

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:

- 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**
- Become inoperative due to normal wear and tear; including breakdowns due to insufficient maintenance if at the time the issue or breakdown was unknown and**
- Are in place and in proper working order on the effective date of this home warranty contract. Limits of liability are \$5,000 per claim or \$15,000 in aggregate.**

Coverage may apply to system and component malfunctions which existed on the effective date of the contract if, at the time, the malfunction was unknown, and would not have been detectable by seller, buyer or agent by visual inspection or simple mechanical test. This plan does not cover known defects. It is understood that HWA™ IS NOT A SERVICE PROVIDER and will not be actually performing the repair or replacement of 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 seller's coverage for the listing and sale period starts the date the application is received and accepted by HWA™ and continues until the expiration of the initial listing period (up to 180 days or until close of sale or listing cancellation whichever is first). Free listing coverage is only available if residence is listed with a licensed real estate professional, and the listing residence is owner occupied at time order is placed. If a telephone application is received, then coverage will start immediately upon issuance of a confirmation number by HWA™. HWA™ reserves the option to extend seller's coverage after 180 days.

Home Owner's and Buyer'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. HWA™ provides a 14-day payment grace period for contracts involved in a real estate transaction and ordered by a licensed real estate professional, title company or financial institution. New construction coverage is available (call for quote for 2, 3, and 4 year terms) and begins one year after the date of closing.

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

- 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.
- HWA™ will initiate service within 48 hours. 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.
- 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.
- You will pay **\$60.00 or \$75.00** (see the front of this contract for specific trade call fee) 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.
- 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 home seller and home buyer for all other programs except certain limitations of liability apply to Included systems and appliances. (See Articles I, II, III, VIII, & IX).

A. 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 - Instant Hot Water Dispensers - Valves for shower, tub, and diverter angle stops, rinses and gate valves - Permanently installed interior sump pumps (used for storm water only) - Built-in bathtub whirlpool motor and pump assemblies - Stoppages/Clogs in drain and sewer lines up to 100' from access point. Main line stoppages are only covered if there is a ground level clean out available, except:

EXCLUDED: Stoppages and clogs in drain and sewer lines that cannot be cleared by cable or due to roots, collapsed, broken, or damaged lines outside the confines of the main foundation (even if within 100' of access point) - Access to drain or sewer lines from vent or removal of water closets and/or toilets - Cost to locate, access or install ground level clean out - 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 and **\$1000** for Polybutylene piping (subject to all other contract limitations).

PREMIUM COVERAGE INCLUDES: Stoppages/clogs - Fixtures and Cartridges, faucets, shower heads and shower arms (replaced with chrome builders standard) - Interior Hose bibs - Toilets of like quality (**\$500** limit).

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

INCLUDED: All components and parts, including circulating pumps, except:

EXCLUDED: 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 and Oil Water Heaters and the line.

PREMIUM COVERAGE INCLUDES: Problems caused by sediment

C. 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).

D. 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 inlet 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 & 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.

**DOOR BELLS**

INCLUDED: All components and parts.

EXCLUDED: Door Bells associated with Intercom Systems...

**F. CEILING FANS AND EXHAUST FANS**

INCLUDED: Motors - Switches - Controls - Bearings - Blades.

EXCLUDED: Whole House-Fans-Belts-Shutters- Filters - Lighting. HWA™ will pay no more than **\$400** maximum aggregate per contract.

**G. 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.

**H. 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.

I. SUBTERRANEAN TERMITE TREATMENT - FREE IN ALL PROGRAMS

Coverage subject to **\$200** (plus applicable tax) one time service fee payable to the licensed pest control contractor upon initial visit to home for any termite treatment covered under this contract. If an inspection is requested and no treatment is required or performed, the homeowner/buyer will be subject to a **\$75** (plus applicable tax) inspection fee in lieu of **\$200** treatment service fee. **INCLUDED:** Pre-existing infestation treatment for subterranean termite infestation limited to spot treatments only (coverage also includes non pre-existing partial treatments) of termite infested area of the main foundation of the home, and attached garage, except;

EXCLUDED: Infestation in decks, fencing or any area outside the confines of the main foundation of the home or attached garage - Repairs caused by damages from Subterranean Termites - This contract only covers the treatment methods defined as spot and/or partial under the Texas Structural Pest Control Board Regulations, and does not cover any other form of termite or pest control coverage or method.

V. ADDITIONAL COVERAGE OF THE FOLLOWING ITEMS FOR THE HOME BUYERS OF ALL PROGRAMS AVAILABLE ONLY AFTER CLOSE OF SALE AND OPTIONAL TO THE HOME SELLER OF THE GOLD, MARQUISE AND DIAMOND PLANS:

If the seller's option is taken, then 1) Seller's limitations of liability still apply; and 2) the following covered items in this section are subject to a maximum combined **\$1,000** limitation during the listing period.

A. Primary gas, oil, or electric heater, heat pump (including geothermal and/or water source 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 geothermal/water source heat pumps, all components and parts that are located within the foundation of the home or attached garage. 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 and plenum, indoor electrical and duct connections and air handling transition when requiring 13 SEER or R410A compatibility changes 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 and components for geothermal and/or water source heat 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 (i.e. thermal expansion valves) - HWA™ is not responsible for the costs associated with matching dimensions, brand or color made - Except as noted above or when Option VI.H. is purchased with this contract, 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 glycol system, or geothermal/water source heat pump.

PREMIUM COVERAGE INCLUDES: Filters and Heat Lamps.

B. 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 encased floor, wall, or ceiling, HWA™ will pay no more than **\$500** for diagnosis, repair or replacement of such ductwork, including returning the ceiling to rough finish, but will not cover any costs as a result of or determined by diagnostic testing.

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

INCLUDED: Ducted electric central air conditioning, ducted electric wall air conditioning, geothermal/water source heat pumps, and water evaporative coolers - All components and parts except for geothermal/water source heat pumps, all components and parts that are located within the foundation of the home or attached garage. 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 and plenum, indoor electrical, duct connections and air handling transition when requiring 13 SEER or R410A compatibility changes 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 and chiller components - All exterior condensing, cooling and pump pads - Roof mounts, jacks, stands or supports - Condensate pumps - Commercial grade equipment - Outside or underground piping and components for geothermal and/or water source heat pumps - Cost for crane rentals - Electronic, computerized, and manual systems management and zone controllers - Air conditioning with mismatched condensing unit and evaporative coil per manufacturer specifications - Improper use of metering devices (i.e. thermal expansion valves) - HWA™ is not responsible for the costs associated with matching dimensions, brand or color made - Except as noted above or when Option VI.H. is purchased with this contract, HWA™ will not pay for any modifications, upgrades, or additional work needed to evacuate/clean a system of R-22 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.

VI. OPTIONAL COVERAGE AVAILABLE ONLY TO HOME BUYERS (NOTE: Items B and C are included in the base coverage for home buyers and sellers of the Diamond Plan and Marquise Plan. Item F is included for the home buyers of the Diamond and Marquise Plan and Items I and J are also included for the home buyers of the Marquise Plan.)**A. IN GROUND OR BUILT INTO A PATIO OR DECK 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 - including timers, (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 - Control Panels - Control Switches - Computerized Control Boards - Built in detachable cleaning equipment - Ornamental fountains and other waterfall type equipment - Pool cover and related equipment - Disposal filtration medium - Ionizers and Chlorinators.



SAMPLE COVERAGE TERMS CONTINUED



- B. KITCHEN REFRIGERATOR w/Ice Maker (2nd Refrigerator, Stand Alone Ice Maker & Stand Alone Freezer use below)**
 INCLUDED: All components and parts, including integral freezer unit, except:
 EXCLUDED: Racks - Shelves - 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 components and internet connection equipment - HWA™ will pay no more than **\$1,000** for repair or replacement on Stand Alone Ice Maker.



- C. WASHER-DRYER PACKAGE**
1. Clothes Washer
 INCLUDED: All components and parts, except:
 EXCLUDED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Door seals.



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



- D. 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

- E. 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.

- F. PREMIUM COVERAGE Upgrade PLAN**
 INCLUDED: This plan adds certain coverages to the heating, cooling, plumbing, and kitchen appliances that are otherwise excluded. See each covered item's sections for details.

- G. Not Included**
H. 13 SEER/R410A Modifications

- INCLUDED: If Government regulations prevents HWA™ from repairing or replacing a covered air conditioning system, or heating system with like efficiency or capacity, and HWA™ provides an upgraded unit pursuant to Section V. of this Contract, then HWA™ will also pay for up to **\$500** aggregate per contract of modifications or upgrades to valves, line sets, evaporator coils, pads, stands, plumbing, flues, additional costs associated with evacuating and cleaning the system of all R-22 and crane charges required to complete the replacement installation of the heating or air conditioning system.
 EXCLUDED: Permits, cleaning, disposal or ductwork testing and/or sealing

- I. ORANGEPLUS**
 INCLUDED: This plan adds Code violations **\$250** per contract and permits up to **\$250** per occurrence - Increases toilet replacement of like quality up to **\$600** - Increases professional series appliances to **\$5,000** - Removal of all defective equipment that is replaced by HWA™ under the terms of this contract - Improperly matched and/or installed systems defined as follows: HWA™ will repair or replace a covered system or appliance that fails or identified due to an associated failure that was not properly matched in size or efficiency, and/or improperly installed prior to or during the contract term, provided that it was unknown or could not be known to the seller, buyer or agent by a visual inspection or simple mechanical test prior to the start of the contract. HWA will pay no more than **\$750** per contract for any unknown improper installation. If a service request is made pursuant to this contract option, HWA™ reserves the right to request a copy of any visual or mechanical test that may have been performed by a home inspector or other licensed mechanical contractor.

RE-KEY Service

- INCLUDED: RE-Key Up to 6 locks (including deadbolts) inside the main confines of your home or attached garage or unattached garage with up to 4 new Keys.
 EXCLUDED (For RE Key Service Only): Door Handles - Door knobs - Doors - Locks



- J. 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.

- K. SEPTIC SYSTEM (Per Tank)/SEWAGE EJECTOR PUMP**
 INCLUDED: Aerobic pump, jet pump, sewage ejector pump, septic tank and line from house to tank. Cost to diagnose, repair and/or replace the systems, including pumps, septic tank and/or line is limited to a total of **\$500** per contract.
 EXCLUDED: Tile fields and leach beds, leach lines, lateral lines, insufficient capacity, cleanout, pumping (except if purchased under separate option), seepage pits.

- L. 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:

EXCLUSIONS: All other contract limitations of liability and exclusions apply. HWA™ will pay no more than **\$1500** 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.

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.

B. LIMITATIONS OF LIABILITY

- The following are not included for the home seller; (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 from any covered item which is concrete-encased or otherwise obstructed or inaccessible (i.e. 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. (Plumbing) or Section V.B. (Ductwork) that are concrete encased or otherwise inaccessible or obstructed.
- 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 systems or any Geothermal/Water Source Heat Pump System.
- 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 are not Included.
- HWA™ is not liable for consequential or secondary damages. **HWA™ will not contract to perform 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, 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. During the listing period, and for the first 30 days of the buyers 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. Unless Option V.H. is purchased, HWA is not liable for repairs related to costs of construction, carpentry, or other incidental costs associated with the alterations, modifications, or upgrades of all appliances, components or installation of different equipment and/or systems. Also, Unless Option V.H. is purchased, 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 **\$2,000** (**\$5,000** when OrangePlus option is purchased) 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, at its own cost.

- HWA™ is not liable for normal or routine maintenance. The contract holder is responsible for performing normal and 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, which may be less than retail, 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 and no more than **\$1,000** for tankless or oil water heaters and Stand alone Ice Makers and the like.

- During the listing period, HWA™ will not pay for the repair or replacement of any covered systems or appliances if they are inoperable as a result of pre-existing conditions, deficiencies and/or defects.**

- 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.I. is purchased), nor will it contract for services when permits cannot be obtained. HWA™ will not pay for the cost to obtain permits (except when option VI. I 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 within such dwelling must be covered by an HWA™ contract with applicable optional coverage for coverage to apply to 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 your 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 HWA™, 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 homeowner shall be entitled to a pro rata refund of the paid contract fee for the unexpired term, less a **\$30** administrative cost, and any actual service costs incurred by HWA™; If listing coverage is cancelled 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 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 less a cancellation fee of the lesser of **\$30** or 10% of the Contract fee.
- NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALES, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.**
- *TEXAS RESIDENTS ONLY-NOTICE: YOU, THE BUYER HAVE OTHER RIGHTS AND REMEDIES UNDER TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT WHICH ARE IN ADDITION TO ANY REMEDY WHICH MAY BE AVAILABLE UNDER THIS CONTRACT. FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL'S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR THE ATTORNEY OF YOUR CHOICE.**

Signature _____

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 must recover at least 50% of whatever that party is seeking.