

Appliance Protection Plan Agreement

For service or questions, call toll-free (877) 977-4949 or visit homewarrantyinc.com

This Appliance Protection Plan ("Agreement") is between the provider, Home Warranty of the Midwest, Inc., P.O. Box 1, Rock Rapids, IA 51246, (877) 977-4949 ("We", "Us", and "Our") and the purchaser ("You" and "Your")

The Welcome Letter sent to You upon enrollment is incorporated into these terms and conditions.

COVERAGE REQUIREMENTS

1. All covered systems and appliances must be in normal operating condition at the time coverage takes effect. Conditions determined to have existed prior to the coverage period or systems and appliances that never functioned properly during the period of warranty coverage are pre-existing conditions and are not eligible for coverage under this Agreement.
2. Agreement covers only repairs resulting from normal wear and tear associated with normal usage of covered items.
3. Purchase or registration of the plan implies consent to all Agreement terms and conditions.
4. Coverage starts on the date of application, provided that fees are received within 14 business days, and continues for the number years purchased. If payment is later than 14 days, the Agreement will commence on the day that payment is received. Arrangements for monthly payments over the annual term may be available with coverage commencing 30 days after payment is received. Remaining annual purchase price payments may be deducted from service reimbursements. Coverage for optional items added after the initial order period will have a 30-day waiting period before claims may be filed on those optional items.

COVERAGE

1. Agreement provides for repair (including parts and labor) or replacement on all items for which coverage has been purchased (subject to terms and limitations of this Agreement).
2. Items for which parts or technical information are not available (other than non-readable or missing make, model or serial numbers) or items for which the repair exceeds replacement cost of the item will be deemed non-repairable. A customer whose mechanical system or appliance has been deemed non-repairable will be given the monies available in the Replacement Account. Items for which parts or technical information are not available due to non-readable or missing make, model and serial numbers will be assessed a repair estimate based on a comparable repair.
3. The Replacement Account consists of 100% of the money paid in for this Agreement on a covered item, subject to a maximum of \$400 for appliances (except refrigerators), \$600 for refrigerators and \$1,000 for furnaces, air-to-air heat pumps, or air conditioners. Replacement Account monies shall be kept in the account until the covered item is deemed non-repairable. Replacement Account terminates upon expiration of the Agreement.
4. We may (at Our discretion) allow You to forgo repair and apply an amount up to what the repair would have cost to the replacement of an item instead, but allowance will never exceed Our estimate of remaining cost of repair, regardless of age or condition of the item. If You elect to replace equipment with used equipment (from eBay, Craigslist and the like), the replacement equipment will be subject to a **30-DAY WAIT IN CLAIMS**.
5. We have sole discretion to choose service personnel and will not reimburse for work performed without its prior approval or by service personnel contacted directly by the customer unless directed to do so by Us except in the case of emergency repairs described below.

6. All requests for service not answered immediately will be acknowledged with a return phone call within 4 hours during normal working hours and 48 hours on weekends and holidays. Agreement allows for You to contact Us and schedule service during normal business hours. You may elect to have after hours service performed at Your own discretion but You will be responsible for any additional fees associated with expediting the service. We reserve the right to obtain a second opinion. In the event of an after-hours emergency, to obtain service please call toll-free 24/7/365 at (877) 977-4949 and select the Emergency Service option.
7. We reserve the sole right to determine whether a covered system or appliance will be repaired or replaced and to limit the amount paid on any individual repair or replacement.
8. If a property has multiple mechanical systems or appliances that require the purchase of additional coverage in order to be covered and additional coverage is not purchased, We will limit coverage to the appliance specified in the application.
9. We reserve the right to have the repair or replacement performed with after-market, off-brand, used, remanufactured, or reconditioned parts.
10. Notice of any malfunction must be given to Us prior to Agreement expiration with the initial service call scheduled within 30 days and all approved work must be completed within 6 months of Agreement expiration.
11. Unless a part of item is specifically listed under the "COVERED" section for the particular item in the section entitled "Items Available for Coverage" below, the item or part is not covered.
12. There is no deductible for coverage under this Agreement.

ITEMS AVAILABLE FOR COVERAGE

1. **Furnace or Air-to-Air Heat Pump (Note: coverage on furnace or air-to-air heat pump repairs is limited to \$1,000 per contract year).** COVERED: Main heating and associated parts and components including blower fan motors; burners; controls; fan blades; heat/cool thermostats; zone control systems; heat exchangers; heating elements; ignitor and pilot assemblies; internal system controls; wiring and relays; motors and switches; air handler; capacitors; compressors; condenser fan motors; condenser coils; evaporator coils; fan blades; pumps; and reversing valves. NOT COVERED: Portable or window units; solar heating systems; pellet or wood stoves; radiant cable heat or fireplaces and associated components; chimneys; outside or underground piping; circulation components or re-drilling of wells for water source heat pumps; fuel storage tanks and expansion tanks; filters; timers; heat lamps; humidifiers or dehumidifiers; condensate drain pump; flues and vents; improperly sized systems; cleaning and maintenance; free-standing or gas log systems, including gas supply lines; dampers; pressure regulators; computerized energy management systems; electronic air cleaners; water towers; roof jacks and stands; any system with asbestos; heat recovery units; interconnecting refrigerant lines; water pumps; water cooling towers; improper use of metering devices; insulation; concrete pads; baseboards, dampers; casings and registers; radiators tied to boiler systems; and boiler.
2. **Air Conditioner (NOTE: coverage on air conditioner repairs is limited to \$1,000 per contract year).** COVERED: Cooling system (including a heat pump, central air conditioner, or water evaporative cooler unit) and associated parts and components including blower fan motors; controls; fan blades; heat/cool thermostats; damper or zone control systems; internal system controls; wiring and relays; motors and switches; air handler; capacitors; compressors; condenser fan motors; condenser coils; evaporator coils; fan blades; pumps; refrigerant filter dryer; refrigerant piping; reversing valves; and refrigerant (up to \$20 per pound) on all authorized sealed system repairs. NOT COVERED: Portable or window units; outside or underground piping; circulation components or re-drilling of

wells for water source heat pumps; fuel storage tanks; expansion tanks; filters; timers; humidifiers or dehumidifiers; condensate drain pump; flues and vents; improperly sized systems; cleaning and maintenance; pressure regulators; computerized energy management systems; gas air conditioning systems; electronic air cleaners; water towers; roof jacks and stands; chillers; any system with asbestos; interconnecting refrigerant lines; water pumps; water cooling towers; improper use of metering devices; pre-coolers; insulation; concrete pads; costs related to adding or recapturing refrigerant.

3. **Annual Furnace Inspection.** Customers who sign up for annual inspections on an item must also be signed up for coverage on that item. It is the responsibility of customers who are signed up for annual inspections to contact Us annually to request the inspection. Inspections are limited to one per contract year, and no refund will be given on inspections that the customer failed to schedule within a contract year.
4. **Water Heater.** COVERED: Main unit (including a tank, tankless, power vent unit, or indirect water heaters and components); exhaust blower assembly; water heater elements; gas control valves; and thermostats. **Coverage on water heater is limited to \$500 per contract year.** NOT COVERED: Solar water heaters and components; thermal expansion or holding tanks; noises; odors; color or purity of water; flues and vents; insulation blanket; hot water dispensers are considered secondary water heaters and are not covered unless optional coverage is purchased; combination water heaters/boilers; and components unless purchased as a secondary heating unit.
5. **Trash Compactor.** COVERED: All components and parts except: NOT COVERED: Lock and key assemblies; and removable buckets.
6. **Built In or Over the Range Microwave.** COVERED: All components and parts except: NOT COVERED: Portable, countertop, convection, infrared, or high-speed units; interior linings; glass; shelves; handles; venting components; and meat probe assemblies or rotisseries.
7. **Refrigerator/Stand Alone Freezer.** COVERED: All components and parts except: NOT COVERED: Ice makers; ice crushers; beverage dispensers and associated parts; interior thermal shells or liners; food spoilage; drain heaters; inaccessible leaks/repairs.
8. **Dishwasher.** COVERED: All components and parts including racks, baskets and rollers; and portable units in home at time of warranty inception. NOT COVERED: Cleaning or repair due to failure caused by foreign objects, door seals/gaskets; handles and knobs; soap/rinse aid dispenser; scale, rust, minerals and other deposits. Rack replacement is at Our discretion.
9. **Range/Oven/Cooktop Stove/Wall Oven.** COVERED: All components and parts except: NOT COVERED: Clocks (unless they affect the function of the oven); meat probe assemblies or rotisseries; racks; magnetic induction; door seals/gaskets; handles and knobs; convection function; venting; and glass. Thermostatic controllers will only be replaced with standard controls.
10. **Washer.** COVERED: All components and parts except: NOT COVERED: Fabric softener dispensers; filter screens; knobs and dials; damage to clothing.
11. **Dryer.** COVERED: All components and parts except: NOT COVERED: Venting; knobs and dials; and damage to clothing.
12. **Water Softener.** COVERED: All parts and components except: NOT COVERED: Rental units are not eligible for coverage; resin bed or resin replacement.

LIMITS OF LIABILITY

1. Conditions resulting from Your negligence, acts of God, or situations beyond what We consider to be normal usage are not covered (including but not limited to abuse, pet/pest damage, theft, water, flood, fire, lightning, freezing, earth movement, wind, improper installation/alteration, lack of

adequate power or water supply, power failure/surges, blown fuses or tripped breakers, unplugged appliances).

2. Service will not be performed on systems with hazardous/toxic materials or asbestos, nor does Agreement provide for any removal, disposal, or demanufacturing of an appliance or mechanical system or any costs associated with the removal, reclamation, or disposal of materials, chemicals, or fluids associated with repair or replacement of a mechanical system or appliance.
3. Any system or appliance outside the confines of the home is not covered with the exception of central air conditioning or heat pump units.
4. Appliances or mechanical systems used for commercial or home business use (included but not limited to day care, beauty salon, catering) are not eligible for coverage.
5. Agreement does not cover any repairs already covered by a manufacturer's warranty, recall notice or service bulletin, or manufacturer's defect.
6. Cosmetic and non-operational repairs are not covered (including but not limited to noise, odor, corrosion, clocks/timers, self-cleaning function or other parts not affecting the core operation of the item, loss of some optional functions, computerized monitoring equipment). Agreement does not pay for repairs associated with lack of performance due to improperly sized systems, failure to conduct routine maintenance, or build-up of lime, scale, sediment or other chemical deposits, color or purity of water.
7. Agreement does not pay for services associated with routine maintenance (including but not limited to cleaning, lubricating, filter replacement, or when no failed parts are detected or failure is unable to be duplicated).
8. This Agreement is not an insurance policy and will not duplicate or substitute for coverage provided under any insurance policy.
9. Any removal, repair, or replacement of systems whose defect is caused by moisture (including but not limited to mildew, mold, rot, fungus, corrosion) is not covered.
10. Consumable or expendable items are not covered (including but not limited to filters, light bulbs).
11. We will not be responsible for any work or expense (including permits) needed to bring systems into compliance with federal, state, local, utility, or any other jurisdiction's codes or regulations.
12. Agreement does not cover any consequential damages including but not limited to: food spoilages; clothing damages; damages to persons, real property, personal property, or any other items (whether covered by this Agreement or not) due to the failure of, or lack of timely repair or replacement of, an appliance or system.
13. Removal or reconstruction of, or subsequent or incidental damage to, systems, appliances, units, or walls, floors, carpeting, tile, ceilings and the like necessary to make repairs is not covered.
14. Any system or appliance where You have failed or refused to provide a service company access to the item or its supporting systems is exempt from coverage.
15. This Agreement does not cover delays or failures to provide service caused by or related to any of the exclusions listed therein, shortages of labor or materials, or unwillingness of a servicer to perform service; verbal abuse; threat of legal action; or requests of the servicer to violate ethical standards or misrepresent the true nature of the diagnosis.
16. Any system or appliance that is operating within regulatory (including but not limited to EPA, OSHA, state or local building codes) or industry trade (including but not limited to ASHRAE, BPI) standards for carbon monoxide emissions or refrigerant loss is considered safe for operation and is not eligible for repair or replacement under this Agreement until levels exceed these standards.
17. This Agreement contains the entire Agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and

contemporaneous Agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

TRANSFER, CANCELLATION AND RENEWAL

1. **Transfer:** This Agreement is transferable to a new owner of the covered property but remains tied to the originally warranted systems and appliances of the covered property.
2. **Cancellation by Us:** We reserve the right to change or cancel this Agreement upon 30 days written notice stating the reason for an effective date of cancellation mailed to Your last known address in Our records. In the event of material misrepresentation (including misrepresentation of equipment condition), or failure to pay, cancellation may be immediate and without notice unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS." If We cancel this Agreement, We shall refund to You 100% of the unearned prorated purchase price based on months remaining on the Agreement, except for cancellation for nonpayment by You, in which case no refund will be provided. No cancellation fee shall be assessed if this Agreement is cancelled by Us unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS."
3. **Cancellation by You:** You may cancel this Agreement at any time for any reason by submitting a written cancellation request to: Home Warranty of the Midwest, Inc., P.O. Box 1, Rock Rapids, IA 51246. Cancellation becomes effective at the end of the current month of coverage:
 - a. If You cancel this Agreement within the first 30 days from the date of purchase and no claims have been made, You are entitled to a refund of the full purchase price of the Agreement and no cancellation fee will be assessed unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS." If You are entitled to a refund for such cancellation and such refund is not paid within 45 days, a penalty of 10% of the purchase price shall be added to Your refund for each month such refund remains unpaid.
 - b. If You cancel this Agreement after 30 days from the date of purchase or after a claim has been made, You are entitled to a prorated refund of the unearned purchase price based on months remaining on the Agreement, less the cost of claims paid and a cancellation fee of the lesser of \$50 or 10% of the purchase price, unless otherwise stated below in "STATE-SPECIFIC AMENDMENTS."
4. **Renewal:** Agreements are renewable at Our discretion and where permitted by law. We will notify You of renewal rate and Agreement terms if applicable. Agreements on a monthly payment plan will auto-renew in perpetuity unless We are notified in writing of Your wish to cancel. Plan renewals take effect from the expiration of the original Agreement period and are for a period of 1 year. Any renewals effectuated after the expiration date of the Agreement will be subjected to a 30-day waiting period before coverage will resume.
5. **Email/Phone Consent:** You agree that we, or a third party acting on Our behalf, may contact You in the future by telephone, electronic mail, or U.S. mail regarding renewal of, changes to, terms regarding, or new products related to Your plan. You may opt out by contacting Us.

MISCELLANEOUS

Agreement is subject to state and local sales taxes where applicable. We reserve the right to change/amend plan prices, coverage, or Agreement terms without notice. Customer agrees to settle all disputes associated with this Agreement exclusively through final and binding arbitration, unless the laws of the state

where the Covered Property is located requires otherwise, on an individual basis only, and not in any form of class, collective, or private attorney general representative proceeding ("Class Action Waiver"). This binding arbitration provision does not prevent the filing of a complaint with a governmental administrative agency to the extent such complaints are permitted notwithstanding an Agreement to arbitrate. This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Iowa. Purchase or advertisement of this warranty may result in Us paying a fee or commission to an agency, independent agent or sales associate. Obligations of the provider under this Agreement are backed by the full faith and credit of the provider and are not guaranteed under a reimbursement insurance policy.

STATE-SPECIFIC AMENDMENTS

Alabama residents: A cancellation fee of the lesser of \$25 or 10% of the purchase price of the Agreement will be assessed on any cancellation after 30 days from the date of purchase or after a claim has been made.

Colorado residents: This Agreement may be covered by the Colorado Consumer Protection Act and/or the Unfair Practices Act, Article 1 of Title 6 of the Col. Rev. Stat. You may have a right to civil action under those laws, including obtaining the recourse or penalties specified in those laws. Repairs will begin within 48 hours after We return Your call or as otherwise agreed.

Georgia residents: No claims paid will be deducted from any refund owed. We may not cancel this Agreement for any reason other than nonpayment of the purchase price by You, fraud, or misrepresentation by You. This Agreement is backed by a surety issued by Travelers Casualty and Surety Company of America, 1 Tower Square, 2MS, Hartford, CT 06183. You have the right to make a direct claim to Travelers Casualty and Surety Company of America in the event that We do not pay a claim or provide a refund within 60 days after You have filed the proof of loss.

Illinois residents: A cancellation fee of the lesser of \$50 or 10% of the purchase price of the Agreement will be assessed on any cancellation.

Indiana residents: Our obligations under this Agreement are backed by reimbursement insurance policy issued by Chubb Group of Insurance Companies, 202B Hall's Mill Road, Whitehouse Station, NJ 08889, (800) 699-9916. If We have not paid a claim or provided service within 60 days of Your request being made, including refunds, You are entitled to make a claim directly with the insurer.

Iowa residents: The issuer of this Agreement is subject to regulation by the Insurance Division of the Department of Commerce of the State of Iowa. Commissioner: Doug Ommen, 1963 Bell Avenue, Suite 100, Des Moines, IA 50315. Complaints that are not settled by the issuer may be sent to the Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, IA 50315. **The time period for payment of a full refund before a penalty is assessed is amended from 45 days to 30 days.**

Kentucky residents: The maker maintains a performance bond in accordance with the regulations as set forth by the Commonwealth of Kentucky. The holder of the Agreement shall be entitled to make a direct claim against the insurer upon the failure of the maker to pay any claim within 60 days after the claim has been filed with the maker: United States Fire Insurance Company, 11490 Westheimer Rd, Ste. 300, Houston, TX 77252-2807.

Michigan residents: If performance of the Agreement is interrupted because of a strike or work stoppage at the company's place of business, the effective period of the Agreement shall be extended for the period of the strike or work stoppage.

Minnesota residents: In the event of Our cancellation of this Agreement due to Your nonpayment of the purchase price or material misrepresentation, We will provide only 5 days' notice of cancellation.

Nevada residents: In the event You are not satisfied with the manner in which We are handling a claim, You may file a complaint with the Nevada Division of Insurance by calling

(888) 872-3234. In accordance with the laws of the State of Nevada, If this contract is issued in Nevada, only Nevada law, and not the laws of any other state, may govern its substantive provisions. No claims paid will be deducted from any refund owed. If You cancel this Agreement after 30 days from the date of purchase or after a claim has been made, a cancellation fee of the lesser of \$25 or 10% of the purchase price of the Agreement will be assessed. Discovery of fraud or material misrepresentation by the holder in obtaining the service contract, or in presenting a claim for service thereunder may result in cancellation of this Agreement upon 15 days written notice of the event.

New Mexico residents: The time period for payment of a full refund before a penalty is assessed is amended from 45 days to 60 days. We may not cancel this Agreement once it has been in effect for 70 days except for (1) Your failure to pay an amount when due; (2) Your conviction for a crime that results in an increase in the service required under the Agreement; (3) discovery of fraud or material misrepresentation by You in obtaining this Agreement or in making a claim; or (4) discovery of either of the following if it occurred after the effective date of the Agreement and substantially and materially increased the service required under the Agreement: (a) an act or omission by the holder; or (b) a violation by the holder of any condition of the Agreement.

North Carolina residents: We may only cancel this Agreement for Your non-payment or for a direct violation of this Agreement by You.

Oklahoma residents: In Oklahoma, We are operating under First Home Warranty of the Midwest (Oklahoma ID #503353503).

South Carolina residents: In the event of a dispute with the provider of this Agreement, You may contact the South Carolina Department of Insurance, Capitol Center, 1201 Main St., Ste. 1000, Columbia, SC 29201 or (800) 768-3467.

TEXAS RESIDENTS: Service under this Agreement will be initiated within 48 hours of a request for service being made. We may not cancel this Agreement for any reason other than nonpayment of the purchase price by You, fraud, or misrepresentation by You, or if the Agreement is contingent on an interest in real property not being sold.

This Agreement is issued by a Residential Service Company licensed by the Texas Real Estate Commission. Complaints about this Agreement or company may be directed to the Texas Department of Licensing and Regulation, Service Contract Providers, P.O. Box 12157, Austin, TX 78711, (512) 463-6599. The purchase of a residential service contract or home warranty contract is optional and similar coverage may be purchased from other residential service companies or insurance companies authorized to conduct 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 AGREEMENT. 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: _____

Agreement Number: _____

(We will provide)

NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.

Utah residents: Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association. This service contract or warranty is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Utah.

Wisconsin residents: THIS AGREEMENT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. Any claim or dispute by Customer against Home Warranty may be resolved by arbitration only upon mutual consent of the parties. This Contract shall be governed, construed and enforced in accordance with the laws of the State of Wisconsin without regard to principles of conflicts of law. Exclusive jurisdiction shall be in the courts located within the jurisdiction in which the Covered Property is located.

Wyoming residents: The Wyoming Constitution, Article 19, Section 8 states that, "The legislature may provide by law for the voluntary submission of differences to arbitrators for determination and said arbitrators shall have such powers and duties as may be prescribed by law; but they shall have no power to render judgment to be obligatory on parties; unless they voluntarily submit their matters of difference and agree to abide the judgment of such arbitrators." This agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the State of Wyoming. Any legal proceedings shall take place in the State of Wyoming.