

TYPE OF WARRANTIES/EFFECTIVE DATES

Your Agreement type and effective date are listed on your Agreement Coverage Summary. Types of warranties and their respective effective dates are as follows:

1. A Seller Home Warranty, which is placed on the home by a prospective home seller at or near the time of listing, is effective immediately upon receipt and processing of the Seller Home Warranty application by us and continues for the remaining term of the listing agreement, not to exceed one hundred and eighty (180) days from the date of listing, unless sooner terminated by the sale of the dwelling (see Buyer Conversion Warranty below) or cancellation of the listing agreement. The Seller Home Warranty may be extended by us at our sole discretion. The Seller Home Warranty converts to a Buyer Conversion Warranty (see below) on the date of closing (title transfer), provided required payment has been received by us within seven (7) business days of closing.
2. A Buyer Conversion Warranty, which is a Seller Home Warranty that has converted to benefit a home buyer after closing, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing.
3. A Buyer Direct Warranty, which is purchased by or on behalf of a home buyer at the time of closing, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing, unless otherwise agreed to by us in writing.
4. A New Home Warranty, which is purchased by or on behalf of a home buyer at the time of closing of a newly constructed single family home, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing, unless otherwise agreed to by us in writing.
5. An Open Direct Warranty, which is available to homeowners not immediately purchasing or selling their home (i.e., when the home is not listed for sale and/or it is more than seven (7) business days after closing), is effective thirty (30) days after required payment has been received by us, unless we otherwise agree in writing.

PROPERTIES ELIGIBLE FOR COVERAGE

1. This Agreement covers a single family residence, including a condominium, townhouse or villa used solely for residential purposes. 2-4 unit multi-family property, owned and operated as residential income producing property, is also eligible for coverage. Any dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, group home (5 or more unrelated individuals cohabiting in same household), rest home, church or school will not be covered. Homes listed in any historical register are not covered. Whether or not this contract covers a condominium unit, mobile home, manufactured home, or multi-family property, any repairs and/or replacements will be limited to the items solely used by and located and serviceable within such single unit (unless specified otherwise). No common area items shared by non-warranted units will be covered by this Agreement.
2. 2-4 multi-family properties are eligible for the Seller Home Warranty; however, coverage is restricted to the owner occupied unit only. Tenant occupied units are not covered under the Seller Home Warranty.
3. If coverage is provided on tenant occupied units under the Buyer Conversion Warranty, Buyer Direct Warranty, New Home Warranty, and/or Open Direct Warranty, you (not the tenant) are responsible to report the claim and pay the deductible charge. Multi-family property is not eligible for the New Home Warranty.
4. Mobile homes constructed within ten (10) years of the effective date of the Agreement are eligible for coverage, provided they are permanently secured to the ground and that the land they are located on is owned by you. Mobile/manufactured homes that are located in a division operated similar to a condominium, where maintenance is provided, are also eligible for coverage.

DEFINITION OF ITEMS

This Agreement provides coverage only for those items specifically listed as being covered on your Agreement Coverage Summary. An additional fee may be required for certain coverages. Coverage of some items is not available under all plans or in every state.

This Agreement defines precisely what mechanical systems and appliances, and which of their parts and components, are covered; only those items specifically so described may be covered, subject to the limitations and conditions herein. The items listed in this section as "Examples of Items/Conditions Not Covered" are not meant to be all-inclusive and are provided for illustration. They do not limit our right to decline coverage for items not on the lists and should not in any way be deemed an expansion of items specified as Covered.

1. Kitchen/Laundry Appliances

Description of Covered Items: Mechanical parts and components affecting the proper operation of one (1) of each of the following appliances located in the kitchen: refrigerator or combination refrigerator/freezer, built-in dishwasher, built-in microwave oven, range/oven/cook-top, self-contained range exhaust unit located above the range; and built-in trash compactor. Kitchen appliance coverage is only for primary units. Mechanical parts and components affecting the proper operating condition of one (1) of each of the following primary appliances are also covered: clothes washer and clothes dryer. Covered mechanical parts and components include only the following: automatic soap dispenser; belts; compressor; condensers; control timers (oven/range clock-timers are excluded unless failure prohibits normal cooking function); defrost heaters; latch assemblies; clothes dryer heating elements; clothes dryer drum rollers; electronic components; evaporators; fan motors; range/cooktop/heating elements/burners (sensi-temp elements/burners will be replaced only with standard elements/burners); gas valves; hinges; hoses; ignitor and pilot assemblies; internal wiring; motors; power cords; pumps; pulleys; ram assembly; switches and relays; solid state control boards; thermostats; touch pads; tracks; transmissions; wash arm assemblies (dishwasher only); and water valves (dishwasher and clothes washer only). In no event shall we be liable for claims in excess of \$1000 in the aggregate per appliance for: top or down-draft cook tops, convection ovens; combination convection/microwave or convection/standard ovens; double wall ovens; and commercial-like or ultra-premium appliances.

Examples of Items/Conditions Not Covered: Automatic deodorizers; ice and beverage dispensers; buckets; commercial units; damage to clothing; drawers; door seals; drip pans; drums; exhaust fan not solely for venting range/cooktop fumes; filters and screens; food spoilage; stand-alone freezers; ice maker; interior lining; internal shelves; knobs and handles; light bulbs and fixtures; lock and key assemblies; panels and/or cabinetry; racks; removable minitubs; rollers other than clothes dryer drum rollers; rooftop exhaust units; rotisseries and probes; secondary units; sensi-temp/sensi-heat burners; shelves; springs, structural components; timers and clocks; trays; tubs; venting; washing machine agitators; and water flow restrictions due to mineral deposits, such as but not limited to, lime.

2. Primary Central Air Conditioning/Cooling System (Buyer coverage only)

Description of Covered Items: Mechanical parts and components of a centrally ducted air conditioning system and/or evaporative (swamp) cooler unit, as follows: accessible ductwork from the air conditioning unit to the point of attachment at registers/grills; air handler; blower fan motors; capacitors; compressors; condenser fan motors; condenser coils; condensers; evaporator coils, fan blades, freon gas lines interior to the unit; internal system controls, internal wiring; motors (excludes dampers), refrigerant (excludes reclamation); refrigerant filter dryer; refrigerant piping (excluding inter-connecting line sets and geo-thermal piping); relays; reversing valves; switches and controls; and thermostats (electronic set back units will be replaced only with standard units). We cover one (1) system with maximum of five (5) ton capacity, and designed for residential application. If the primary cooling system in the home is comprised of wall units, all wall units will be covered.

Examples of Items/Conditions Not Covered: Primary/secondary condensate drain pans, pumps, and lines, filters (including electronic/electrostatic and de-ionizing filter systems); heat recovery unit; inter-connecting freon lines (external of the equipment), panels and/or cabinetry; concrete encased or inaccessible ductwork, asbestos insulated ductwork or piping, recapture/reclaim of refrigerant; structural components; geothermal piping; water pumps and lines (external of the condenser unit), wall units (except as noted above), window units, and water cooling tower(s). Gas systems, including ammonia systems, and chilled water systems, are not covered.

3. Primary Central Heating System (Buyer coverage only)

Description of Covered Items: Mechanical parts and components of one system, either hot water and steam heating system or centrally ducted forced air/gas/electric heating system or electric baseboard units, if providing the primary source of heat in dwelling, as follows: accessible ductwork from covered heating unit to point of attachment to register/grill, blower fan motors; burners; controls; fan blades; heat/cool thermostats (electronic set back units will be replaced only with standard units); heat exchangers; heating elements; ignitor and pilot assemblies; internal system controls, wiring, and relays; motors (excludes dampers); and switches. Electric baseboard units are covered if they are the primary source of heating for the property. In no event shall we be liable for claims in excess of \$2000 in the aggregate per covered property for systems that have been converted from coal-to-oil, coal-to-gas, or oil-to-gas, or for hot water or steam heating systems.

Examples of Items/Conditions Not Covered: Chimneys, flues, and liners, cleaning and re-lighting of burners, concrete encased or inaccessible ductwork, asbestos insulated ductwork or piping; concrete encased steam or radiant heating coils or lines; electric baseboard heat unless primary heating system in home; filters (including electronic/electrostatic and de-ionizing filter systems); fireplaces; free-standing or portable heating units; fuel storage tanks, lines, and filters; gas log systems, including gas feed lines, humidifiers; individual space heaters; maintenance and cleaning; panels and/or cabinetry; radiant heating systems built into walls, floors or ceilings; pressure regulators; registers/grills; secondary units; solar heating devices and components, and structural components.

4. Plumbing System/Plumbing Pipes

Description of Covered Items: Mechanical parts and components of the following: garbage disposals, interior hose bibs; shower and tub valves, faucets; toilet tanks, bowls, and toilet mechanisms within the toilet tank. Leaks and breaks, except those caused by plumbing stoppages, of water, gas, drain, waste and vent lines within the perimeter of the main foundation are also covered. We cover up to three (3) toilets.

Examples of Items/Conditions Not Covered: All plumbing in or under the ground, foundation or slab, all piping and plumbing outside of the perimeter of the foundation; bath tubs, bidets; caulking or grouting; color or purity of the water in the system; concrete encased plumbing; conditions of insufficient or excessive water pressure; conditions caused by plumbing stoppages; conditions of water flow restriction due to scale, rust, minerals and other deposits; exterior hose bibs; holding and pressure tanks; jet pumps; laundry tubs; lawn sprinkler systems; pressure regulating devices; repair and finish of any walls, floors or ceilings where it is necessary to break through to effect repairs except for rough finish allocation of \$75.00; septic tanks and systems in or outside of the home; sewage ejector pumps; sewer and water laterals, wells and well pumps; solar systems; shower enclosures and base pans; sinks; sump pumps; toilet tank lids and toilet seats; water damage, water filters and water purification systems and their respective plumbing and mechanical components.

5. Water Heater

Description of Covered Items: Mechanical parts and components, including circulatory pumps and domestic hot-water coils attached to boilers, but excluding solar and heat recovery units.

Examples of Items/Conditions Not Covered: Color or purity of water; heat recovery units, insulation, noise; secondary holding/storage tanks; sediment build-up; and solar heaters, including all parts and components.

6. Water Softener

Description of Covered Items: Mechanical parts and components of basic single and twin water softener units, including central head assembly, piping to and from unit(s) and system tanks.

Examples of Items/Conditions Not Covered: Any and all treatment, purification, odor control, iron filtration components and systems; discharge drywells; failure due to excessive water pressure or freeze damage; failures due to mineral and/or sediment; resin bed replacement; and salt.

7. Electrical System

Description of Covered Items: Standard mechanical parts or components located within the perimeter of the outer load bearing walls consisting of: main breaker or fuse panel/box; interior standard light switches, receptacles and general line voltage wiring; ceiling fan motors and their controls; door bells and chimes.

Examples of Items/Conditions Not Covered: Attic, bathroom, and/or whole house exhaust fans; fire and smoke alarm systems and batteries; direct current (DC) wiring and systems; exterior wiring and components (except main panels mounted to exterior wall); exhaust fans; intercom or speaker systems; lighting fixtures; load control devices; low voltage systems including wiring and relays; telephone systems; timers; touch pad assemblies; utility meter base pans; and wall fans. Failures and conditions caused by inadequate wiring capacity, circuit overload, power failure/shortage or surge, and corrosion caused by moisture are not covered.

8. Garage Door Opener

Description of Covered Items: Mechanical parts and components of a single primary unit as follows: motor, receiver board; relays; switches and sensors; and drive trains.

Examples of Items/Conditions Not Covered: Batteries; damage caused by door malfunctions; all door assemblies including door panels, tracks, rollers, hinges, cables and springs; frequency interference; lights; sending units; and transmitters.

9. Central Vacuum System

Description of Covered Items: Motor; switches; relay, wiring.

Examples of Items/Conditions Not Covered: Secondary units, structural components, panels and/or cabinetry; handles; knobs; hoses; powerhead assemblies; and attachments.

10. Well Pump System (Buyer option only)

Description of Covered Items: Mechanical components and parts of the submersible or above ground well pump utilized as the sole source of water supply only for the main dwelling, excluding irrigation system, as follows: motor; pump; impellers; seals; and controls. For units that also supply water for use outside the main dwelling, only the capacity required to supply water to the main dwelling, excluding irrigation system, is covered. (Continued on back panel).

Examples of Items/Conditions Not Covered: Contamination or lack of water; excavation or other charges necessary to gain access to the pump; failure attributed to well impurity; joint wells; piping and electrical lines leading to and from the unit; pressure, holding or storage tank(s); re-drilling of wells; secondary/booster pumps; and well casings.

11A. Swimming Pool (Buyer option only)

Description of Covered Items: Mechanical parts and components as follows: Above ground accessible piping lines leading to and from the unit; filters (housings, laterals, pressure gauges, back flush valves); gaskets; primary circulator pump and motor; and relays and impellers.

11B. Spa (Buyer option only)

Description of Covered Items: Mechanical parts and components as follows: above ground accessible plumbing lines leading to and from unit; air pumps; blower motor; filters (free-standing housing body, laterals, pressure gauges, back flush valves); gaskets; impellers; internal spa pack heater; internal switches; primary circulator pump and motor; and relays.

11C. Combination (shared equipment) Swimming Pool and Spa (Buyer option only)

Description of Covered Items: Mechanical parts and components as follows: above ground accessible plumbing lines leading to and from unit; air pumps; blower motor; filters (free-standing housing body, laterals, pressure gauges, back flush valves); gaskets; impellers; internal spa pack heater; internal switches; primary circulator pump and motor; and relays.

Examples of Items/Conditions Not Covered: Automatic feeders and chemicals; chlorinators; "creepy crawlers" and similar cleaning units; electrical lines, filter elements or media (i.e., cartridges, grids and sand); heaters; lighting, pop up heads and turbo valves; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment, skimmers; solar heaters and related components; structure, liner or shell of the pool, timer systems; and underground and/or concrete encased plumbing.

12. Heater for Swimming Pool and/or Spa (Buyer option only)

Description of Covered Items: Mechanical components and parts of gas, electric, oil, and heat pump units. In no event shall we be liable for claims in excess of \$1000 in the aggregate per covered property with respect to pool or spa heaters.

Example of Item Not Covered: Freon reclamation.

13. Jetted Bathtub (Buyer option only)

Description of Covered Items: Mechanical parts and components as follows: accessible electrical controls; accessible plumbing lines; air pumps; drains; gaskets; and primary circulation pump and motor.

Examples of Items/Conditions Not Covered: Bathtub shell; caulking and grout; failures due to dry operation of equipment; gaining access to piping, electrical and component parts; tiles and marble; and tub enclosure.

We agree to repair the items listed as covered on your Agreement Coverage Summary if they become inoperable during the term of this Agreement due to mechanical failure caused by routine wear and tear, subject to the terms and conditions of this Agreement. We reserve the right, at our option, to replace items rather than repair them. The definitions of the specific items that may be listed on your Agreement Coverage Summary as covered, as well as other limitations on coverage and other terms and conditions, are listed below.

This Agreement covers only mechanical failures relating to the mechanical parts and components of those domestic-grade items that were in the home and in proper operating condition on the Agreement effective date. "Mechanical failure" occurs when a covered item becomes inoperable and unable to perform its designed function, subject to the limitations and conditions set forth herein. Mechanical failure is not covered if it is due to: conditions that existed prior to Agreement effective date; lack of routine care and maintenance or misuse. Mechanical failure of kitchen/laundry appliances, air conditioning system, heating system, and/or pool/spas and their respective heaters, due to rust or corrosion, is not covered in the Seller Home Warranty, and, subject to other terms and conditions of this Agreement is not covered unless such failure occurs more than 30 days after Agreement effective date of the Buyer Conversion, Buyer Direct or Open Direct. Mechanical failure of water softener due to rust and/or corrosion is not covered. "Domestic-grade" items are those that were manufactured and marketed solely for installation and use in a residential single family dwelling. The covered item will be deemed to have been in "proper operating condition" on the Agreement effective date if it was correctly located within the home, was fully connected, was capable of successfully performing all operations commensurate with the manufacturer's original design intention, and did not pose any hazard to life or property. Determination of the operating condition as of Agreement effective date, and the nature of any failure, will be made by us based upon the professional opinion of our direct employees, reflecting but not limited to, our authorized contractor's diagnosis.

GENERAL EXCLUSIONS

1. This Agreement provides coverage for the mechanical failure of only those items listed as covered on your Agreement Coverage Summary and only to the extent described herein. This Agreement does not cover any items not specifically named as covered on your Agreement Coverage Summary.

2. Items are not covered if they are: mismatched (systems with incompatible components with different capacity ratings); modified from the original manufacturer design or application; under factory recall due to manufacturer defect; improperly installed; or located outside the perimeter of the main foundation (i.e., outside the outer load bearing walls of the structure) or below the slab or basement floor of the home (with the exception of central air conditioning units, main electrical panels mounted on outside walls; pool; spa and well pump).

3. This Agreement is intended to cover only repairs and/or replacements due to mechanical failure attributable to ordinary wear and tear. Accordingly, the Agreement does not cover failures which may result from other causes, such as without limitation: abuse or misuse; improper installation; improper or insufficient maintenance; neglect or misuse; lightning strikes; missing parts; animal, pet and/or pest damage; power failure; power surge; fire; casualty; acts of God; structural and/or property damage; flood; smoke; earthquake; freeze damage; accidents; war; nuclear explosion, reaction, radiation or radioactive contamination; insurrection; riots; vandalism; or intentional destruction of property.

4. This Agreement does not cover upgrading or making modifications to items due to, but not limited to, the following reasons: capacity (over or undersized); dimensional or design change; conditions of insufficient or excessive water pressure; conditions of inadequate wiring capacity; circuit overload; power failure and/or surge; failure to meet building code(s), zoning requirements; utility regulations; or failure to comply with local, state or federal laws or regulations.

5. This Agreement does not cover any costs associated with any upgrades or modifications to comply with federal, state, and local law, code, regulation, ordinance or permits. Such costs are your responsibility.

6. This Agreement does not cover: fees associated with the removal and disposal of old systems, appliances and components; or losses or other costs, including, but not limited to, disposal fees arising from hazardous or toxic material, asbestos, freon or freon reclamation.

7. This Agreement does not cover repair or replacement of systems, appliances or components classified by the manufacturer as commercial-grade. In no event shall we be liable for claims in excess of \$1000 in the aggregate per commercial-like or ultra-premium appliance such as, but not limited to: brand names such as Sub-zero, GE Monogram Series, Thermador, JENN-AIR, Viking, and Delfield (individual trademarks are owned by the brand name company).

8. This Agreement does not cover (a) fees associated with use of cranes or other lifting equipment required to service roof-top heating or air-conditioning units; or (b) excavation or other charges associated with gaining access to the well pump, or (c) electronic computerized energy management systems or devices, or lighting and/or appliance management systems.

9. This Agreement does not cover ductwork with the sole exception of ductwork that is exposed and readily accessible to service a mechanical failure of a covered air conditioning or heating claim. The following additional exclusions apply: asbestos insulated ductwork, concrete encased or inaccessible ductwork, crushed/collapsed ductwork; ductwork damaged by moisture, water, pests and/or animals; insulation, registers, grills and dampers; underground ductwork. Inaccessible ductwork refers to ductwork that is used in central heating and/or air conditioning systems that is not exposed and cannot readily be accessed for replacement or repair due to design and installation obstacles such as, but not limited to, permanent partitions, chimneys, etc., and ductwork embedded in floors, walls or ceilings.

10. We are not liable for charges incurred to gain access to a system, appliance or component in situations where there is not adequate capacity or space for serviceability caused by, but not limited to, walls, floors, ceilings, permanently installed fixtures, cabinets, or personal property. In the event it is necessary to open walls, floors, or ceilings, or to move such fixtures, cabinets, or personal property to perform a diagnosis or service, we are not responsible for restoring such openings, items, or property.

11. We are not responsible or liable for delays or failure to provide service caused by, or related to: any of the exclusions listed herein; shortages of labor and/or materials; or any other cause beyond our reasonable control. We are not liable for additional charges to access or transport materials, supplies, or authorized contractors to the covered property due to lack of or inhibited serviceability, such as but not limited to, required use of ferries or barges and/or remote locations.

12. We are not responsible for damage that results from an authorized contractor's service or delay in service.

13. We are not responsible for incidental and/or consequential loss or damages resulting from the mechanical failure of any item including, without limitation, food spoilage, loss of income, additional living expenses, and/or property damage.

14. Should any item otherwise covered by this Agreement be covered by insurance, warranties or guarantees, including but not limited to a manufacturer's, contractor's, builder's, distributor's, or in-home warranty, we are not liable for repairs or replacements covered by such insurance, warranties, or guarantees. Our coverage is secondary to such insurance, warranties, or guarantees.

15. Subject to the specific item limitations listed herein, our liability does not exceed \$5,000 per covered claim (a payment made as a result of a request for service due to the failure of a single covered item).

16. Under no circumstances, and subject to the specific items limitations listed herein, does our liability exceed \$15,000 in the aggregate per Agreement term.

17. If you authorize or perform any improper alterations, installations or repairs or improperly modify any system, appliance or component covered by this Agreement, or damage it in the course of remodeling or repair, we will no longer be obligated to cover such item(s).

18. Should any building or zoning permits be necessary, Contract holder shall be responsible to obtain these permits and the costs associated with these permits. Contract holder will also be responsible for the cost of handling asbestos, freon recovery, fees associated with the removal and disposal of old systems, appliances or components and/or hazardous materials.

PLEASE DO NOT CALL A CONTRACTOR YOURSELF.

**You Will Not Be Reimbursed For Work Performed
Without Prior HMS Approval.**

For 24 Hour Claims Service: 1-800-432-1033

**Deductible/Service Fee: Covered is subject to standard deductible fee of
\$100 (or the actual amount, if less) per trade, per service call.**