

**AHS** AMERICAN HOME SHIELD®

**Home Warranty FlexPlan<sup>SM</sup>**  
**Texas**



The right choice in home warranties.®

**AHS** AMERICAN HOME SHIELD®

# AHS<sup>®</sup> by the numbers

## Over 35

Years of innovation  
and service in  
the home warranty  
industry

## 1.2 million

Homes protected  
today by AHS

## Over 15,000

Service calls  
processed by  
AHS every day

## Over 2

Service requests  
made by customers  
each year

## \$297.9 million

Spent nationwide  
by AHS to repair  
covered homes  
in 2006



## What is a home warranty?

A home warranty is a renewable service contract that covers the repair or replacement of many major systems and appliances in your home.

## Why do I need a home warranty?

Because there's a 68%<sup>1</sup> chance that a major system or appliance will breakdown in your home this year. An unexpected repair can be financially devastating to your budget and cash flow. With an AHS Home Warranty FlexPlan<sup>SM</sup>, you can rest assured that you will receive hassle-free service – and you may save hundreds, if not thousands, of dollars in the process! Protection like this benefits everyone involved – buyers, sellers and Real Estate Professionals.

## What else should I know?

### What types of properties are covered?

Property types include single-family homes, condominiums, new construction, townhomes, mobile homes and multi-unit dwellings.

### What are some common service problems?

Heating, air conditioning, plumbing, electrical and major appliances – some of the most expensive items for homeowners to repair or replace in their home!

### Is everything in my home covered by an AHS Home Warranty?

Not everything is covered. You have choices. The specific items, terms and exclusions are detailed in the sample contract in this brochure.

### I don't know the condition of my systems and appliances. Can they be covered?

Yes. When there may be unknown conditions, select the ServicePlus Package<sup>SM</sup> for coverage.

### Will AHS ever pay cash instead of repairing or replacing?

Yes, there are three circumstances where AHS will pay cash instead of repairing or replacing: 1) a manufacturer's recall; 2) the repair or replacement results in a code violation; or 3) the replacement system is no longer available.

### What is the Trade Service Call Fee?

When you make a service request, you will pay a \$60 fee to each contractor of different trades (plumber, electrician, etc.) that visits your home to diagnose or perform service.

Contact us Today!

1-800-735-4663

www.AHSwarranty.com



Plumbing



Heating Systems



Air Conditioning Systems



Electrical



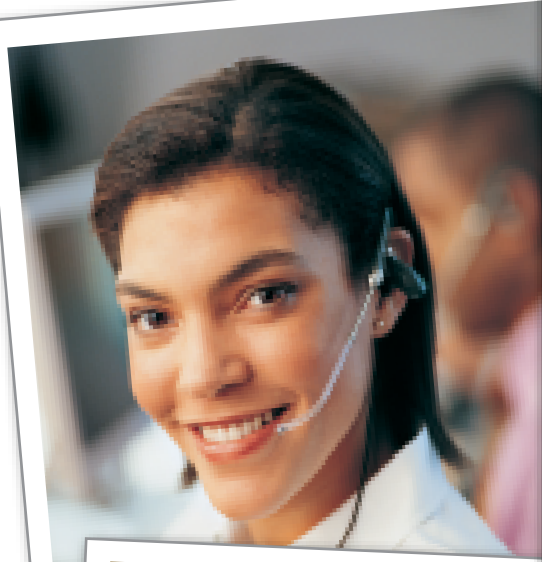
Ranges/Ovens/Cooktops



Refrigerators

## Why is AHS® the right choice?

- AHS offers our Home Warranty FlexPlan<sup>SM</sup>... now you have the flexibility to customize your home warranty to fit your individual budget and lifestyle!
- When you have a problem, call us 24 hours a day, 365 days a year to request service – we'll handle the rest. No more flipping through phone books!
- AHS has highly-trained customer service representatives in our 4 U.S. service centers ready to help you.
- You'll receive reliable, hassle-free service nationwide from one of our 11,000+ professional, insured contractors.
- We diagnose and solve 93% of homeowner problems in just one visit to the home.
- Within the first year of the contract, we follow-up with you each time you receive service to ensure your satisfaction.
- REALTORS® recommend AHS over twice as often as the nearest competitor.<sup>2</sup>



*The AHS  
Service  
Guarantee*

American Home Shield® guarantees that all approved, covered service repairs will be completed to your satisfaction. If for any reason you are not satisfied with the service received, we will work with you until you are satisfied or we will refund the amount of the trade service call fee.

### Information about your contract.

For each appliance or system, the specific items and conditions that are covered or excluded are detailed in the sample contract in this brochure. For some covered repairs or replacements, there can be additional charges by the contractor (such as disposal of the old equipment) that AHS does not cover. When AHS provides a replacement, it matches the main functional features, but not necessarily color, brand, dimensions or incidental features.

1-"Home Repair & Remodel" Marshall & Swift L.P., 2004.

2-Unpublished tabulations from the 2005 National Association of REALTORS® Member Profile.



Microwave Ovens



Dishwashers



Garbage Disposals



Water Heaters



Exhaust/Vent/Attic Fans



Trash Compactors

## AHS offers service made simple!

**1**

When a covered breakdown occurs, you can request service either by calling 1-800-776-4663 or online at [www.AHSservice.com](http://www.AHSservice.com).

**2**

Once your service request has been received and processed, an AHS representative will assign a local contractor to handle your request.

**3**

The contractor will schedule a time with you to diagnose and repair the problem. When the contractor arrives, you'll pay a Trade Service Call Fee.

**4**

Once repair or replacement is complete, AHS will follow-up with you to ensure your satisfaction with the service received.

**Trade Service Call Fee:  
\$60**

## Get to know your

# AHS<sup>®</sup> Home Warranty FlexPlan<sup>SM</sup>

To get the most out of your AHS Home Warranty FlexPlan, please read the sample contract. We want you to understand the full value of the coverage provided. Make sure you understand what your home warranty covers and what it doesn't. Your home warranty does not cover all systems and appliances and coverage varies from state to state. Please read your contract carefully so you know what's covered and what's not. Below are some of the most common customer inquiries.

## Conditions that may result in a **DENIAL**

- Improper installation, repair or modification of an item will result in a denial of service.
- Code violations of a home system or structure such as outdated electrical or faulty plumbing may result in denial of service or incur additional costs.

**To provide coverage for the services referenced above, you may purchase the **ServicePlus Package<sup>SM</sup>**. See the summary of coverage page on the back of the application for more information.**

- Unusual wear and tear caused by negligence or mistreatment will result in a denial of service.

## Examples of items which are **NOT COVERED**.

- Plumbing faucets, heating system registers and grills, air conditioning registers, grills and window units are not covered.

**To provide coverage for the items referenced above, you may purchase the **CoveragePlus Package<sup>SM</sup>**. See the summary of coverage page on the back of the application for more information.**

- Wood stoves, even if only source of heating, as well as fireplaces, key valves and chimneys are not covered.
- Common electrical breakdowns such as power failure/surge and circuit overload are not covered.
- Optional pool accessories such as pool liners, ornamental fountains and waterfalls are also not covered.

## **AHS IS NOT LIABLE** for hazardous materials.

- AHS is not liable for the diagnosis, repair, removal or any damages resulting from mold, mildew, bio-organic growth, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials such as asbestos, mold, lead paint and sanitation of sewage spills.

These coverage examples are merely illustrations to assist you in understanding your contract. Coverage will be determined based on your FlexPlan<sup>SM</sup> selections and the actual terms and conditions listed in your contract.

# Flexible coverage to customize your protection.

Follow these 3 easy steps to create the right AHS® Home Warranty FlexPlan<sup>SM</sup> for you:

**Step 1: Select your property type and review the contract inside for specific coverage terms and exclusions.**

Core Coverage Plan <sup>SM</sup>		Property Type	Buyer & Seller	Buyer
▪ Heating Systems	▪ Microwaves	<input type="checkbox"/> Single Family Home (if 5,000-10,000 sq ft, call for quote)	\$396	\$336
▪ Air Conditioning Systems	▪ Dishwashers	<input type="checkbox"/> New Construction Single Family (covers years 2-5)	-	\$585
▪ Ductwork	▪ Garbage Disposals	<input type="checkbox"/> Condo/Townhome/Mobile Home	\$376	\$316
▪ Exhaust/Vent/Attic Fans	▪ Ranges/Ovens/Cooktops	<input type="checkbox"/> New Construction Condo (covers years 2-5)	-	\$515
▪ Plumbing Stoppages	▪ Plumbing/Whirlpool Motor & Pump	<input type="checkbox"/> Duplex	-	\$636
▪ Electrical	▪ Trash Compactors	<input type="checkbox"/> Triplex	-	\$941
▪ Water Heaters	▪ <b>Included:</b> 13 SEER, Sediment and Insufficiently Maintained Equipment	<input type="checkbox"/> Fourplex	-	\$1246

**Step 2: Customize your FlexPlan from the selections below.**

ServicePlus Package <sup>SM</sup>	Buyer & Seller	Buyer
<p><b>Adding this package covers the following service problems:</b></p> <ul style="list-style-type: none"> <li>▪ Mismatched Systems</li> <li>▪ Unknown Pre-existing Condition</li> <li>▪ Code Violations (\$250 per contract term)</li> <li>▪ Removal of Defective Equipment</li> <li>▪ Refrigerant Recapture, Reclaim and Disposal</li> <li>▪ Improper Installation, Repair or Modification</li> <li>▪ Permits (\$250 per occurrence)</li> </ul>	\$79	\$79

CoveragePlus Package <sup>SM</sup>	Buyer & Seller	Buyer
<p><b>Adding this package extends coverage to the following items:</b></p> <ul style="list-style-type: none"> <li>▪ Garage Door Openers</li> <li>▪ Doorbells</li> <li>▪ Ceiling Fans</li> <li>▪ Built-in Food Centers</li> <li>▪ Telephone Wiring</li> <li>▪ Central Vacuums</li> <li>▪ Smoke Detectors</li> <li>▪ Instant Hot/Cold Water Dispensers</li> </ul>	\$55	\$55

### Additional Core Coverage Plan Items

- **Plumbing:** faucets\*\*, shower heads and shower arms, hose bibs, toilets of like quality (\$600 per occurrence) and sewage ejector pumps
- **Heating Systems:** registers, grills, heat lamps and window units
- **Microwaves:** door glass and shelves
- **Ranges/Ovens/Cooktops:** rotisseries, racks, handles, knobs and dials
- **Trash Compactors:** removable buckets
- **Air Conditioning Systems:** registers, grills and window units

Additional FlexPlan <sup>SM</sup> Options	Buyer & Seller	Buyer
<b>Check the optional items right for you:</b>		
<input type="checkbox"/> Termite Treatment	\$53 <sup>†</sup>	\$53 <sup>†</sup>
<input type="checkbox"/> Kitchen Refrigerator w/Ice Maker & Dispenser	-	\$48 <sup>†</sup>
<input type="checkbox"/> Additional Refrigerator w/Ice Maker & Dispenser*	-	\$27 <sup>†</sup>
<input type="checkbox"/> Washer and Dryer	-	\$85 <sup>†</sup>
<input type="checkbox"/> Washer/Dryer/Refrigerator w/Ice Maker & Dispenser	-	\$108 <sup>†</sup>
<input type="checkbox"/> Free Standing Ice Maker	-	\$48 <sup>†</sup>
<input type="checkbox"/> Swimming Pool	-	\$160
<input type="checkbox"/> Spa	-	\$160
<input type="checkbox"/> Additional Spa	-	\$80
<input type="checkbox"/> Water Softener	-	\$40
<input type="checkbox"/> Well Pump	-	\$91 <sup>†</sup>
<input type="checkbox"/> Septic Pumping w/Sewage Ejector Pump	-	\$30

<sup>†</sup>Includes applicable sales tax.

**Step 3: Total and Order.**

Core Coverage Plan	\$
ServicePlus Package	\$
CoveragePlus Package	\$
Additional FlexPlan Options	\$
<b>TOTAL:</b>	\$

There is a **\$60 Trade Service Call Fee** per repair visit or actual cost of service, whichever is less. Additional charges may apply to certain repairs and replacements.

 1-800-735-4663 • Español 1-800-250-2025

 [www.AHSSales.com](http://www.AHSSales.com)

**AHS** AMERICAN HOME SHIELD<sup>®</sup>

The **right choice** in home warranties.<sup>®</sup>

\*Kitchen refrigerator must be purchased. \*\*Chrome builder's standard used when replacement is necessary.  
Form no. 870000 xxxxx/xxx 03/07

## STEP ONE – Select the Core Coverage Plan<sup>SM</sup> right for you.

	Buyer & Seller	Buyer
<input type="checkbox"/> <b>Single Family Home</b> (call for 5,000 to 10,000 sq ft)	\$396	\$336
<input type="checkbox"/> <b>New Construction Single Family</b> (covers years 2-5)	-	\$585
<input type="checkbox"/> <b>Condo/Townhome/Mobile Home</b>	\$376	\$316
<input type="checkbox"/> <b>New Construction Condo</b> (covers years 2-5)	-	\$515
<input type="checkbox"/> <b>Duplex</b>	-	\$636
<input type="checkbox"/> <b>Triplex</b>	-	\$941
<input type="checkbox"/> <b>Fourplex</b>	-	\$1246

**\$60 Trade Service Call Fee** per repair visit or actual cost of service, whichever is less. Additional charges may apply to certain repairs and replacements.

## STEP TWO – Customize your FlexPlan with selections below.

	Buyer & Seller	Buyer
<input type="checkbox"/> <b>ServicePlus Package<sup>SM</sup></b>	\$79	\$79
<input type="checkbox"/> <b>CoveragePlus Package<sup>SM</sup></b>	\$55	\$55
<input type="checkbox"/> <b>Termite Treatment<sup>**</sup></b>	\$53 <sup>††</sup>	\$53 <sup>††</sup>
<input type="checkbox"/> <b>Kitchen Refrigerator</b> w/Ice Maker & Dispenser	-	\$48 <sup>††</sup>
<input type="checkbox"/> <b>Additional Refrigerator</b> w/Ice Maker & Dispenser <sup>*†</sup>	-	\$27 <sup>††</sup>
<input type="checkbox"/> <b>Washer and Dryer<sup>*</sup></b>	-	\$85 <sup>††</sup>
<input type="checkbox"/> <b>Washer/Dryer/Refrigerator</b> w/Ice Maker & Dispenser <sup>*</sup>	-	\$108 <sup>††</sup>
<input type="checkbox"/> <b>Free Standing Ice Maker<sup>*</sup></b>	-	\$48 <sup>††</sup>
<input type="checkbox"/> <b>Swimming Pool</b>	-	\$160
<input type="checkbox"/> <b>Spa</b>	-	\$160
<input type="checkbox"/> <b>Additional Spa</b>	-	\$80
<input type="checkbox"/> <b>Water Softener</b>	-	\$40
<input type="checkbox"/> <b>Well Pump</b>	-	\$91 <sup>††</sup>
<input type="checkbox"/> <b>Sewage Pumping w/Sewage Ejector Pump</b>	-	\$30

\*Per unit. Can purchase more than one. †Kitchen refrigerator must be purchased.

\*\*If a Termite Inspection is requested, a \$75 fee (or less, plus applicable tax) will be due at the time of inspection. If termite infestation is found, a licensed pest control company will provide a partial treatment method (as defined by the Texas Structural Pest Control Board Regulations) to treat the perimeter of the main foundation and any areas of live termite infestation inside the home for a service fee of \$200 (subject to appropriate tax) and the Termite Inspection fee will be waived. ††Includes applicable sales tax.

## STEP THREE – Total your coverage and confirm.

AHS<sup>®</sup> Core Coverage Plan<sup>SM</sup> (from Step One) \$ \_\_\_\_\_

Package and FlexPlan<sup>SM</sup> Option(s) Total (from Step Two) \$ \_\_\_\_\_

**FlexPlan Total \$ \_\_\_\_\_**

To decline the benefits of this coverage. I agree not to hold the real estate company, broker and/or agents liable for the repair or replacement of a system or appliance that would otherwise have been covered by this Home Warranty.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please read contract for specific coverages, exclusions and limitations.

When a covered item breaks down, contact American Home Shield. AHS will contact an authorized service contractor who will call you during normal business hours to schedule a convenient time to diagnose the problem. **Please do not call a contractor yourself. AHS will not reimburse for work performed without its prior approval.**

## STEP FOUR – Please provide the following information.

PROPERTY ADDRESS TO BE COVERED: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

Please check appropriate box for initiating agent.

### SELLER INFORMATION

SELLER NAME: \_\_\_\_\_

PHONE NUMBER: ( ) \_\_\_\_\_ E-MAIL: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

REAL ESTATE COMPANY: \_\_\_\_\_

AGENT NAME: \_\_\_\_\_

MAIN OFFICE NUMBER: ( ) \_\_\_\_\_ LISTING EXP. DATE: \_\_\_\_\_

### BUYER INFORMATION

BUYER NAME: \_\_\_\_\_

PHONE NUMBER: ( ) \_\_\_\_\_ E-MAIL: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

REAL ESTATE COMPANY: \_\_\_\_\_

AGENT NAME: \_\_\_\_\_

MAIN OFFICE NUMBER: ( ) \_\_\_\_\_

### CLOSING COMPANY INFORMATION

CLOSING COMPANY NAME: \_\_\_\_\_

PHONE NUMBER: ( ) \_\_\_\_\_ FAX NUMBER: ( ) \_\_\_\_\_

ESTIMATED CLOSING DATE: \_\_\_\_\_ CLOSING NUMBER: \_\_\_\_\_

CLOSING REP NAME: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

**NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE 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.**

Buyer's Signature \_\_\_\_\_ Date \_\_\_\_\_

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Form no. 870000 xxxxx/xxx 03/07

The warranty plan fee may include a services fee payable to the above named real estate company for administrative and other services performed in the procurement of plan, including promoting, selling, processing, and advertising the plan. The services fee is a good faith estimate of the value of the above named real estate company's services and expenses in providing such services in the procurement of plan.

## TO REQUEST SERVICE

www.AHSservice.com

1-800-776-4663 • Español 1-800-250-2025



## A. COVERAGE OVERVIEW

1. American Home Shield (AHS) will repair or replace covered systems and appliances as needed in response to malfunctions that arise due to normal wear and tear during the contract term as defined in Section B (for additional coverage see Section F ServicePlus Package). The covered systems and appliances must be:

- Installed for diagnosis within the confines of the main foundation of the home or attached or detached garage (with the exception of the air conditioner, exterior well pump, septic tank, and pool and/or spa equipment, if selected);
- Domestic grade and are not specified by the manufacturer as commercial; or
- Not covered by a manufacturer's or distributor's warranty, including any extensions thereof.

2. AHS will cover systems and appliances which malfunction due to insufficient maintenance, rust or corrosion, or sediment.

3. AHS has the sole right to determine, according to the terms of this contract, whether a covered system or appliance will be repaired or replaced. When making repairs, AHS reserves the right to rebuild existing parts or components and/or to install rebuilt parts or components. When making replacements, AHS is responsible for installing replacement equipment and parts of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. AHS is not responsible for matching any feature of an existing system or appliance that does not contribute to the primary function of that system or appliance.

4. In instances where the cost of completing a full repair or replacement exceeds a stated contract dollar limit, AHS will pay an amount equal to the contract dollar limit in lieu of providing repair or replacement services. Some or all of such a payment may be made to you and/or a service contractor. In all other instances:

- AHS reserves the right to **require you** to accept cash in lieu of repair or replacement services in an amount based on what the ordinary customer would expect to pay after negotiating the best price for such services in your area and without the benefits of this contract when:

- Following a response to a covered breakdown, the system or appliance would remain non-compliant with laws, regulations or code requirements;

- The system or appliance is subject to a manufacturer's recall for a defect unrelated to the covered breakdown; or

- A system becomes non-repairable and a replacement system is no longer available.

- AHS may also **offer you** the option of accepting cash in lieu of repair or replacement services in an amount based on what AHS would ordinarily expect to pay for parts and labor for covered items, an amount that is usually less than retail cost or your actual cost. AHS is not obliged to extend such an offer in any particular instance, and you are under no obligation to accept such an offer, in the event one has been extended. Such offers are typically made subject to restrictions.

- For further information regarding AHS's cash payment policies and procedures, please call AHS.**

5. This contract only covers single family homes, new construction homes, and condominiums/townhomes/mobile homes (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square feet up to 10,000 square feet, or multiple units) is applied for, and the appropriate fee is paid. **Coverage is for owned or rented residential property, not commercial property or premises converted into a business.**

**6. Coverage includes only the items stated as covered and excludes all others. Coverage is subject to limitations, exclusions, and provisions specified in this contract. Please see your Contract Agreement page for your specific coverage selection and read your contract carefully.**

## B. CUSTOMER CONTRACT TERM

**NOTE: See your Contract Agreement page for your specific contract term.**

### 1. HOME SELLER CUSTOMER

Home Seller Customer contract term begins upon issuance of a contract number by AHS through the listing period of 180 days, or close of sale (escrow) or termination of listing (whichever occurs first). In the event close of sale (escrow) does not occur in 180 days, AHS may, at its sole discretion, extend the contract term. Home Seller coverage includes items in Section E and, if purchased, Sections F, G, and H.1. only. Home Seller coverage is not available in conjunction with for sale by owner transactions.

### 2. FIRST YEAR CUSTOMER

- Real Estate Customer contract term begins at close of sale (escrow) and continues for 1 year, unless AHS approves an alternative multiple year contract term, provided plan fee is paid. If AHS provides Home Seller Customer coverage, any exclusions, denials, or suspension of service will apply against this Real Estate Customer contract term.

- New Construction Customer contract term begins 1 year after close of sale (escrow) and continues for 1, 2, 3, or 4 years from that date, provided plan fee is paid.

- Direct-to-Consumer Customer contract term is for 1 year beginning upon acceptance of application by AHS and receipt of plan fee. Direct-to-Consumer Customer is not in conjunction with a real estate transaction.

- Lease Option Customer contract term is for 1 year beginning upon acceptance of application by AHS and receipt of plan fee (available for Lessee only).

### 3. RENEWAL CUSTOMER

Renewal Customer contract term begins upon expiration of previous contract term and continues for 1 year provided plan fee is received by AHS within 30 days after expiration. If plan fee is received by AHS after 30 days of expiration, a new 1 year contract term will begin.

## C. REQUESTING SERVICE

1. AHS must be notified for work to be performed under this contract as soon as the problem is discovered and prior to expiration of the contract term. (Refer to your Contract Agreement page for details on how to request service).

- AHS will accept service calls 24 hours a day, 7 days a week.
- AHS will not reimburse for services performed without its prior approval.

2. AHS has the right to select and arrange an AHS authorized service contractor (Service Contractor), which may be a service company affiliated with AHS, to perform the service.

- The contracted services will be initiated under normal circumstances by AHS within 48 hours after your service request is made to AHS.
- The Service Contractor will contact you to schedule the service to be performed during normal business hours.

- AHS will determine what services constitute an emergency and will make reasonable efforts to expedite emergency service.

- AHS will accept your request to expedite non-emergency service only when a Service Contractor is available. You will be responsible for payment of additional fees, including overtime.

- AHS reserves the right to obtain a second opinion at AHS's expense.

3. In the event AHS authorizes or requests you to contact an independent service contractor to perform a covered service, AHS will provide reimbursement for an authorized amount of the cost you incur for the repair or replacement services. Acceptable proof of your actual itemized costs must be provided to and approved by AHS before any reimbursement will be paid.

## D. TRADE SERVICE CALL FEE

You will pay a \$60 Trade Service Call Fee for each trade service request, or actual cost, whichever is less. (Except as provided in Section D.3. and Section H.1.)

1. You are responsible for payment of the Trade Service Call Fee after a service request is dispatched and scheduled to a Service Contractor. This includes when:

- A Service Contractor is in route to your home;
- A customer fails to provide accessibility necessary to perform the service request;

- A Service Contractor's diagnosis results in a complete or partial denial of coverage; or

- AHS approves a customer's request for a second opinion.

2. Trade Service Call Fee is due and payable to the Service Contractor (or to AHS) at the time of the scheduled service request.

**3. Service work is guaranteed for 60 days.**

4. If any Trade Service Call Fee has not been paid in full, AHS will not respond to any new service request.

## E. CORE COVERAGE PLAN

### E. CORE COVERAGE PLAN

**NOTE HOME SELLER CUSTOMER: AHS will pay up to a combined maximum limit of \$1,500 for items 1, 2, and 3 in Section E during the listing period.**

**1. HEATING SYSTEMS OR BUILT-IN WALL UNITS (Gas, Electric, or Oil if main source of heat to the home)**

**NOTE: Coverage available on heat pump and/or cooling systems up to a 5 ton capacity.**

**COVERED:** Heating systems including; but not limited to: Circulating heating system - Heat pump - Metering devices - Furnace - Furnace transition - Evaporator coils and drain lines - Air handling unit - Air handling transition - Condenser casing (if in conjunction with a mechanical failure) - Secondary drain pan and lines - Refrigerant lines. Any of the foregoing covered components as well as plenum, indoor electrical up to the disconnect, and duct connections are also covered as required to maintain compatibility and compliance with minimum SEER and HSPF standards.

**NOT COVERED:** All components and parts relating to geothermal and/or water source heat pumps - Baseboard

casings - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters or automatic filter changers - Registers - Grills - Clocks - Timers - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Chimneys - Grain, pellet, or wood heating units (even if only source of heating) - Cable heat (in ceiling) - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices - Window units - Adding insulation to plenum - Dehumidifiers.

**NOTE FIRST YEAR AND RENEWAL CUSTOMER: AHS will pay up to \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water, or steam circulating heating system.**

### 2. AIR CONDITIONING SYSTEMS/COOLERS

**NOTE: Coverage available on heat pump and/or cooling systems up to a 5 ton capacity.**

**COVERED:** Ducted electric wall air conditioning systems - Water evaporative cooler systems - Air handler for chillers - Condenser casing (if in conjunction with a mechanical failure) - Ducted electric central air conditioning systems including: Condenser - Metering devices - Furnace transition - Evaporator coils and drain lines - Air handling unit - Air

handling transition – Secondary drain pan and lines – Refrigerant lines. Any of the foregoing covered components as well as plenum, indoor electrical up to the disconnect, and duct connections are also covered as required to maintain compatibility and compliance with minimum SEER and HSPF standards.

**NOT COVERED:** Gas air conditioning systems - Registers and grills - Filters or automatic filter changers - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Roof jacks, pads or stands - Evaporative cooler pads - Flues - Vents - Improperly sized air conditioning unit - Chillers, chiller components, and water lines - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices.

### 3. DUCTWORK

**COVERED:** Leaks or breaks in ductwork (sheet metal, duct board, and flex duct including vapor barrier) from heating and/or cooling unit to point of attachment at registers or grills

**NOT COVERED:** Registers or grills - Insulation - Dampers and damper controls - Improperly sized ductwork - Legally mandated diagnostic testing of ductwork when replacing heating or cooling equipment.

**NOTE: Where covered repairs require access to ductwork, AHS will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. If the ductwork is accessible only through a concrete floor, wall or ceiling, AHS will pay up to \$500 per contract term for access to, repair to, or replacement of such ductwork, including returning access openings to a rough finish. If a leak is detected as a result of legally mandated diagnostic testing, AHS will repair and replace accessible and unobstructed ductwork.**

### 4. PLUMBING SYSTEM

**COVERED:** Leaks and breaks of water, drain, gas, waste or vent lines - Toilet tanks, bowls and related mechanisms (**builder's standard is used when replacement is necessary**), toilet wax ring seals - Valves for shower, tub, and diverter, angle stops, risers and gate valves - Permanently installed sump pumps (ground water only) - Built-in bathtub whirlpool motor, pump, and air switch assemblies.

**NOT COVERED:** Collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots - Pressure regulators - Faucets - Hose bibs - Basket strainers - Bathtubs - Sinks - Showers - Shower enclosures and base pans - Toilet lids and seats - Caulking or grouting - Septic tanks - Water softeners - Inadequate or excessive water pressure - Flow restrictions in fresh water lines - Sewage ejector pumps - Holding or storage tanks - Saunas or steam rooms - Whirlpool jets.

**NOTE: Where covered repairs require access to plumbing, AHS will only provide access to plumbing through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. If the plumbing is accessible only through a concrete floor,**

**wall or ceiling, AHS will pay up to \$500 per contract term for access to, repair to, or replacement of such plumbing, including returning access openings to a rough finish.**

### 5. PLUMBING STOPPAGES

**COVERED:** Clearing of mainline drain and sewer stoppages through an accessible ground level cleanout up to 100 feet from access point. Clearing of lateral drain line stoppages up to 100 feet from access point including accessible cleanout, p-trap, drain or overflow access points, and removing a toilet for a toilet stoppage only.

**NOT COVERED:** Costs to locate or access cleanouts not found or accessible, or to install cleanouts - Access through roof vents - Stoppages caused by collapsed, damaged or broken drain, vent or sewer lines outside the home's main foundation - Stoppages due to roots or foreign objects - Lines broken or infiltrated by roots, or otherwise stopped by roots, even if within the home's main foundation - Septic tanks.

### 6. WATER HEATERS (Gas, Electric, or Oil)

**COVERED:** All components and parts, including circulating pumps, except:

**NOT COVERED:** Solar water heaters - Solar components - Auxiliary holding or storage tanks - Noise - Fuel storage tank and energy conservation unit - Flues and vents - Thermal expansion tanks - Instant hot/cold water dispenser.

### 7. ELECTRICAL SYSTEM

**COVERED:** All components and parts, including built-in exhaust/vent/attic fans, except:

**NOT COVERED:** Lighting fixtures - Inadequate wiring capacity - Audio/video/computer/intercom/alarm or security wiring or cable - Power failure or surge - Direct current (D.C.) wiring or components and/or low voltage systems including wiring and relays - Circuit overload - Ceiling fans.

### 8. MICROWAVE OVENS

**COVERED:** All components and parts, except:

**NOT COVERED:** Door glass - Shelves - Meat probe assemblies - Rotisseries.

### 9. DISHWASHERS

**COVERED:** Entire unit, including all components and parts.

### 10. GARBAGE DISPOSALS

**COVERED:** Entire unit, including all components and parts.

### 11. RANGES/OVENS/COOKTOPS (Gas or Electric)

**COVERED:** All components and parts, except:

**NOT COVERED:** Clocks (unless they affect the function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs.

### 12. TRASH COMPACTORS

**COVERED:** All components and parts, except:

**NOT COVERED:** Lost key - Removable buckets.

**OPTIONAL COVERAGE NOTE FOR SECTIONS F - H: Optional coverage may be purchased without an inspection for up to 30 days after the contract effective date. New Construction Customer may purchase optional coverage at any time for brand new items. Coverage begins upon receipt of option fee by AHS and continues through the contract term.**

## F. SERVICEPLUS PACKAGE

**NOTE: This coverage does not apply when systems are undersized in relation to the square footage of the area being heated or cooled.**

### 1. REFRIGERANT RECAPTURE, RECLAIM, AND DISPOSAL

### 2. REMOVAL OF DEFECTIVE EQUIPMENT

Should AHS replace a covered appliance, system or component, AHS will pay the costs to dismantle and dispose of an old appliance, system or component (see Section I.4.b.).

### 3. PERMITS

AHS will pay the cost for obtaining permits for approved repairs and replacements up to \$250 per occurrence.

### 4. CODE VIOLATIONS

AHS will pay up to \$250 per contract term to correct code violations when affecting repair or replacement.

## G. COVERAGEPLUS PACKAGE

### 1. CEILING FANS

**COVERED:** Entire unit, including all components and parts.

### 2. GARAGE DOOR OPENERS

**COVERED:** Wiring - Motor - Switches - Receiver unit - Rail/Trolley assembly - Hinges - Springs - Remote transmitters.

**NOT COVERED:** Door or door track assemblies.

### 3. TELEPHONE WIRING

**COVERED:** Telephone wiring located within the walls of the main dwelling.

**NOT COVERED:** Phone jacks - Plugs - Lights - Transformers and other power units - Cover plates - Phone units - Answering devices - Burglar alarm circuits - Phone fuses - Wiring which is the property of a telephone company - Access and closing costs to floors, walls, and ceilings when locating or repairing a malfunction.

### 4. BUILT-IN FOOD CENTERS

**COVERED:** All components and parts, except:

**NOT COVERED:** Removable accessories.

### 5. DOORBELLS

**COVERED:** All components and parts, except:

**NOT COVERED:** When part of the intercom system.

### 6. INSTANT HOT/COLD WATER DISPENSERS

**COVERED:** Entire unit, including all components and parts.

### 7. CENTRAL VACUUM SYSTEM

**COVERED:** All components and parts, except:

**NOT COVERED:** Removable hoses and accessories - Access and closing costs to floors, walls, and ceilings when locating or repairing a malfunction.

### 5. UNKNOWN PRE-EXISTING CONDITIONS

AHS will cover an existing defect or mechanical failure provided the defect or mechanical failure was not known or could not have been detected by visual inspection or simple mechanical test.

### 6. IMPROPER INSTALLATIONS, REPAIRS, OR MODIFICATIONS

AHS will repair or replace a system or appliance that was improperly installed, repaired, or modified prior to or during the contract term. If the improper installation, repair, or modification violates a code requirement, Section F. 4. applies.

### 7. MISMATCHED SYSTEMS

AHS will repair or replace a system or appliance that was not properly matched in size or efficiency prior to or during the contract term. If the mismatched system violates a code requirement, Section F. 4. applies.

### 8. SMOKE DETECTORS

**COVERED:** Both battery operated and hardwired units and systems.

### 9. ADDITIONAL CORE COVERAGE PLAN ITEMS

**NOTE: Items 9.a. - 9.f. are additional covered items from Section E. If any part for 9.a. - 9.f. cannot be obtained or is no longer available, AHS will not cover the replacement of such system or appliance.**

#### a. HEATING SYSTEMS OR BUILT-IN WALL UNITS (Gas, Electric, or Oil if main source of heat to the home)

**COVERED:** Registers - Grills - Heat lamps - Window units.

#### b. AIR CONDITIONING SYSTEMS/COOLERS

**COVERED:** Registers - Grills - Window units.

#### c. PLUMBING

**COVERED:** Faucets (chrome builder's standard used when replacement is necessary) - Shower heads and shower arms - Hose bibs - Toilets of like quality (\$600 per occurrence) - Sewage ejector pump (in accordance with plumbing systems only) - Septic system sewer ejector pumps are not covered unless the optional Septic System Pumping/Sewage Ejector Pump is purchased.

#### d. MICROWAVE OVENS

**COVERED:** Door glass - Shelves.

#### e. RANGES/OVENS/COOKTOPS (Gas or Electric)

**COVERED:** Clocks - Rotisseries - Racks - Handles - Knobs - Dials.

#### f. TRASH COMPACTORS

**COVERED:** Removable buckets.



## H. ADDITIONAL FLEXPLAN OPTIONS

### 1. SUBTERRANEAN TERMITE TREATMENT

**NOTE: This option is only available for Home Seller and Real Estate Customers with a Single Family Home and is not renewable. Subterranean Termite Treatment is offered and provided by participating Terminix branches and franchisees and other licensed structural pest control companies. If a Termite Inspection is requested, a \$75 fee (plus applicable tax) per dwelling will be due at the time of inspection. If termite infection is found, either the Home Seller or Real Estate Customer will pay a ONE-TIME SERVICE FEE OF \$200 (PLUS APPLICABLE TAX) FOR ANY TERMITE TREATMENT, and the Termite Inspection fee will be waived.**

**COVERED:** If termite infestation is found, a licensed pest control company will provide partial treatment method (as defined by the Texas Structural Pest Control Board Regulations) to treat the perimeter of the main foundation and any areas of live termite infestation inside the main foundation of the home, including the attached garage and attached dwelling (if purchased). Should repeat visits for subterranean termite infestation be required, the licensed pest control company will provide additional infestation treatment up to 12 months from the original date of partial treatment at no additional charge.

**NOT COVERED:** Formosan termites - Repair of damage caused by subterranean termites. The AHS-dispatched structural pest control contractor reserves the right not to provide treatment in instances where there exists customer chemical sensitivity, environmental hazard, and/or access is prevented due to structural design.

**NOTE: Sections H.2.-H.9. are available for First Year and Renewal Customers. Please call AHS for availability and pricing of duplicate items.**

### 2. KITCHEN REFRIGERATOR (must be located in the Kitchen)

**NOTE: Dual compressor refrigerators are only available with the Kitchen Refrigerator option. AHS will pay up to \$5,000 per contract term for access, diagnosis and repair or replacement of dual compressor refrigerators.**

**COVERED:** All components and parts including ice maker and ice and water dispenser, except:

**NOT COVERED:** Any removable component (which does not affect the primary function) - Interior thermal shells/insulation - Food spoilage - Freezers which are not an integral part of the refrigerator - Multi-media center - Wine chillers - Filters.

### 3. ADDITIONAL REFRIGERATOR

**NOTE: Only available when Kitchen Refrigerator option is purchased. This option does not apply to dual compressor refrigerators.**

(See COVERED and NOT COVERED under Section H.2.)

### 4. CLOTHES WASHER

**COVERED:** All components and parts, except:

**NOT COVERED:** Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Drawers.

### 5. CLOTHES DRYER (Gas or Electric)

**COVERED:** All components and parts, except:

**NOT COVERED:** Venting - Lint screens - Knobs and dials - Dryer cabinet fragrance/humidity center, hangers,

shelves, rods, hooks, and cabinet liner - Damage to clothing - Racks - Drawers.

### 6. FREE STANDING ICE MAKER

**COVERED:** All components and parts which affect the primary function of the ice maker and ice and water dispenser, except:

**NOT COVERED:** Any removable component (which does not affect the primary function) - Filters - Interior thermal shells/insulation.

### 7. POOL AND/OR SPA EQUIPMENT

**Both pool and spa equipment (including portable spa, exterior hot tub and whirlpool) are covered when utilizing common equipment. If they do not utilize common equipment, an additional option fee is required to cover the second set of equipment.**

**COVERED:** All above ground and accessible components and parts of the heating, pumping and filtration system including: pool sweep pump and motor - pump motor - blower motor and timer - above ground plumbing and electrical.

**NOT COVERED:** Lights - Liners - Structural defects - Solar equipment - Jets - Ornamental fountains, waterfalls and their pumping systems - Pool cover and related equipment - Fill line and fill valves - Built-in or detachable cleaning equipment including, without limitation, pool sweeps, pop-up heads, turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks - Disposable filtration mediums - Heat pump - Access to pool and spa equipment - Multi-media center - Dehumidifiers.

### 8. WATER SOFTENER

**COVERED:** All components and parts, except:

**NOT COVERED:** Leased or rented units.

### 9. WELL PUMP

**COVERED:** All components and parts of well pump utilized as a source of water to the home, except:

**NOT COVERED:** Above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing - Well casings - Pressure switches not located on the pump - Holding, storage or pressure tanks - Booster pumps - Drilling of wells - Well pump and all well pump components for geothermal and/or water source heat pumps.

**NOTE: AHS will pay up to \$1,500 per contract term for access, diagnosis and repair or replacement.**

### 10. SEPTIC SYSTEM PUMPING/SEWAGE EJECTOR PUMP

**NOTE: This option is only available for First Year Customers and is not renewable.**

**COVERED:** Mainline stoppages that can be cleared through an existing access or clean out without excavation - The septic tank will be pumped once during the contract coverage term if the stoppage is due to septic back up - Sewage ejector pump in accordance with septic system only (plumbing system sewage ejector pumps are not covered unless the CoveragePlus Package is purchased).

**NOT COVERED:** Broken or collapsed sewer lines outside the foundation - Stoppages or roots that prevent the effective use of any externally applied sewer machine cable - Cost of finding or gaining access to the septic tank or sewer hook-ups - Disposal of waste - Chemical treatment of the septic tank and/or sewer lines - Tanks - Leach lines - Cesspool - Any mechanical pump or systems.

## I. LIMITATIONS AND EXCLUSIONS

**NOTE: Unless otherwise specified in this contract, the following limitations and exclusions apply:**

### General Exclusions from Coverage

1. This contract does not cover:

- Routine maintenance (you are responsible for providing maintenance and cleaning of covered items as specified by the manufacturer);
- Repair or remediation of cosmetic defects;
- Electronic, computerized, or comfort control home management systems;
- Repair, replacement, installation, or modification of any covered system, appliance, or component or part thereof, that has been, or is, determined to be defective by the Consumer Product Safety Commission or for which a manufacturer has issued, or issues, a warning, recall, or determination of defect; or
- System or appliance upgrades, or repairs or replacements required:
  - Due to missing components, parts, or equipment;
  - Due to a lack of capacity in the existing system or appliance;
  - Due to the malfunction of a system or appliance whose parts or components are improperly mismatched in terms of capacity or efficiency (unless the ServicePlus Package is purchased); or
  - To comply with any federal, state, or local laws, regulations or ordinances, utility regulations, or building or zoning code requirements.

2. AHS is not responsible or liable for performing service, or paying remediation costs, involving hazardous or toxic materials.

3. In regards to mold, mildew, bio-organic growth, rot, fungus, or pest damage, AHS is not responsible or liable for:

- Damages caused by such substances;
- Diagnosis, removal or remediation of such substances; or
- Repairs or replacements necessitated by such substances.

### Partial Exclusions from Coverage and Certain Additional Fees

4. AHS is not responsible or liable for:

- Providing or closing access to covered items;
  - Costs of construction, carpentry, or other modifications made necessary to remove, relocate, or install equipment; or
  - Restoration of any wall or floor coverings, cabinets, counter tops, tiling, paint, or the like.
5. You may be charged an additional fee by the Service Contractor:
- To obtain legally required permits;
  - To dispose of an old appliance, system or component; or
  - If cranes are needed to install or remove any equipment located on a roof top.

### Coverage Exceptions Applicable to Certain Breakdowns

6. AHS is not responsible or liable for repairs or replacements when the malfunction is due to:

- Misuse or abuse, including but not limited to, removal of parts and damage by people, pests, or pets;
- Improper repair or modification of the system or appliance prior to or during the contract term;
- Accidents, fire, freezing, water damage, electrical failure or surge, or excessive or inadequate water pressure;
- Lightning, mud, earthquake, soil movement, storms, or acts of God; or
- A manufacturer's use of improper design, improper materials or formulations, a defective manufacturing process, or other manufacturing defects.

### General Limitations of Liability

7. AHS's policy is to abide by all current federal, state and local laws, regulations and guidelines. AHS will not be responsible for any liability arising from repairs or replacements that violate any such laws, regulations or guidelines.
8. AHS is not responsible or liable for secondary, incidental, and/or consequential loss or damage resulting from the malfunction of any covered item, or a Service Contractor's neglect or delay in providing, or failure to provide, repair or replacement of such item, including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage.
9. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond AHS's control.

## J. COMMON SYSTEMS AND APPLIANCES

- If this contract is for a duplex, triplex, or fourplex dwelling, then all units within the dwelling must be covered by one AHS contract for coverage to apply to common systems and appliances.
- If this contract is for a multi-unit dwelling other than those specified in Section J.1., then only items contained within

- the confines of each individual unit are covered. Common systems and appliances are not covered.
- Except as otherwise provided in this Section, common systems and appliances are not covered.

## K. TRANSFER OF CONTRACT AND RENEWALS

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1. If the covered property changes ownership during the contract term, please call the Sales phone number on the Contract Agreement page for further information to transfer coverage to the new owner.
2. This contract may be renewed at the sole discretion of AHS. In that event, you will be notified of the plan fee and terms for renewal.
3. If you select the monthly payment option and AHS elects to renew your contract, AHS will notify you of the plan fee and terms of renewal during the 10th month of your contract. You will automatically be renewed for a 1 year coverage period unless you notify AHS in writing 30 days prior to the contract expiration. The first payment for the next contract will serve as your final authorization for another contract term.

## L. CANCELLATION

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1. AHS will not cancel this contract, except:
  - a. for nonpayment of plan fees;
  - b. for fraud or misrepresentation of facts material to the issuance of this contract;
  - c. when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable;
  - d. upon mutual agreement of AHS and the contract holder; or
  - e. if the contract holder either threatens to harm or actually harms the safety or well-being of: (i) AHS; (ii) any employee of AHS; (iii) a Service Contractor; or (iv) any property of AHS or of the Service Contractor.
2. This contract may be cancelled by the contract holder within the first 30 days following the effective date, unless otherwise agreed by AHS and contract holder. In this case, this contract shall be deemed void and the contract holder shall be entitled to a full refund of the paid plan fees less any costs incurred by AHS.
3. If AHS cancels or agrees to cancel after the 30th day, then the contract holder shall be entitled to a pro rata refund of the paid plan fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any costs incurred by AHS. If refunds are not paid or credited within 45 days, AHS will pay an added 10% monthly penalty.
4. If AHS sold this contract by an unsolicited telephone call and charged the plan fee to the contract holder's credit card account, the contract holder may cancel at any time during the contract term. The contract holder shall be entitled to a pro rata refund of the paid plan fee.
5. If the plan fees are billed through a mortgage loan which is sold or paid in full, please call (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to arrange an alternate payment method with AHS within 30 days.

## M. MISCELLANEOUS

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This contract is issued pursuant to a license granted by the Texas Real Estate Commission, and complaints in connection with this contract may be directed to the Commission at P.O. Box 12188, Austin, Texas 78711, 512-465-3917. The purchase of a residential service contract is optional and similar coverage may be purchased through other residential service companies or insurance companies authorized to transact business in Texas.

**NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE 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.**

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date