrosion (subject to all other contract limitations) nor more than \$1,500 per contract period for well pump repairs or replacements.
- HWA™ will not pay for the repairs or replacement of any covered systems or appliances if they are inoperable as a result of pre-existing conditions, deficiencies and/or defects known to you or should have been known if properly inspected by a professional.
- HOME OWNER agrees that HWA™ is not liable for the negligence or other conduct of the Service Provider, nor is HWA™ an insurer of Service Provider's performance. HOME OWNER also agrees that HWA™ is not liable for consequential, incidental, indirect, secondary, or punitive damages. HOME OWNER expressly waives the right to all such damages. HOME OWNER's sole remedy under this agreement is recovery of the cost of the required repair or replacement, whichever is less. HOME OWNER agrees that, in no event, will HWA's liability exceed \$5,000 per covered item or \$15,000 in the aggregate.

VIII. BUILDING AND ZONING CODE REQUIREMENTS OR VIOLATIONS

- HWA™ will not contract for services to meet current building or zoning code requirements or to correct for code violations (except when option V.H. is purchased), nor will it contract for services when permits cannot be obtained. HWA™ will not pay for the cost of such permits (except when option V.H. is purchased).
- When it is required to maintain compatibility with equipment manufactured to be 13 SEER, R410A, and/or 7.7 HSPF or higher compliant, HWA™ is not responsible for upgrade or additional costs or expenses that may be required to meet current building or zoning code requirements or correct for code violations. This includes city, county, state, federal and utility regulations and upgrades required by law.

IX. LEASE OPTIONS

Coverage on lease options is available for the lessee only, and begins upon payment of contract fee and receipt of application by HWA™. Coverage continues for one full year from receipt of application and contract fee. Listing coverage is not available for sellers of investment and/or rental property.

X. MULTIPLE UNITS AND INVESTMENT PROPERTY

- If the contract is for duplex, triplex, or fourplex dwelling, then every unit with in such dwelling must be covered by an HWA™ contract with appropriate coverage for common systems and appliances.
- If this contract is for a unit within a multiple unit of 5 or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are excluded. Listing coverage is not available to seller.
- Except as otherwise provided in this section, common systems and appliances are excluded.

XI. TRANSFER OF CONTRACT & RENEWALS

- If you included property is sold during the term of this contract you must notify HWA™ of the change in ownership and submit the name of the new owner by phoning 1-888-HWA-RELY in order to transfer coverage to the new owner.
- This contract may be renewed at the option of HWA™ and where permitted by state law. In that event you will be notified of the prevailing rate and terms for renewal.

XII. CANCELLATION

This contract shall be noncancelable by company except for:

- Nonpayment of contract fees;
 - Fraud or misrepresentation of facts material to the issuance of this contract;
 - When contract is for listing coverage and close of sale does not occur;
 - If contract is canceled, the Home Owner shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less service and administrative costs incurred by HWA™. If listing coverage is canceled after service has been performed, and the policy fee has not yet been paid, policy holder will be responsible for purchase of policy, or reimbursement to HWA™ of service costs incurred, whichever is less.
 - Cancellation within 30 days of acceptance of HWA™ if no service request has been made. If so canceled by the Contractor holder, Contractor holder is entitled to a full refund of the contract proceeds less a cancellation fee of the lesser of \$30 or 10% of the Contract fee.
- Alabama Residents:** If contract is cancelled, the Home Owner shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less service and a \$25 administrative cost incurred by HWA. If the contract is cancelled within 20 days of the date the service contract was mailed or within 10 days of delivery if the contract is delivered at the time of sale and no claims have been made, the contract holder is entitled a refund of 100% of the premium.
- Arizona Residents:** If contract is canceled, the Home Owner shall be entitled to a pro rata refund of paid contract fee for the unexpired term, less a \$30 administrative cost.
- Arkansas Residents:** If contract is cancelled within 20 days of date of mailing of contract and if no claim has been made under the service contract, the service contract is void and the provider shall refund to the service contract holder the full purchase price of the service contract.
- Florida Residents:** Any home warranty agreement may be canceled by the purchaser within 10 days after purchase. The refund must be 100 percent of the gross premium paid, less any claims paid on the agreement. A reasonable administrative fee may be charged, not to exceed 5 percent of the gross premium paid by the warranty agreement holder. After the home warranty agreement has been in effect for 10 days, if the contract is canceled by the warranty holder, a return of premium shall be based upon 90 percent of unearned pro rata premium less any claims that have been paid. If the contract is canceled by the association for any reason other than for fraud or misrepresentation, a return of premium shall be based upon 100 percent of unearned pro rata premium, less any claims paid on the agreement.

Georgia Residents: All provisions of this section apply except, if homeowner cancels contract, homeowner shall be entitled to a refund of 90% of the unearned pro-rata amount of the paid contract fee; and if the Company cancels contract, the homeowner shall be entitled to a refund of 100% of the unearned pro-rata amount of the paid contract fee. No service, cancellation or administrative fees will be charged or deducted.

Hawaii Residents: If you cancel this contract within 30 days of acceptance by HWA™ and the holder has not made a claim under the service contract, you are entitled to a refund of the full purchase price.

Illinois Residents: In addition to the terms stated in Section XII.E, HWA™ and Illinois residents may cancel the Contract at any other time and the Contract holder will be entitled to a pro-rata refund of the Contract proceeds (based on the number of complete months remaining) less the value of any service received and less a cancellation fee of the lesser of \$50 or 10% of the Contract fee.

Louisiana Residents: If contract is returned within twenty days of the date the service contract was mailed to the service contract holder or within ten days of delivery if the service contract is delivered to the service contract holder at the time of sale and if no claim has been made under the service contract prior to its return, the service contract is void and the provider shall refund to the service contract holder, or credit the account the full purchase price of the contract. The right to void the service contract provided in this section is not transferable and shall apply only to the original service contract holder and only if no claim has been made prior to its return to the provider. A 10% penalty per month shall be added to a refund that is not paid or credited within 45 days after return of the contract to the provider. A written cancellation notice will be provided to the last known address of the service contract holder, and such notice will include the effective date of cancellation and the reason for cancellation.

Nevada Residents: This contract shall be noncancelable by HWA™ after 70 days; No cancellation by HWA™ can become effective until at least 15 days after notice of cancellation is mailed to holder; Cancellation may be made by Contract holder at any time; If the consumer of a service contract returns the contract to the provider within 20 days after the contract was entirely completed and mailed to the consumer by the provider or within 10 days after the contract was given to the consumer, if no claim has been made, the provider must refund to the consumer the full purchase price of the contract. If a claim has been made, the provider shall refund to the consumer the portion of the purchase price that is unearned by the provider, less a cancellation fee of \$30. The provider may deduct any outstanding balance on the account of the consumer from the amount of the purchase price that is unearned by the provider when calculating the amount of the refund. The provider shall refund to the purchaser the purchase price of the contract within 45 days after the contract has been returned to the provider. If the provider does not refund the purchase price within 45 days, the provider will pay the purchaser a penalty of 10 percent of the purchase price for each 30-day period that the refund remains unpaid. Provider-initiated cancellations must be accompanied by a pro-rata refund, with no cancellation fee or other type of fee applying. Failure to pay the Trade Call Fee may result in cancellation of this contract with no less than 15 days' notice of cancellation provided by HWA. However, HWA will not cancel this contract if the Trade Call Fee is paid prior to the effective date of cancellation. This supersedes Section III, Subsection D.

New Mexico Residents: If you cancel this contract within 20 days of acceptance by HWA™ and the holder has not made a claim under the service contract, you are entitled to a refund of the full purchase price.

North Carolina Residents: If you cancel this contract, you will receive a pro rata refund less any claims paid on the agreement and a reasonable administrative fee, not to exceed ten percent (10%) of the amount of the pro rata refund.

Oklahoma Residents: The following language replaces the cancellation language above in the event the contract is canceled by the warranty holder, return of premium shall be based upon ninety percent (90%) of the unearned pro rata premium less the actual cost of any service provided under the service warranty contract. In the event the contract is canceled by the association, return of premium shall be based upon one hundred percent (100%) of unearned pro rata premium less the actual cost of any service provided under the service warranty contract.

South Carolina Residents: If you cancel this contract within 20 days of acceptance by HWA™ and if no claim has been made under the service contract, you are entitled to a refund of the full purchase price. A ten percent penalty per month shall be added to a refund that is not paid or credited within forty-five days after return of the service contract to the provider.

Utah Residents: If contract is canceled in accordance with paragraph XII.A cancellation will be effective no sooner than (10 days for XII.A,B,C, and 30 days for XII.D) after delivery of 1st class mailing of a written notice to contract holder.

Virginia Residents: If you cancel this contract within 20 days and if no claim has been made, you will be entitled to a full refund of the purchase price.

Washington Residents: Cancellation may be made by Contract Holder at any time. If cancelled within 30 days of acceptance of HWA, and no service request has been made, the Contract Holder is entitled to a full refund of the contract proceeds. A ten percent penalty per month shall be added to a refund of the purchase price that is not paid or credited within thirty days after return of the service contract to the service contract provider.

Wisconsin Residents: THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE WISCONSIN OFFICE OF THE COMMISSIONER OF INSURANCE. If you cancel this plan, no deduction shall be made from the refund for the cost of any services received. This plan shall not be cancelled due to unauthorized repair of covered equipment. The purchaser may, within 15 days of the delivery of the warranty contract, return it for a full refund less the actual costs or charges needed to issue and service the warranty contract.

Wyoming Residents: If you cancel this contract, cancellation will be in accordance with Section 26-49-103 of the Wyoming Insurance Code. If the contract holder cancels within 20 days of the mailing date or if delivered within 10 days of date of delivery, and if no claim has been made, the service contract is void and the provider shall refund the full purchase price. A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of the service contract to the provider. If the contract is cancelled by the service provider, the provider shall mail a written notice to the service contract holder at the last known address at least ten (10) days prior to cancellation by the provider. Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, material misrepresentation or substantial breach of duties by the contract holder.

XIII. MISCELLANEOUS

- Attorneys' Fees:** If either party is required to defend itself in litigation, arbitration, or otherwise, then the defending party is entitled to recover from the instigating party the amount of attorneys' fees and expenses the defending party incurs in defending the litigation, arbitration, or other proceeding unless the instigating party substantially prevails in the litigation, arbitration, or other proceeding. To the extent that the instigating party seeks monetary relief, to substantially prevail means that the instigating party receives at least 50% of the purchase price that it seeks.
 - Arkansas Residents:** Home Warranty of America, Inc. PO Box 850, Lincolnshire, IL 60069 Obligations of the provider under this service contract are backed only by the full faith and credit of the provider and are not guaranteed under a service contract reimbursement insurance policy.
 - Connecticut Residents:** The expiration date of this Plan shall automatically be extended by the duration that the product is in our custody while being repaired. In the event of a dispute with administrator, you may contact The State of Connecticut, Insurance Department, PO Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase price of the product, the cost of repair of the product and a copy of the Plan.
 - Florida Residents:** If a multi-pay option is selected a \$5.00 per payment processing fee will be added to each payment. The rate charged for the contract is not subject to regulations by the Office of Insurance Regulation.
 - Georgia Residents:** Cancellation will comply with Section 33-24-44 of the Georgia Code. In Georgia, this contract's obligations are guaranteed by a surety bond executed by International Fidelity Insurance Company One Newark Center, 20th Floor Newark, New Jersey 07102 - Telephone number (973) 624-7200 - Kerrie A. Frick. The contract holder may make a claim against the surety upon failure of the contract provider to: (a) pay a claim within 60 days of the filing of a proof of loss or (b) refund the unearned portion of the consideration paid by the contract holder in the event of a cancellation.
 - Kansas Residents:** This plan is not an insurance policy.
 - Kentucky Residents:** the holder of the contract is entitled to make a claim against the surety insurer if the maker of the contract fails to pay any covered claim within sixty days after the claim has been filed. The Surety Insurer is International Fidelity Insurance company 800-333-4167.
 - Nevada Residents: Emergency service (see Section III b) for goods that are essential to the health and safety of the holder, such as loss of heating, cooling, plumbing or substantial electrical service, and such loss of service renders the home otherwise uninhabitable, will commence within 24 hours after the claim is reported. In an emergency situation, if the repairs cannot be completed within 3 calendar days after the report of the claim HWA will provide a status report to the holder.**
 - North Carolina Residents:** The purchase of this contract is not required either to purchase or to obtain financing for a home appliance.
 - Oklahoma Residents:** This service warranty is not issued by the manufacturer or wholesale company marketing the product. This warranty will not be honored by such manufacturer or wholesale company. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. Home Warranty of America, Inc. is both the Obligor and Administrator. Oklahoma service Warranty statutes do not apply to commercial use references in service warranty contracts.
 - South Carolina Residents:** In the event of a dispute with the provider of this contract, you may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main Street, Ste. 1000, Columbia, South Carolina 29201 or (800)768-3467.
 - Utah Residents:** Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association. This service contract or warranty is subject to limited regulations by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.
 - Virginia Residents:** If you are unable to contact or obtain satisfaction from the home service contract provider you may contact the Commission at: Virginia Bureau of Insurance; 800-552-7945; 1300 East Main Street, Richmond, Virginia 23219.
 - Washington Residents:** Disputes relating to this warranty may be handled through arbitration by the American Arbitration Association. Any arbitration proceedings will be conducted in agreement with WA law. Home Warranty of America, Inc. is the Service Contract Provider of this contract.
 - Wisconsin Residents:** Timeliness of notice. Provided notice or proof of loss is furnished as soon as reasonably possible and within one year after the time it was required by the policy, failure to furnish such notice or proof within the time required by the policy does not invalidate or reduce a claim unless the insurer is prejudiced thereby and it was reasonably possible to meet the time limit.
 - Wyoming Residents:** Arbitration should be conducted in accordance with the Wyoming Arbitration Act.
- Obligations of the provider under this service contract are backed by the full faith and credit of the provider. Home Warranty of America™, Inc. PO Box 850 Lincolnshire, IL 60069-0850. Limits of liability are \$5,000 per claim or \$15,000 in aggregate.
 - Obligations of the service contract provider under this contract are backed by the full faith and credit of the service contract provider.