

Your 13 Month Solution for 13 SEER



YOUR BEST DEFENSETM
AGAINST THE UNEXPECTEDTM
HOME WARRANTY OF AMERICATM
13
MONTH WARRANTY

FREE SELLERS COVERAGE

HOME WARRANTY OF AMERICATM

DON'T SWEAT THE UNEXPECTED— GET A HOME WARRANTY

Wondering what could go wrong
after you sign on the dotted line?

Worried if that pivotal moment—that exhilarating moment
you've anticipated for months, that climactic moment when
your dreams will finally come true—is the signal for Murphy's
Law to kick into high gear?

Whether you're buying or selling a home, you can't stop
the unexpected from happening . . . but you can be ready for it.
That's why you should rely on Home Warranty of America™
(HWA™). We take the hassle out of home buying and selling
by protecting all of the major mechanical systems
and appliances in your home.





HWA™ KEEPS YOU COVERED

Ever play Repairman Roulette? You call a home repair company from the phone book and then spend the entire day waiting to see who comes to the door. Will it be a seasoned handyman who can fix anything in an instant . . . or the owner's brother-in-law who couldn't tell pliers from barbecue tongs?

HWA™ believes you shouldn't have to gamble with your home repairs. That's why we make a point of keeping you covered with superior service:

- Service is just a convenient toll-free phone call away. If you need a repair, simply dial 1-888-HWA-RELY, 24 hours a day, 7 days a week.
- We offer the best vendor selection available. HWA's network of service technicians consists of experts in their fields with years of experience handling every type of home repair.
- We offer full replacement coverage for your repairs, so regardless of the cost, we'll repair or replace the item in question for a low "per visit" service fee.
- High speed scheduling ensures you won't have a long wait for a service technician.
- Our quality assurance program makes certain the job is done right the first time, and even includes a five-day satisfaction follow-up.
- To ensure that you're completely satisfied with the work, we offer a 30-day money-back guarantee on every home warranty.



WHAT CAN RUPTURE, LEAK, RATTLE OR BURST?

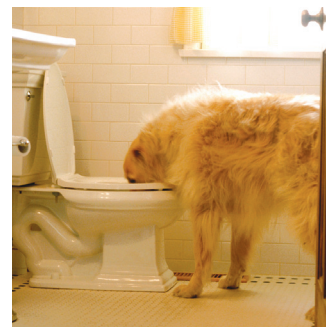
From the plumbing to the electrical system to the furnace to the spa, HWA™ gives you the peace of mind that comes with having all of the major mechanical systems and appliances in your home covered. Not only are our low prices the most competitive in the industry, but we offer you a broad choice of packages, depending on the appliances and mechanical systems found in your home. We do it to offer you the most comprehensive home warranty coverage available. You can see a complete list of what's covered—along with our low prices—on the attached application.

your best defense





against the unexpected



4 REASONS WARRANTIES HELP SELL HOMES:

- 1 They can help your home sell 60% faster than similar homes without warranties
- 2 Your home can sell for about 3% closer to your asking price
- 3 They give you a competitive edge over homes sold without a warranty
- 4 They minimize the chance of post-sale conflicts



MAKE A SMART MOVE WITH AN HWA™ HOME WARRANTY

HWA™ is the only place you'll find all these benefits:

- Instead of the standard 12 month period, your HWA™ home warranty is good for a full 13 months
- During the home's listing period, covered mechanical systems and appliances are repaired or replaced at no charge (where available, up to 180 days)
- We cover homes of any age; there are no restrictions on how old a home and its systems or appliances must be
- We offer a choice of service fees to give you the kind of coverage that best fits your home



APPLYING IS EASY

Don't wait for Murphy's Law to rear its unwelcome head—apply for an HWA™ home warranty today!

There are three easy ways: fill out the attached application and fax it to us toll-free at **888-492-7360**, call us toll-free at **888-492-7359**, or just apply on-line at www.hwaHomeWarranty.com

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. Limits of liability are \$5,000 per claim or \$15,000 in aggregate.

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.

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

- 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 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.
- 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.
- D.** You will pay **\$55.00** or **\$75.00** (see the front of this contract for specific service fee) for each trade service call, ("Service Fee") or the actual cost, whichever is less. The Service 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 service fee applies to each call dispatched and scheduled, including but not limited to those calls wherein coverage is included, excluded, or denied. The service 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 Service Fee will result in suspension of coverage until such time as the proper Service Fee is paid. At that time, coverage will be reinstated, but the contract period will not be extended.
- E.** If service work performed under this contract should fail, then HWA™ will provide for the necessary repairs without an additional Service 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 home buyers of the 5-Star Plan, and 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, VII, 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 - 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 can not 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 - Cost to locate, access or install ground level clean out - Polybutylene piping - Exterior 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 - Fixtures and Cartridges, faucets, shower heads and shower arms (replaced with chrome builders standard) - Hose bibs - Toilets of like quality (\$500 limit).

B. WATER HEATER (Gas or Electric)

INCLUDED: All components and parts, including circulating pumps, except:
EXCLUDED: Low boy and/or Squat 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 - Tankless Water Heaters and the like.

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 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.

**E. 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. HWA™ will pay no more than \$400 maximum aggregate per contract.

**G. CENTRAL VACUUM**

INCLUDED: All mechanical system components and parts except:
EXCLUDED: Whole House-Fans-Belts-Shutters- Filters. HWA™ will pay no more than \$400 maximum aggregate per contract.

**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. 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.

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 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. Heating System 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 units below 13 SEER and when HWA™ is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: Baseboard castings - 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 - 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 for when Option VI.I. is purchased with this contract, HWA™ will not pay for any modifications 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.

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. 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 access 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 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 when HWA™ is unable to facilitate repair/replacement of failed covered equipment at the current SEER rating, repair/replacement will be performed with 13 SEER equipment and/or 7.7 HSPF or higher compliant, except:

EXCLUDED: Gas air conditioning systems - Condenser castings - 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 - Commercial grade equipment - Cost for crane rentals - 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 for when Option VI.I. is purchased with this contract, HWA™ will not pay for any modifications 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 BUYER (NOTE: Items B and C, are included in the base coverage for home buyers and sellers of the Diamond Plan, item G is also included for the home buyers of the Diamond Plan, and Items B and C are included in the base coverage for home buyers of the 5-Star Plan):**A. 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:



SAMPLE COVERAGE TERMS CONTINUED



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 - Ornamental fountains and other waterfall type equipment - Pool cover and related equipment - Disposal filtration medium.

B. KITCHEN REFRIGERATOR (2nd Refrigerator & Stand Alone Freezer 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.



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. REFRIGERATOR'S ICE MAKER

INCLUDED: All components and parts.

EXCLUDED: Stand alone ice maker.

G. 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.

H. SUBTERRANEAN TERMITE TREATMENT

May be ordered at any time by seller and up to the first 30 days by homeowner/buyer. 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.

I. 13 SEER 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 to valves, line sets, sheet metal, transitions, plenums, pads, stands, electrical, plumbing, flues 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

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

1. The following are not included for the home seller or for the first 30 days after the close of sale for the home owner/buyer: (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.

2. HWA™ is not responsible for providing access to or closing access from 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 IV. (Plumbing) or Section V.B. (Ductwork) that are concrete encased or otherwise inaccessible or obstructed.

3. 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.

4. 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.

5. Electronic or computerized energy management or lighting and appliance management systems are not included.

6. 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.

7. 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.

8. 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.

9. 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. Except if Option VII.I. is purchased, 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. Except as required to maintain compatibility with equipment manufactured to be 13 SEER and/or 7.7 HSPF or higher compliant, 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 efficiency as mandated by federal, state or local governments.

10. 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.

11. HWA™ reserves the right to require a second opinion, at it's own cost.

12. HWA™ is not liable for normal or routine maintenance. HWA™ will not pay for repairs or failures that result from the Contract 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. **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.**

18. HOME OWNER agrees that HWA™ is not liable for the negligence or other conduct of the Service Provider, nor is HOME OWNER 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

A. HWA™ will not contract for services to meet current building or zoning code requirements or to correct for code violations (except when option VI. G 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. G is purchased).

B. Except as required to maintain compatibility with equipment manufactured to be 13 SEER 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

A. 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.

B. 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.

C. Except as otherwise provided in this section, common systems and appliances are excluded.

XI. TRANSFER OF CONTRACT & RENEWALS

A. 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.

B. 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

A. This contract shall be noncancelable by HWA™, except for:

1. Nonpayment of contract fees;
2. Fraud or misrepresentation of facts material to the issuance of this contract;
3. When contract is for listing coverage and close of sale does not occur.

B. 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.

C. 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.

D. *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

A. **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.

Three easy ways to apply for a Home Warranty: fill in your information and warranty choice(s), detach this page, and fax it toll-free to 888-492-7360 or call us toll-free at 888-492-7359 or apply on-line at www.hwaHomeWarranty.com.

PLEASE PRINT

Applicant's Last Name _____
Applicant's First Name _____
Covered Property Address _____
City _____ State _____ Zip _____
(If different from property)
Mailing Address _____
City _____ State _____ Zip _____
Home Ph. _____ Work Ph. _____
Email _____
Home Age _____ Approx. Sq. Ft. _____
Order Date _____ (If over 5,000 sq. ft. call for quote)

I have been offered a Home Warranty of America™ home warranty for my home and understand the terms/conditions of coverage.

Buyer's Coverage, Date of Close _____
 Seller's and Buyer's Coverage
 I Decline the benefits of this coverage. Signature _____

Waiver: Purchase of this coverage is not mandatory. Applicant has reviewed the home warranty plan and hereby declines coverage. Applicant agrees to hold the real estate broker and agent harmless in the event of a subsequent mechanical failure which otherwise would have been covered under the warranty plan.

CONFIRMATION NUMBER (when ordering by phone) _____

CLOSING INFORMATION

Closing Company _____
Closing Agent _____
Phone # _____ Fax # _____
Closing # _____

REAL ESTATE AGENT INFORMATION

Initiating Agent Name _____
Who do you represent? Buyer Seller
Company Name _____
Phone # _____ Fax # _____
Email _____

PAYMENT OPTIONS

To be collected at closing
 Check enclosed
 Check sent under separate cover
Credit Card: Visa MasterCard Discover
Cardholder Name _____
Cardholder Address _____
Card # _____ 3 Digit Code _____
Exp. Date _____

CLOSING INSTRUCTIONS

Purchaser authorizes escrow/closing agent to make check payable to:
HWA™ at P.O. Box 850, Lincolnshire, Illinois 60069-0850
Signature _____
Date _____

THIS SERVICE CONTRACT DOES NOT COVER EXISTING DEFECTS

All covered items must be in good working order on the effective date of coverage.
Please list excluded items:

The fee for this warranty is to be paid at closing and includes all fees payable to HWA™ for plan administration, the providing of service per the plan's service agreement and any optional reimbursement to the real estate agent/company or acting agent for services and expenses to promote, process and advertise the plan. The election to purchase the protection plan is binding and is not subject to waiver or rescission.

13 Month Programs

FREE COVERAGE TO SELLERS DURING LISTING PERIOD on all covered items except heating system, air conditioning system, ductwork and Premium Upgrade.

| WARRANTY PROGRAMS | GOLD | DIAMOND |
|---|--------------------------------|--------------------------------|
| Service Fee per occurrence or actual cost, whichever is less. | \$55 | \$75 |
| COVERED ITEMS* | | |
| Heating System/Furnace | ✓ | ✓ |
| Air Conditioning System/Cooler | ✓ | ✓ |
| 13 SEER Equipment Upgrade | ✓ | ✓ |
| Ductwork | ✓ | ✓ |
| Plumbing System | ✓ | ✓ |
| Stoppages/Clogs | ✓ | ✓ |
| Permanent Sump Pump | ✓ | ✓ |
| Water Heater | ✓ | ✓ |
| Whirlpool Bath Tub | ✓ | ✓ |
| Electrical System | ✓ | ✓ |
| Exhaust Fan | ✓ | ✓ |
| Ceiling Fans | ✓ | ✓ |
| Burglar and Fire Alarm Systems | ✓ | ✓ |
| Door Bells | ✓ | ✓ |
| Central Vacuum | ✓ | ✓ |
| Dishwasher | ✓ | ✓ |
| Garbage Disposal | ✓ | ✓ |
| Built-In Microwave | ✓ | ✓ |
| Range/Oven/Cooktop | ✓ | ✓ |
| Trash Compactor | ✓ | ✓ |
| Garage Door System | ✓ | ✓ |
| **Kitchen Refrigerator | - | ✓ |
| **Washer/Dryer Package | - | ✓ |
| PREMIUM UPGRADE | | |
| • Code Violations/Permits—Correct up to \$350 | | |
| • Plumbing—Fixtures, faucets, shower heads, shower arms and hose bibs. | | |
| • Garage Door Systems—Hinges & Springs | | |
| • Water Heater—Sediment build-up | | |
| • Dishwasher—Racks, baskets, rollers, door seals | - | ✓ |
| • Microwave—Interior lining, rotisseries, clocks, door seals, lighting, and handles | | |
| • Oven—Racks, rotisseries, clocks, door seals, lighting, handles, and knobs | | |
| • Trash Compactors—Removable buckets, door seals | | |
| • Heating—Filters and heat lamps | | |
| • Air Conditioning—Filters and window units | | |
| CHECK [✓] PROGRAM DESIRED: COVERAGE FOR BUYER AND SELLER | <input type="checkbox"/> \$325 | <input type="checkbox"/> \$380 |

| CONDO/MOBILE HOME | Cost |
|--------------------------------|--------------------------------|
| <input type="checkbox"/> \$305 | <input type="checkbox"/> \$350 |

Q: Is the seller covered for free during the listing period on all programs?

A: Yes, except for heating, cooling, ductwork and Premium Upgrade.

Q: What is the difference between the Gold and Diamond?

A: Diamond includes Refrigerator, Washer/Dryer and Premium Upgrade (\$205 value) at a higher service fee.

| OPTIONAL SELLERS COVERAGE | Cost |
|---------------------------|------------|
| Heating/Cooling/Ductwork | \$50 \$ \$ |

| OPTIONAL BUYERS COVERAGE | Cost | | |
|--|-----------|-----------|----------|
| Premium Upgrade | \$60 | \$ | Included |
| **Clothes Washer/Dryer | \$95 | \$ | Included |
| **Kitchen Refrigerator | \$50 | \$ | Included |
| 13 SEER Modification Coverage | \$50 | \$ | \$ |
| Refrigerator's Ice Maker | \$15 | \$ | \$ |
| *Subterranean Termite Treatment | \$60 | \$ | \$ |
| Pool/Spa Combo | \$150 | \$ | \$ |
| Additional Pool or Spa | \$150 | \$ | \$ |
| Well Pump | \$85 | \$ | \$ |
| Septic Tank Pumping | \$30 | \$ | \$ |
| Freezer—Stand Alone | \$35 | \$ | \$ |
| Multiple Flats/Duplex/New Construction,—Call For Quote | \$ | \$ | \$ |
| TOTAL OPTIONAL COVERAGES: | \$ | \$ | |
| TOTAL COST OF PROGRAM & OPTIONAL COVERAGE | \$ | \$ | |

*See contract for specific coverage on components and parts.

*Subterranean service fee is \$200, all pricing includes applicable sales tax.

✓ indicates coverage provided

- Indicates coverage is optional

**Includes applicable sales tax for refrigerator and washer/dryer options at noted prices with Gold Program, and sales taxes for refrigerator and washer/dryer of \$38.90 bundled value within Diamond Package.