

Home Protection Plan Agreement

For service or questions, or for multi-unit pricing and terms, call toll-free (877) 977-4949 or visit homewarrantyinc.com.

This Home Protection Plan ("Agreement") is between the provider, Lyndon Southern Insurance Company, 10751 Deerwood Park Blvd., Ste. 200, Jacksonville, Florida 32256 (800) 888-2738, Florida License No. 03698 ("We", "Us", and "Our") and the purchaser ("You" and "Your").

Administrator – Home Warranty of the Midwest, Inc., P.O. Box 1, Rock Rapids, IA 51246 (877)977-4949.

The Welcome Letter sent to You upon enrollment is incorporated into these terms and conditions. Purchase or registration of this plan implies consent to all Agreement terms and conditions.

Certain items and events are not covered by this Agreement. Please refer to the Exclusions section of this Agreement for details.

COVERAGE REQUIREMENTS

- 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 this Agreement are pre-existing conditions and are not eligible for coverage under this Agreement.**
- Agreement covers only repairs resulting from normal wear and tear associated with normal usage of covered items.

Seller: Coverage starts on date of sign up and continues for a period of one hundred eighty (180) days, until the close of sale, or cancellation and/or expiration of listing or coverage (whichever occurs first). We may, at Our own discretion, extend the listing coverage period or allow for the purchase of additional listing coverage in the event the close of sale does not occur during the original one hundred eighty-day (180) period. Extra seller coverages are only available at the time of initial listing and may not be changed later. If fees are not received within fourteen (14) days of the start of the coverage, extra coverages will be removed from coverage and may not be added later. Extra items coverages that are part of the Agreement during the listing period must also be part of the final Agreement. Coverage for Heating, Air, and Water Heater will be provided to the seller upon satisfactory inspection (with Our approved forms) by a professional heating and cooling contractor (or upon payment of optional fees if no inspection is conducted).

Buyer: Coverage starts on the date of closing and continues for fourteen (14) months unless multiple-year coverage is purchased. Initial payment for the Agreement must be received by Us not more than fourteen (14) days after closing. If payment is later than fourteen (14) days, the Agreement will commence on the day that payment is received. Coverage purchased outside of closing starts on the day payment is received. Arrangements for monthly payments over the annual term may be available with coverage commencing thirty (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 thirty-day (30) waiting period before claims may be filed on those optional items.

Multi-Unit Properties: Coverage under this Agreement is for a single residential property or unit only unless multi-unit coverage is purchased. Extra units require an additional fee in order to be covered. Mechanical systems or appliances serving multiple units are not eligible for coverage unless all units serviced by the mechanical system or appliance are covered under an additional fee. Item quantity limits, service cost limits, and prices on optional or extra items, are on a per unit basis. To constitute a multi-unit

property under this Agreement, all property's units must be part of a common structure, be part of a single sales transaction involving only one (1) property owner/entity, and not be subject to dividing for future resale.

New Construction: For new construction with a one (1) year builder's warranty, the term is three (3) years with coverage starting one year from the closing date. For new construction without a builders warranty, the term is four (4) years with coverage starting at closing date.

COVERAGE

- 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), less a **\$100 service fee per incident** or actual cost of service, whichever is less, payable to the company providing service. "Per incident" is defined as a single failure occurring within a single unit or location, requiring a single repair. If the repair is not covered by Us, the customer is responsible for the full cost of the service call. Failure to pay the service fee or any amount due to the servicer from You will result in suspension of coverage until fee is paid, at which time coverage will then be reinstated with no extension of the original coverage period. In the event a repair performed under this Agreement fails within thirty (30) days following the initial repair, the Agreement provides for a recall service call without an additional service fee. Service fee is subject to change without notice.
- We will determine, at Our sole discretion, whether a covered system or appliance will be repaired or replaced based on the approved repair cost. When replacing any appliance, We will not pay for any failures that do not contribute to the appliance's primary function, including, but not limited to, wireless capability, television or radios built into appliances. We will replace with equipment of similar efficiency and capacity but are not responsible for matching brand, dimensions, colors or features non-essential to the core function of the item. Proof of replacement will need to be provided for coverage to continue to extend to that item for the remainder of the coverage term. In some instances, We may provide cash in lieu of repair services. This amount is based on what We would expect to pay (which may be less than retail cost) for parts and labor for covered items less the incurred cost of the contractor's diagnosis. Items for which parts or technical information are not available due to government-mandated restrictions, parts availability, non-readable or missing make, model or serial numbers will be assessed a repair estimate based on a comparable repair. If You elect to replace equipment with used equipment (from eBay, Craigslist, and the like), the replacement equipment will be subject to a **THIRTY-DAY (30) WAIT IN CLAIMS** before coverage can apply.
- We have sole discretion to choose service personnel and will not reimburse for work performed without Our prior approval or by service personnel contacted directly by the customer unless directed to do so by Us.**
- All requests for service not answered immediately will be acknowledged with a return phone call within four (4) hours during normal working hours and forty-eight (48) hours on weekends and holidays. Agreement allows You to contact service company and schedule service during normal business hours. You may elect to have after-hours service performed at Your own discretion and with prior authorization from Us but will be responsible for any additional fees associated with expediting the service. In the event of an after-hours emergency, to obtain service please call 24/7/365 at (877)977-4949 and select the emergency service option. We reserve the right to obtain a second opinion.

5. 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 reserve the right to determine which mechanical systems and/or appliances are the ones primarily used and covered by this Agreement. In most cases, the system that services the main living area or the largest system will be considered primary.
6. We reserve the right to have the repair or replacement performed with aftermarket, off-brand, used, remanufactured, or reconditioned parts.
7. Notice of any malfunction must be given to Us prior to Agreement expiration with the initial service call made within thirty (30) days of malfunction and all approved work must be completed within six (6) months of Agreement expiration.
8. Unless a part or item is specifically listed under the "COVERED" section for the particular item below, the item or part is not covered.

UNDETECTABLE PRE-EXISTING CONDITIONS

Available to the named Agreement holder who is a buyer at no extra cost upon submitting a satisfactory inspection by a qualified home inspector to Us by the closing date. Bank-owned, REO, foreclosed properties or properties where utilities have been turned off or appliances unplugged are not eligible for this coverage. Failures due to rust or corrosion are not covered for the first thirty (30) days after Agreement inception. Undetectable pre-existing conditions are conditions for which defect or mechanical failure could not have been detected by a visual inspection or simple mechanical test. A visual inspection of the covered item verifies that it appears structurally intact and without damage or missing parts that would indicate inoperability. A simple mechanical test is defined as turning the item on and off and running through a complete cycle to ensure it is operational. While turned on, the item should operate without causing damage, irregular sounds or smells, smoke, water leakage or other abnormal outcomes. Items that are found to have pre-existing deficiencies from either a visual or mechanical inspection will need to be repaired and proof of repair submitted to Us before that item will be covered.

HEATING, VENTILATION AND COOLING SYSTEMS; WATER HEATER

Seller coverage (optional): Coverage is limited to \$1,500 aggregate for all heating and air related claims and \$500 aggregate for all water heater related claims during the seller Agreement period.

Buyer coverage: See HVAC and Water Heater Coverage Limits tables.

Heating and Cooling Units

COVERED: Up to two (2) heating and two (2) cooling units OR two (2) heat pump units; including blower fan motors; burners; controls; fan blades; heat/cool thermostats; boiler zone control valves; heat exchangers; heating elements; igniter and pilot assemblies; internal system controls; wiring and relays; motors and switches; air handler; capacitors; compressors; condenser fan motors; condenser coils; evaporator coils; evaporative cooler; fan blades; pumps; refrigerant piping; reversing valves; and refrigerant (other than initial top off) **up to \$20 per pound** on all authorized sealed system repairs. **Boilers, steam/hot water heat systems are covered up to a maximum of \$2,000 per Agreement period. Furnaces covered up to a maximum of \$1,500 per Agreement period. Air conditioners covered up to a maximum of \$2,000 per Agreement period. Heat pumps covered up to a maximum of \$2,000 per Agreement period.** *If none of the systems listed above exists in the property, coverage may (at Our discretion and with approval granted prior to coverage start) be extended to baseboard, wall, in-floor, or other alternative systems provided they are not explicitly excluded in this section.*

Smart thermostats will be replaced with a heat/cool thermostat or given cash equivalent of a heat/cool thermostat.

NOT COVERED: All other items, components, or parts, including, but not limited to: Portable or window units; forced air damper systems; solar heating systems; pellet, corn cob or wood units; radiant cable heat; or fireplaces and associated components; chimneys; outside or underground piping; circulation components or redrilling of wells for water source heat pumps; fuel storage tanks; expansion tanks; filters; timers; heat lamps; humidifiers or dehumidifiers; condensate drain pump; flues and vents; improperly sized or mismatched systems; cleaning and maintenance; free-standing or gas log systems, including gas supply lines; flue dampers; pressure regulators; computerized energy management systems; gas air conditioning systems; electronic air cleaners; water towers; roof jacks and stands; chillers; any system with asbestos; heat recovery units; inter-connecting refrigerant lines; water pumps; water cooling towers; pre-coolers; insulation; concrete pads; costs related to leak test, or recapturing refrigerant; baseboard, casings, registers and radiators tied to boiler systems; use of cranes; costs associated with replacing non-failed parts to bring a system into compatibility (including conversion to R410a); and units located in detached garages.

Air Exchanger

COVERED: All parts and components except as noted as NOT COVERED.

NOT COVERED: Filters; and low-voltage remote control systems.

Ductwork

COVERED: Accessible ductwork from covered unit to point of attachment on register/grill.

NOT COVERED: Insulated, concrete encased or inaccessible ductwork; and relining.

HVAC COVERAGE LIMITS (EXECUTIVE AND BUYER/SELLER CORE)				
Component	Executive	Aggregate	Core (Buyer and Seller)	Aggregate
Blower Motor	\$400		\$400	
Heat Exchanger	\$1,000		\$1,000	
Heating Elements	\$300		\$300	
Reversing Valves	\$300		\$300	
TXV Valves	\$300		\$300	
Inducer Motor	\$500		\$500	
Control Board	\$500		\$500	
ECM Blower Motor	\$800		\$800	
Condenser Fan Motor	\$350		\$350	
Compressor, 2 ton	\$900	\$5,000	\$900	\$2,500 Buyers
Compressor, 2.5 ton	\$990		\$990	
Compressor, 3 ton	\$1,025		\$1,025	
Compressor, 3.5 ton	\$1,250		\$1,250	
Compressor, 4 ton	\$1,340		\$1,340	
Compressor, 4.5 ton	\$1,425		\$1,425	\$1,500 Sellers
Compressor, 5 ton	\$1,600		\$1,600 - Buyer \$1,500 - Seller	
Evaporator Coil	\$1,000		\$1,000	
Condenser Coil	\$1,500		\$1,500	
Thermostat	\$150		\$150	
Air Exchanger	\$500		\$350	
Ductwork	\$500		\$350	

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.

NOT COVERED: Solar water heaters and components; thermal expansion or holding tanks; noises; odors; color or purity of water; flues and vents; insulation blanket; and failures due to sediment build-up. Hot water dispensers are considered secondary water heaters and are not covered unless optional coverage is purchased.

WATER HEATER COVERAGE LIMITS (EXECUTIVE AND BUYER/SELLER CORE)				
Component	Executive	Aggregate	Core (Buyer and Seller)	Aggregate
Water Heater, 40 gal	\$1,000		\$800 - Buyer \$500 - Seller (any type/size)	
Water Heater, 50 gal	\$1,250		\$900 - Buyer \$500 - Seller (any type/size)	
Water Heater (> 50 gal, tankless or power vent)	\$1,500		\$1,000 - Buyer \$500 - Seller (any type/size)	

COVERED SYSTEMS AND APPLIANCES

Note: Unless otherwise noted or extra coverage is purchased, only one (1) of each of the following systems or appliances is included per residential unit.

Interior Plumbing

COVERED: Leaks and breaks of water, drain, waste, vent, or gas lines except if caused by freezing or roots; toilet wax ring seals, angle stops, and risers. Coverage on water supply plumbing begins after the water meter and within the confines of the foundation of the home and does not include garage or detached buildings. **Coverage for interior plumbing repairs is limited to \$350 (Core) or \$500 (Executive) per Agreement period.**

NOT COVERED: All plumbing in or under the ground, foundation or slab; all piping and plumbing outside the perimeter of the foundation; stoppages; water softeners; well pumps and associated systems (unless optional coverage is purchased for these items); septic systems; gas lines leading to non-covered items; faucets and fixtures (including, but not limited to, bathtubs, shower bays, sinks, toilets, bidets); caulking or grouting; pressure regulators; inadequate or excessive water pressure; flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits; sewage ejector pumps; holding, pressure, or storage tanks; saunas or steam rooms; lawn or fire sprinkler systems; water purification systems; drains or drain line check valves; in-floor heat systems; circulating pumps; backflow preventers; and relining. Gas lines will be subject to a thirty-day (30) wait in claims before coverage can apply.

Plumbing Stoppages

COVERED: Cleaning of stoppages in drain and sewer lines with standard sewer cable or hydrojet within the confines of the home foundation where there is an accessible ground level clean out. **Coverage on plumbing stoppage repairs is limited to \$250 (Buyer Core), \$300 (Executive), or \$100 (Seller Core) per Agreement period.**

NOT COVERED: Vent or sewer lines outside the confines of the main foundation of the home; stoppages due to roots, foreign objects, or failure of a plumbing system component; costs to locate, access, or install a ground level clean out; use of video or camera, and septic tanks (unless optional septic coverage is purchased).

Interior Electrical Wiring

COVERED: Interior wiring including main breaker panel or fuse box, general wiring, receptacles, and standard light switches. Coverage begins at the main service panel. **Coverage of interior electrical wiring is limited to \$250 (Core) or \$500 (Executive) per Agreement period.**

NOT COVERED: Fixtures; direct current wiring, components, or systems (including, but not limited to: doorbell systems, alarm systems, intercom or speaker/stereo systems, carbon monoxide and fire alarms and/or detection systems, batteries, telephone systems or wiring, touch pad assemblies, timers, low voltage household wiring); wiring outside the confines of the foundation or in a detached garage/building; wiring or electrical system components servicing additional or optional items for which no coverage has been purchased; heat lamps; load control devices; wall, bathroom, attic, exhaust, or whole house fans; failures and conditions caused by inadequate wiring capacity, circuit overload, power failure/shortage or surge; corrosion caused by moisture; appliance management systems or computers; and data wiring.

Sump Pump

COVERED: Permanently installed sump pump (ground water only). Coverage for sump pumps is limited to \$250 (Core) or \$300 (Executive) per Agreement period.

NOT COVERED: Sewage ejector pumps or lift stations; any unit located outside the covered home; and backup battery power supply and pump.

Garbage Disposal

COVERED: All parts and components except as noted as NOT COVERED. Coverage on garbage disposals is limited to \$250 per Agreement period.

NOT COVERED: Failures due to stoppages.

Central Vacuum

COVERED: Motor, relay, and switches. Coverage on central vacuums is limited to \$200 (Core) or \$250 (Executive) per Agreement period.

NOT COVERED: Hoses, receptacles, and attachments; inadequate capacity; piping; and blockages.

Garage Door Opener

COVERED: Mechanical parts and components including drive chains or lead screws, motor, receiver board, relays, transmitters/remotes, switches, and obstruction sensors. Coverage is only for openers located in garages attached to the primary residential structure or (if no attached garage) one detached garage used as primary garage not located more than thirty (30) feet from the home. Coverage is for up to three (3) units on a single unit property. Coverage on garage door openers is limited to \$275 (Core) or \$350 (Executive) per Agreement period.

NOT COVERED: Batteries; damage caused by door malfunctions; door assemblies (including, but not limited to, door panels, tracks, rollers, hinges, cables, and springs); frequency interference; touch or key-pads; reprogramming; failure caused by improper installation; and counterbalance mechanisms.

Trash Compactor

COVERED: All parts and components except as noted as NOT COVERED. Coverage on trash compactors is limited to \$200 (Core) or \$250 (Executive) per Agreement period.

NOT COVERED: Lock and key assemblies; and removable buckets.

Built-in or Over-the-Range Microwave

COVERED: All parts and components except as noted as NOT COVERED. Coverage on microwaves is limited to \$250 (Core) or \$400 (Executive) per Agreement period.

NOT COVERED: Countertop, portable, convection, infrared or high-speed units; interior linings; glass; shelves; handles; meat probe assemblies or rotisseries; and venting components.

Kitchen Refrigerator

COVERED: All parts and components except as noted as NOT COVERED. Coverage on ice maker repairs or replacements is limited to \$200 per Agreement period. Coverage on refrigerator compressors is limited to \$600 per Agreement period. Coverage on refrigerator replacement is limited to \$1,500 (Core) or \$2,000 (Executive) per Agreement period.

NOT COVERED: Ice crushers, beverage dispensers and associated parts; handles and knobs; door seals/gaskets; interior thermal shells or liners; food spoilage; and inaccessible refrigerant leaks/repairs. If parts are not available, Our obligation is limited to cash in lieu of repair.

Dishwasher

COVERED: All parts and components including portable units in home at time of Agreement inception. Coverage on dishwashers is limited to \$400 (Core) or \$600 (Executive) per Agreement period.

NOT COVERED: Cleaning or repair due to failure caused by foreign objects, scale, rust, minerals, and other deposits; soap/rinse aid dispenser; handles and knobs; racks; door seals/gaskets; baskets; and rollers.

Range/Oven/Cooktop Stove

COVERED: All parts and components except as noted as NOT COVERED. Coverage on range/oven/cooktop stove is limited to \$500 (Core) or \$700 (Executive) per Agreement period.

NOT COVERED: Clocks (unless they affect the function of the oven); meat probe assemblies or rotisseries; racks; magnetic induction; glass; self-cleaning or locking function; handles and knobs; convection function; venting; and door seals/gaskets. Thermostatic controllers will only be replaced with standard controls.

Clothes Washer

COVERED: All parts and components except as noted as NOT COVERED. Coverage on clothes washers is limited to \$500 (Core) or \$700 (Executive) per Agreement period.

NOT COVERED: Fabric softener dispensers; filter screens; knobs and dials; and damage to clothing.

Clothes Dryer

COVERED: All parts and components except as noted as NOT COVERED. Coverage on clothes dryers is limited to \$500 (Core) or \$700 (Executive) per Agreement period.

NOT COVERED: Venting; knobs and dials; and damage to clothing.

OPTIONAL COVERAGES

Water Softener

+\$50 in Buyer Core / Included in Executive

COVERED: All parts and components except as noted as NOT COVERED. Coverage on water softener repairs or replacements is limited to \$500 per Agreement period.

NOT COVERED: Resin bed or resin replacement. Rental units are not eligible for coverage.

Jetted Bathtub

+\$60 in Buyer Core / Included in Executive

COVERED: Built-in bathtub whirlpool motor and pump assemblies; accessible electrical controls; air pumps; drains; and gaskets. Coverage on jetted bathtub is limited to \$1,000 per Agreement period.

NOT COVERED: Jets; bathtub shell or liner; caulking or grouting; conditions of water flow restriction due to scale, rust, minerals, and other deposits; failures due to dry operation of equipment; and cost associated with gaining access to electrical, component parts, or plumbing.

Septic System Pumping/Septic Tank and Pump

+\$75 in both Buyer Core and Executive

COVERED: Septic tank; grinder pump; aerobic pump; jet pump; or sewage ejector pump associated with a residential dwelling. One-time tank pumping due to septic tank back up only per Agreement period. Coverage starts thirty (30) days after payment is received or the closing date, whichever is later. Coverage may only be added within the first thirty (30) days after closing or Agreement start date, whichever is later.

Coverage on septic is limited to \$500 per Agreement period.

NOT COVERED: Broken or collapsed sewer lines; tile field; leach bed; leach lines; lack of capacity; seepage pits; cesspool; cost of locating and gaining access to septic tank; sewer lines; hookups; disposal of waste; chemical treatment of septic tank and sewer lines; and associated electrical systems other than pump; clearing of the main line through an existing access or clean-out within the confines of the foundation unless plumbing stoppages coverage is purchased; stoppages caused by roots and foreign objects; and septic systems not associated with the covered primary residence (i.e. commercial or agricultural purposes).

Buyer Premium Upgrade

+\$75 in Buyer Core / Included in Executive

COVERED: Haul away (up to \$100 per Agreement period); disposal (up to \$250 per Agreement period); code violations/permits (up to \$250 per Agreement period); expansion tanks; toilet replacement (up to \$200 per Agreement period); failures due to lack of seller maintenance; failures due to sediment or scale; bathroom exhaust fans; dish racks; rotisseries; rollers; window air conditioning units; and appliance handles and knobs. **Coverage under the Buyer Premium Upgrade is limited to an aggregate of \$1,000 per Agreement period.**

Emergency Window Air/Portable Heating Units/Emergency Lodging:

if without heat/air for more than forty-eight (48) hours from contractor diagnosis during a situation that endangers health and safety, We provide up to \$150 for a window air unit or portable space heater (purchase or rental), subject to availability. If window air or portable heating units are not available, We will provide up to \$100/night for maximum of \$500 per Agreement period. Must remit proof of lodging or receipts for reimbursement. We will not duplicate coverage already provided by the service company.

SurgeShield® and SurgeShield Plus

SurgeShield® +\$84 in Buyer Core / Included in Executive

SurgeShield® Plus +\$144 in Buyer Core / Included in Executive

See Addendum 1.

Well Pump

+\$95 in both Buyer Core and Executive

COVERED: All parts and components of well pump utilized as the main source of water to the home, including well pump, controls, impellers, motor, and pump seals. **Coverage on well pumps is limited to \$500 per Agreement period.**

NOT COVERED: Geothermal well pumps; well casings; pressure or storage tanks; plumbing or electrical lines leading to or connecting pressure tank and main dwelling (including, but not limited to, wiring from control box to the pump); redrilling of wells; booster pumps; contamination or lack of water; excavation or other charges necessary to gain access; and shared systems between two or more residences.

Enhanced HVAC Plus

+\$100 in Buyer Core / Included in Executive

COVERED: Condensate pump; crane use (up to \$250); failures due to lack of routine seller maintenance; system modifications to bring non-failed parts into R410a compatibility (up to \$500 per Agreement period); initial refrigerant charging up to \$20 per pound; refrigerant conversion due to EPA recommendations/recapture/reclamation (up to \$250 per Agreement period); labor concession for items covered under manufacturer warranty; haul away (up to \$100 per Agreement period); and disposal (up to \$250 per Agreement period). **Coverage is limited to \$2,500 aggregate for Enhanced HVAC Plus coverages during the Agreement period.**

Limited Roof Leak Repair

+\$100 in both Buyer Core and Executive

COVERED: Repairs of leaks that occur in the roof over the occupied living area of the main dwelling (excluding garage), provided the leaks are the result of rain and/or normal wear and deterioration and the roof was watertight and in good condition on the effective date of the Agreement. Coverage starts thirty (30) days after payment is received or the closing date, whichever is later. **Coverage is limited to \$1,000 per Agreement period.**

NOT COVERED: Gutters; drain lines; flashing; skylights; patio covers; scuppers; glass; sheet metal; roof mounted installations; leaks that occur in a deck or balcony when deck or balcony serves as the roof of the structure below; leaks that result from or that are caused by roof mounted installations; improper construction or repairs, missing or broken roof shingles or tiles; damage caused by person walking or standing on the roof; failure to perform normal maintenance to roof and gutters; improper installation; leaks manifested prior to the effective start date of the plan; rolled or tar/gravel roofing; roofing materials beyond normal life expectancy.

Limited Slab Leak Repair

+\$100 in both Buyer Core and Executive

COVERED: Repair/replacement of plumbing pipe leaks in water, drain or gas lines located under, encased in, or covered by, concrete that are located within the interior of the main foundation of the home (not including garage). **Coverage is limited to \$500 per Agreement period.**

NOT COVERED: Relining. Gas lines will be subject to a thirty-day (30) wait in claims before coverage can apply.

Pool or Spa

+\$200 in both Buyer Core and Executive

COVERED: Primary pump motor and assembly; and heating system. A separate fee is required for both pool and built-in spa equipment unless they utilize all common covered equipment. **Coverage on pool or spa is limited to \$1,000 per Agreement period.**

NOT COVERED: Booster pumps; lights; liners; filter systems; removal of wet sand from sand filter system; structural defects; solar equipment; jets; ornamental fountains or waterfalls and associated parts; pool cover and related equipment; fill valves; built-in or detachable cleaning equipment and related parts; heat pump; portable spas; timer or remote control systems and associated systems; related plumbing; two (2) and three-way (3) valves; any concrete encased, below-ground, or inaccessible system or components; failure due to improper pH levels; and salt water cell or circuit board.

Exterior Water and Gas Lines

+\$120 in Buyer Core / Included in Executive

See Addendum 2.

Lawn Sprinkler System

+\$40 in Buyer Core / Included in Executive

COVERED: Leaks or breaks in the lines; timers; heads; gate valves; solenoids; shut-off valve. Coverage is limited to \$250 per Agreement period.

NOT COVERED: Damage due to pets; lawnmowers; freezing; motorized vehicles; roots; earth movement; improper install; owner negligence; lines located beneath concrete or decorative structures.

Gas Fireplace

+\$40 in Buyer Core / Included in Executive

COVERED: Gas valve; blower motor; pilot assembly; thermocouple; wall switch associated with pilot ignition or fan. Coverage is for a single permanently installed gas fireplace located within the main living area of the home. Coverage is limited to \$250 per Agreement period.

NOT COVERED: Gas fireplaces in detached structures or garages are ineligible for coverage; decorative logs; remote control device; glass; damper; flue; firebox.

Wine Refrigerator or Beverage Cooler

+\$40 in Buyer Core / Included in Executive

COVERED: All parts and components except as noted as NOT COVERED. Coverage on is limited to \$300 per Agreement period.

NOT COVERED: Handles and knobs; door seals/gaskets; glass; interior thermal shells or liners; racks, hinges, shelves, glides, slides, food spoilage; and inaccessible refrigerant leaks/repairs. If parts are not available, Our obligation is limited to cash in lieu of repair.

ACTIVE MILITARY/VETERAN DISCOUNT

Veterans of or active personnel in the Army, Navy, Air Force, Marines, Coast Guard, and National Guard are eligible for the discount. Reservists serving on Active Duty and members of the Delayed Entry/Enlistment Program (DEP) are also qualified, as are spouses and surviving spouses. The \$25 credit can be used toward the Home Protection Plan only. Not eligible to apply to optional listing coverages. Proof of military ID may be required to obtain the discount. Void where prohibited. One (1) discount allowed per household on newly purchased properties only.

EXCLUSIONS

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, salt water, flood, fire, lightning, freezing, wind, earth movement, improper installation and/or alteration, prior work not done to industry standards, lack of adequate power or water supply, power failure/surges, blown fuses or tripped breakers, unplugged appliances). Except for items covered by SurgeShield, items must operate normally following power interruption for coverage to apply.
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 except for central air conditioning or heat pump units, optional pool or spa equipment, optional well pumps, or optional septic system coverage.

4. Agreement covers only single-family residential-use property. Multiple units are covered if the appropriate fee is paid. Appliances or mechanical systems used for commercial or home business use (including, but not limited to, daycare, beauty salon, catering) are not eligible for coverage.
5. Agreement does not cover any appliance or system or part failure that is under a manufacturer's warranty, recall notice and/or service bulletin, or manufacturer's defect nor any appliance or system whose manufacturer warranty has been voided.
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 or mismatched systems; failure to conduct routine maintenance; 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, rust, corrosion) is not covered.
10. Consumable or expendable items are not covered (including, but not limited to, filters and 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 or subsequent damages due to failure of, or lack of timely repair or replacement of an appliance or system (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).
13. Removal or reconstruction of, or subsequent or incidental damage to, systems; appliances; units; landscaping; and walls, floors, carpeting, tile, ceilings and the like necessary to make repairs is not covered. Amount to remove any item from the home to be repaired 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 the 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 or industry trade 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 (including, but not limited to, EPA, OSHA, ASHRAE, BPI state, or local building codes).

LIMITS OF LIABILITY

Your sole remedy under this Agreement is the recovery of cost of the required repair or replacement, whichever is less. You agree that in no event will Our liability exceed \$5,000 per covered item (unless otherwise stated in the *Heating, Ventilation and Cooling System; Water Heater* section, *Covered Systems and Appliances* section, or *Optional Coverages* section) or \$15,000 aggregate during the Agreement period.

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(s) of a 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 thirty (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 or email Us at info@homewarrantyinc.com with Your Agreement number in the subject line. Cancellation becomes effective at the end of the current month of coverage:
 - a. If You cancel this Agreement within the first thirty (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 forty-five (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 thirty (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."
 - c. For monthly Agreements, cancellation becomes effective at the end of the current month of coverage. After thirty (30) days following the start date of the Agreement, You have the option to cancel and not to renew the Agreement during any month, and Your Agreement will expire at the end of the month for which You paid the monthly fee. You will not be charged the monthly fee the following month, and You will not receive any refund.
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 be considered continuous service contracts and will continue in perpetuity unless We are notified in writing of Your wish to cancel by sending written notice to Home Warranty of the Midwest, Inc., with office located at 303 S. 2nd Ave., Rock Rapids, IA 51246 or by canceling on the website homewarrantyinc.com. Plan renewals take effect from the expiration of the original Agreement period and are for a period of one (1) year. Any renewals effectuated after the expiration date of the Agreement will be subjected to a thirty-day (30) waiting period before coverage will resume. Annual notification of auto-renewals will be provided beginning ninety (90) days prior to the anniversary date of the original Agreement period.

AUTOMATIC RENEWAL. This Agreement will automatically renew on a periodic basis unless canceled by You by sending written notice to Home Warranty of the Midwest, Inc., with office located at 303 S. 2nd Ave., Rock Rapids, IA 51246 or by canceling on the website homewarrantyinc.com. You must indicate Your affirmative consent to automatic renewal below.

Signature: _____
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

Dispute Resolution/Arbitration Agreement and Class Action Waiver: PLEASE READ THIS DISPUTE RESOLUTION/ARBITRATION AGREEMENT AND CLASS ACTION WAIVER, INCLUDING THE OPT-OUT PROVISION, CAREFULLY TO UNDERSTAND YOUR RIGHTS. IT REQUIRES THAT CLAIMS (AS DEFINED BELOW) BE RESOLVED SOLELY THROUGH BINDING ARBITRATION ON AN INDIVIDUAL BASIS, RATHER THAN BY A JURY OR IN A CLASS ACTION.

Arbitration is a method of resolving any Claim without filing a lawsuit. In this Arbitration Agreement and Class Action Waiver (collectively including all of this section of this Agreement), You, We, and the Administrator (the "Parties") are agreeing to submit any and all Claims to binding arbitration on an individual basis for resolution. This Arbitration Agreement and Class Action Waiver sets forth the terms and conditions of Our Agreement to binding arbitration. The Parties agree that any and all claims, disputes and controversies arising under or related in any way to this Agreement, including, but not limited to, claims related to the underlying transaction giving rise to this Agreement, claims related to the sale or fulfillment of this Agreement, and claims against any third-party (including the Selling Retailer and/or any of its owners, shareholders, members, affiliates, subsidiaries, divisions, directors, officers, employees, representatives, successors, and assigns) arising under or related in any way

to this Agreement or the underlying transaction or the sale or fulfillment of this Agreement (collectively, "Claims"), shall be resolved by final and binding arbitration. "Claims" shall be given the broadest meaning possible and includes, without limitation, Claims arising under Agreement, tort, statute, regulation, rule, ordinance or other rule of law or equity, and Claims against any of Our or the Administrator's owners, shareholders, members, affiliates, subsidiaries, divisions, directors, officers, employees, representatives, successors, or assigns. In arbitration, Claims are resolved by an arbitrator and not by a judge or jury. **THE PARTIES, INCLUDING YOU, WAIVE ANY RIGHT TO HAVE CLAIMS DECIDED BY A JUDGE OR JURY.** In addition, except as expressly stated in the Class Action Waiver or otherwise expressly stated herein, the arbitrator shall have exclusive authority to decide all issues related to the enforcement, applicability, scope, validity, and interpretation of this Arbitration Agreement, including, but not limited to, any unconscionability challenge or any other challenge that the Arbitration Agreement is void, voidable or otherwise invalid. Notwithstanding this agreement to arbitrate, each of the Parties retains the right to seek remedies in small claims court to resolve any Claim, on an individual basis, within the jurisdiction of small claims court. You acknowledge Your understanding that all Parties hereunder are waiving their rights to go to court, except for small claims court, to resolve any Claims arising under or related in any way to this Agreement.

The Parties agree and acknowledge that the transaction evidenced by this Agreement affects interstate commerce. The Parties further agree that all issues relating to this Arbitration Agreement and Class Action Waiver, including its enforcement, scope, validity, interpretation, and implementation, will be determined pursuant to federal substantive law and the substantive and procedural provisions of the Federal Arbitration Act ("Act"), 9 U.S.C. §§ 1-16. If federal substantive law holds that state law should apply to any issue relating to this Arbitration Agreement and Class Action Waiver, then the law of the state where You purchased the Agreement shall apply, without regards to conflicts of law.

CLASS ACTION WAIVER. All Claims must be brought solely in an individual capacity, and not as a plaintiff or class member in any purported class action, collective action, representative action, mass action, private attorney general action or action on behalf of the general public, or similar proceeding (any such action is referred to herein as a "Class Action"). NO CLAIM WILL BE ARBITRATED ON A CLASS ACTION BASIS. The Parties, including You, expressly waive any right or ability to bring, assert, maintain, or participate as a class member in any Class Action in court, arbitration, or any other forum, and the right for anyone to do so on Your behalf. The arbitrator may not consolidate more than one person or entity's claims, and may not otherwise preside over any Class Action. The arbitrator shall not have the authority to combine or aggregate multiple persons' or entities' Claims or discovery, to conduct a Class Action or to make an award to any person or entity not a party to the arbitration. Notwithstanding anything to the contrary, the Parties agree that the enforcement, applicability, scope, validity, and/or interpretation of this Class Action Waiver shall be decided by a court of competent jurisdiction and not by an arbitrator. If this Class Action Waiver is ruled unenforceable or is interpreted to not prevent a Class Action, then the Arbitration Agreement shall be null and void, and any Claims shall proceed in a court of law and not in arbitration. The Parties agree that if an arbitrator renders a decision regarding the enforcement, applicability, scope, validity, and/or interpretation of this Class Action Waiver, or determines that a Class Action may proceed in arbitration, then: (1) the arbitrator has exceeded his powers, pursuant to §10(a)(4) of the FAA, by taking such action; (2) either party may seek immediate review of that decision by a court of competent jurisdiction; and (3) a court of competent jurisdiction shall apply a "de novo" standard of review of that decision if such standard of review is allowed by the common law or statutes of that state. The Parties, including You, agree

that if for any reason a Claim proceeds to Court, rather than arbitration, (1) the Claim will proceed solely on an individual, non-class, non-representative basis, and (2) no Party may be a class representative or class member or otherwise participate in any Class Action.

The arbitration shall be administered by the American Arbitration Association ("AAA"). The arbitration shall be conducted pursuant to the AAA Consumer Arbitration Rules (the "Code"). Information on AAA and a copy of the Code may be found at the following URL: American Arbitration Association, www.adr.org. The arbitration will be governed by federal substantive law and the substantive and procedural provisions of the Federal Arbitration Act ("Act"), 9 U.S.C. §§ 1-16. If federal substantive law holds that state law should apply to any issue relating to the arbitration, then the law of the state where You purchased the Agreement shall apply, without regards to conflicts of law. The arbitration will occur before a single, neutral arbitrator selected in accordance with the Code in effect at the time the arbitration is commenced. If Your total damage claims (not including attorney's fees) do not exceed \$25,000, then all Claims shall be resolved by the Code's Procedures for the Resolution of Disputes through Document Submission, except that a Party may ask for a hearing or the arbitrator may decide that a hearing is necessary. If a hearing is held, You have a right to attend the arbitration hearing in person, and You may choose to have any arbitration hearing held in the county in which You live, the closest AAA location to Your residence, or via telephone. In the event that the specified arbitration forum is unavailable, the Parties may agree on a substitute arbitration forum. If the Parties cannot agree, a court of competent jurisdiction may appoint a substitute arbitration forum. For information about how to initiate arbitration with the AAA, the Parties may refer to the AAA Code and forms at www.adr.org. If You initiate arbitration with AAA, You must pay the AAA filing fee in an amount no greater than the fee You would have to pay if You filed a complaint in federal court. We will pay any remaining Costs of arbitration required by the Code ("Arbitration Costs"); however, if the arbitrator determines that any of Your claims are frivolous, You shall bear all of the Arbitration Costs. If We initiate arbitration against You, We will pay the AAA filing fee and the Arbitration Costs. Each party will pay his/her/its own attorney's fees, as well as costs relating to proof and witnesses, regardless of who prevails, unless applicable law and/or the Code gives a party the right to recover any of those fees from the other party. An arbitration award may not be set aside except upon the limited circumstances set forth in the Federal Arbitration Act. An award in arbitration will be enforceable under the Federal Arbitration Act by any court having jurisdiction. The time for commencing an arbitration asserting any Claim shall be determined by reference to the applicable statute(s) of limitations, including the applicable rules governing the commencement of the limitations period, and a Claim in arbitration is barred to the same extent it would be barred if it were asserted in court of law or equity rather than in arbitration.

If any portion of this Arbitration Agreement is deemed invalid or unenforceable, all the remaining portions of this Arbitration Agreement shall nevertheless remain valid and enforceable, provided, however, that if any portion of the Class Action Waiver is deemed invalid or unenforceable, then this Arbitration Agreement shall be invalidated and unenforceable in its entirety. In the event of a conflict or inconsistency between this Arbitration Agreement and Class Action Waiver and the other provisions of this Agreement or any other Agreement, this Arbitration Agreement and Class Action Waiver governs.

OPT-OUT PROVISION. YOU SHALL HAVE THE RIGHT TO OPT OUT OF THIS ARBITRATION AGREEMENT AND CLASS ACTION WAIVER BY PROVIDING WRITTEN NOTICE OF YOUR INTENTION TO DO SO TO US WITHIN THIRTY (30) DAYS OF THE ORIGINAL PURCHASE OF THIS AGREEMENT (THE DATE OF PURCHASE BEING INDICATED ON YOUR SALES ORDER AND RECEIPT FROM THE SELLER). To opt out, You must send written notice to either: (1) 10751 Deerwood Park Blvd., Suite 200, Jacksonville, FL 32256, Attn: Legal or (2) legal@fortegra.com, with the

subject line, "Arbitration Opt Out." You must include in Your opt out notice: (a) Your name and address; (b) the date You purchased Your Agreement; and (c) the Seller. If You properly and timely opt out, then all Claims will be resolved in court rather than arbitration.

LIMITED APPLICABILITY OF THE FEDERAL MAGNUSON-MOSS WARRANTY ACT

You agree and acknowledge that You have paid an additional fee for this Agreement that is separate and apart from the purchase price You paid for the covered item. Because of that separately stated consideration, You agree and acknowledge that this Agreement is not part of the basis of the bargain for Your purchase of the covered item. You further agree and acknowledge that We, and the Administrator under this Agreement, are not the supplier of the covered item. Consequently, this Agreement is not a "written warranty" under the federal Magnuson-Moss Warranty Act. As a result, this Agreement is not subject to the provisions of the Magnuson-Moss Warranty Act that apply only to a "written warranty".

PRIVACY POLICY: It is Our policy to respect the privacy of Our customers. For information on Our privacy practices, please review Our privacy policy at www.fortegra.com.

STATE-SPECIFIC AMENDMENTS

Florida residents: CANCELLATION section is amended as follows: If You cancel this Agreement, return of premium shall be based upon ninety percent (90%) of the unearned pro-rata premium less any claims that have been paid or less the cost of repairs made on Your behalf. If this Agreement is cancelled by the Us or Administrator, return of premium shall be based upon one hundred percent (100%) of the unearned pro-rata premium less any claims that have been made or less the cost of repairs made on Your behalf.

The rate charged for this service Agreement is not subject to regulation by the Florida Office of Insurance Regulation. This Agreement may not provide listing period coverage free of charge. This Agreement may not exclude coverage because of the presence of rust or corrosion unless the rust or corrosion was a contributing cause of the breakdown or failure of a covered appliance, unit or system. This Agreement does not cover replacement of functional components of HVAC systems for reasons of compatibility or efficiency requirements of the manufacturer unless additional coverage for such circumstance is purchased, to add such coverage contact Administrator (877)977-4949. Arbitration section is amended to add the following: Arbitration proceedings shall be conducted in the county in which the consumer resides.

ADDENDUM 1:

SurgeShield® Terms and Conditions

These Surge Shield Terms and Conditions (“Terms”) shall govern Your purchase of the Surge Protection Service Plan (“Plan”) from the Obligor for Your Covered Property located at Your Residential Address. This Plan is not a contract of insurance. Unless otherwise regulated under state law, the contents under this Plan should be interpreted and understood within the meaning of a “service contract” in Public Law #93-637.

1. DEFINITIONS.

1.1 Administrator means Home Warranty of the Midwest, Inc., with office located at 303 S. 2nd Ave., Rock Rapids, IA 51246.

1.2 Aggregate Annual Claim Limit means the maximum that the Obligor will pay You for aggregate losses for all Claims from You received within a twelve-month (12) period determined on a rolling basis with a new twelve-month (12) period beginning on the first day of each calendar month, pursuant to these Terms and in accordance with Exhibit A.

1.3 Claim means Your request for payment, pursuant to these Terms, for Failure of Covered Property caused by a Power Surge.

1.4 Coverage Limit means the maximum that the Obligor will pay You for any one Claim and Power Surge event.

1.5 Covered Property means the categories of products set forth in Exhibit A that are owned by a household member, and that are located at Your Residential Address set forth in the Electronics Rider, or the Appliance and Systems Rider, or both, depending upon the coverage is selected by You, subject to the exclusions of Section 2.2 below.

1.6 Effective Date means the effective date of the coverage under the Plan as set forth in Exhibit A.

1.7 Exhibit A means the Exhibit A (Coverage Summary) attached hereto.

1.8 Failure means that Covered Property becomes inoperable and unable to perform its designed function.

1.9 Obligor means Lyndon Southern Insurance Company, 10751 Deerwood Park Blvd., Ste. 200, Jacksonville, Florida 32256 (800) 888-2738, Florida License No. 03698.

1.10 Obligor Entities means Obligor, its parent, their affiliates, subsidiaries and their respective officers, directors, employees, contractors, and assigns.

1.11 Plan Fee means the monthly or annual fee for the Plan set forth in Exhibit A, plus applicable state sales tax, that You agree to pay.

1.12 Power Surge means an occurrence of a sudden and non-continuous increase or burst of electricity or electrical current, caused by natural or man-made events including lightning strikes, power returning after an outage, and wildlife interfering with power lines.

1.13 Replacement Value means the cost (excluding all applicable transactional taxes and deliveries and/or shipping costs), at the time of the Claim, to purchase property of like kind and quality and of comparable performance to the applicable Covered Property.

1.14 Residence means Your residence owned by You and used solely by You and Your family for residential purposes.

1.15 Residential Address means the designated location of Your Residence, as set forth in the Rider(s), and any subsequent Residence within the service area of Obligor. You may contact Administrator for information regarding the service area of Obligor.

1.16 Rider means an attached exhibit which describes the Plan terms.

1.17 Technician means a licensed and insured individual and/or entity in the particular trade that is qualified to assess the damage to the Covered Property caused by a Power Surge.

1.18 You or Your means the account name of record with Administrator for the Residence and who is the purchaser of the Plan.

2. SCOPE OF PLAN.

2.1 Plan Coverage. In consideration of payment of the monthly or annual Plan Fee and subject to the Terms, the Plan provides for reimbursement, by the Obligor of the repair of the Covered Property, or if not repairable in accordance with Section 3.1, the Replacement Value of the Covered Property, in the event that Your Covered Property is subject to a Power Surge that results in a Failure of the Covered Property, plus reasonable Technician costs or fees associated with the evaluation or determination of the cause of Failure (Technician diagnostic fee, trip charge, etc.). If a like kind or quality product is unavailable, at the Obligor’s discretion, You may receive the Replacement Value of a product that is the most comparable replacement of the Covered Property. In no event will the reimbursement by the Obligor of the Replacement Value of the Covered Property exceed the original purchase price of the Covered Property (excluding all applicable transactional taxes and delivery and/or shipping costs). The Plan Fees charged for the Plan are not subject to regulation by the Office of Insurance Regulation of the Financial Services Commission. Neither the Administrator nor the Obligor shall have an obligation to pay a Claim if You are in default of Your obligations to make payment of the monthly or annual Plan Fee.

2.2 Property Not Covered. The Plan does not cover the following:

- a. **Failure of Covered Property prior to the Effective Date;**
- b. **Damage to any property not specifically named as Covered Property in Exhibit A, including, but not limited to, medical or life support equipment, antiques, plumbing;**
- c. **Failure of Covered Property due to any cause other than a Power Surge, including, but not limited to: Failure resulting caused by normal wear and tear, accident, abuse, misuse, unauthorized product modifications or alterations, failure to follow the manufacturer’s instructions, vandalism, Acts of God (such as fire, windstorm, flood, hurricane or other similar acts) other than lightning, continuous steady over-voltages as a result of power delivery system damage or flaws, or a caused by an onsite backup generator;**
- d. **Damage to any property not owned by a household member or located at the Residential Address at the time of loss;**
- e. **Any property that is not used for residential purposes, including, but not limited to: property located in a dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, a group home (five [5] or more unrelated individuals cohabiting in same household) or fraternity-type house, “bed and breakfast”, church or school, and property that is used commercially.**
- f. **Failure of Covered Property not reported in a Claim within thirty (30) days of the date of the applicable Power Surge.**

g. Any losses, costs of fees not directly related to the Replacement Value of the Covered Property, including, but not limited to: loss or corruption of data and/or the restoration of software and operating systems associated with any Covered Property, any costs associated with upgrades, components, parts, or equipment required due to the incompatibility of any existing equipment with the replacement system, service line or component, or part thereof, any costs associated with construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment or as necessary to comply with federal, state, and local law, code, regulation, or ordinance, and any fees or costs associated with the removal, installation or reinstallation, and/or disposal of (1) old and/or replacement systems, (2) service lines and/or (3) components, and any fees or any costs related to disposal fees arising from hazardous or toxic material, or asbestos.

h. Covered Property and or any components that do not meet industry standards; and

i. Failure of Covered Property that is covered by any insurance policy or other service plan or service Agreement.

2.3 Administration. The obligations of the Administrator under the Plan shall be limited to the collection and processing of monthly or annual Plan Fees and cancellations, the processing of Claims, the distribution of Claim payments on behalf of the Obligor, and termination of participation in the Plan. BY ENROLLING IN THE PLAN, YOU ACKNOWLEDGE AND AGREE THAT IN NO EVENT SHALL ADMINISTRATOR BE LIABLE TO YOU OR ANY OTHER PERSON FOR ANY DAMAGES RESULTING FROM THE OBLIGOR'S OR THE OBLIGOR'S NON-PAYMENT OF ANY CLAIM.

3. FILING A CLAIM.

3.1 Claims Process. The following describes the Claims process that must be followed in order to seek reimbursement for the repair, or if not repairable, for Replacement Value of Your Covered Property, in the event of a Failure of Your Covered Property caused by a Power Surge:

- a. You must obtain a Claim form by either contacting the Administrator or downloading a Claim form from Administrator's website.
- b. The Claim form must be completed in full and returned to the Administrator within thirty (30) days from the date that You discovered a Failure to Covered Property caused by a Power Surge.
- c. Your Claim form must include a copy of Your invoice from the Technician that satisfies the requirements of Section 3.1.d below.
- d. The invoice from the Technician must (i) be on business letterhead including name, address, and telephone number of the qualified Technician, (ii) must include a complete description of Covered Property, and (iii) the cost of the repair of the Covered Property, or a statement that such Covered Property is not repairable.
- e. If the Covered Property is not repairable, You must also submit a receipt for, or documentation reasonably establishing the Replacement Value.

3.2 Qualified Technician. The Obligor and Administrator reserve the right in all cases to determine, in their reasonable discretion, if a particular Technician is qualified. In order to obtain customer service related to any Claim, Administrator may be contacted at (877)977-4949 from 8am – 5pm Central Standard Time, Monday – Friday or send correspondence to 303 S. 2nd Ave., Rock Rapids, IA 51246.

4. **WARRANTY**. The Obligor and Administrator warrant that their obligations under these Terms will be performed in a professional and workman-like manner. NO OTHER WARRANTY OR REMEDY OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY.

5. **TRANSFERABILITY**. If You move to a new Residence within the service area of Obligor, You agree to automatically have Your Plan coverage transferred to the new Residential Address, and for continued billing of the monthly or annual Plan fee, on the date You provide in Your notice, provided You follow the administrative process of the Administrator for transfer as outlined below. If You change Residence, You must notify Administrator by calling toll-free at (877)977-4949, within thirty (30) days. Transferability is NOT automatic and is subject to availability. If You fail to notify Administrator and You move outside of the service area of Obligor, then the Plan coverage shall be automatically terminated at the discretion of Obligor, and no premiums shall be returned to You. If You fail to notify Administrator and You move within the service area of Obligor, You risk the coverage of Your plan if for failure to notify of Your move as required herein. A change in rates may apply to a transferred plan. In the event of a higher rate for a new Residence, You agree to be billed for the difference in rates.

6. LIMITATIONS OF LIABILITY.

6.1 Waiver of Non-Direct Damages. IN NO EVENT SHALL THE OBLIGOR ENTITIES OR ADMINISTRATOR OR ITS AFFILIATES (COLLECTIVELY, "PLAN ENTITIES") BE LIABLE TO YOU OR ANY OTHER PERSON FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES OR EXPENSES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST SAVINGS OR REVENUE, LOST BUSINESS, LOSS OF USE OF THE COVERED PROPERTY OR ANY CONNECTED OR ASSOCIATED EQUIPMENT OR SOFTWARE, LOSS OR DAMAGE, COST OF CAPITAL, COST OF SUBSTITUTE OR RENTAL EQUIPMENT, SERVICE OR SOFTWARE, DOWNTIME, THE CLAIMS OF THIRD PARTIES, AND INJURY OR DAMAGE TO NON-COVERED PROPERTY) EVEN IF PLAN ENTITIES OR ITS CONTRACTORS WERE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING SHALL APPLY TO THE FULLEST EXTENT ALLOWED BY LAW IRRESPECTIVE OF WHETHER LIABILITY IS CLAIMED, OR FOUND TO BE BASED IN CONTRACT, TORT OR OTHERWISE (INCLUDING NEGLIGENCE, WARRANTY OR STRICT LIABILITY).

6.2 Maximum Liability. The total liability of the Obligor Entities to You or any third party, for any and all claims arising from or related in any way to the Plan (whether in contract, tort, strict liability, or otherwise) is limited (1) per Claim to the Coverage Limit set forth in the attached Rider(s), and (2) in the aggregate during any twelve (12) month period from the Effective Date pursuant to these Terms and in accordance with the Aggregate Annual Claim Limit set forth in the attached Rider(s).

6.3 External Coverage. If Your Claims are covered by another insurance or warranty plan, then this policy is secondary, and the other coverage shall be primary.

7. FORCE MAJEURE. The Obligor and Administrator shall not be responsible to You in an event or circumstance that is not reasonably foreseeable, or that are beyond the reasonable control of and not caused by the Obligor or Administrator. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including courts and governmental or administrative agencies), hurricanes, tropical storms, tornadoes, severe wind, or electrical storm, acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions, floods, strikes, lockouts, supply shortages or other labor disputes or difficulties.

8. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL, WAIVER OF CLASS ACTION. These Terms and the Plan shall be governed by the laws of the State of Iowa. Any suit relating to these Terms or the Plan shall be instituted in any state or federal court in Duval County, Florida, and the parties submit to the sole and exclusive personal jurisdiction of such court. BY SIGNING UP FOR THE PLAN, YOU AGREE TO WAIVE ANY RIGHT TO HAVE A TRIAL BY JURY IN RESPECT TO ANY LITIGATION WITH ADMINISTRATOR OR OBLIGOR BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED OR RELATED WITH, THESE TERMS, THE PLAN, AND/OR THE PERFORMANCE OF SERVICES PROVIDED BY THE OBLIGOR AND ADMINISTRATOR. You agree to only bring any Claim against the Obligor or Administrator in Your individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. While this provision is mandatory, the outcome shall be non-binding on the parties, and either party shall have the right to reject the award and bring suit in a court of competent jurisdiction. This action will take place in Duval County, Florida.

9. SEVERABILITY. If any provision of these Terms or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of these Terms, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of these Terms shall be valid and enforceable to the fullest extent permitted by law.

10. ASSIGNMENT. The Obligor or Administrator may, in their sole and unrestricted discretion assign, delegate, transfer, subcontract or otherwise dispose of its obligations hereunder to an affiliate or subsidiary, or other third party without notice to You. However, You shall not assign, delegate or otherwise dispose of Your obligations hereunder without the written consent of the Obligor or Administrator. Any such assignment in violation of this Section shall be null and void.

11. TERM, TERMINATION, RENEWAL AND REFUNDS.

11.1 Term. Coverage under this Plan begins on the Effective Date and will continue on a month-to-month basis until terminated pursuant to this Section.

11.2 Termination. Upon notice to You in any reasonable form, the Obligor or Administrator may terminate Your Plan in the event that (a) any regulatory agency promulgates any rule or order which in effect or application substantially impedes the Obligor or Administrator from fulfilling its obligations hereunder, or materially and adversely affects the ability of the Obligor or Administrator to provide the Plan under these Terms, (b) You breach any term or condition contained herein, including without limitation, Your obligation to make payment of the monthly or annual Plan Fee by the due date of Your bill, or for fraud or material misrepresentation by You, or (c) the Obligor or Administrator, for its convenience and in its sole discretion, makes a commercial decision to (i) generally discontinue the Plan, or (ii) to discontinue Your specific participation in the Plan. You may terminate Your Plan at any time upon thirty (30) days written notice to Administrator. You may terminate Your Plan at any time upon thirty (30) days written notice to Administrator to

Home Warranty of the Midwest, Inc., with office located at 303 S. 2nd Ave., Rock Rapids, IA 51246, by emailing info@homewarrantyinc.com, or online at homewarrantyinc.com.

11.3 Renewal. This Plan automatically renews on a month-to-month basis unless terminated by You, the Obligor or Administrator in accordance with Section 11.2. The Obligor or Administrator reserves the right to change the Plan Fees and/or coverage applicable to any renewal term. However, You will be notified of any such change(s), not less than forty-five (45) days prior to any renewal term. Refer to the website for Plan Fees and coverage applicable at the time of renewal.

AUTOMATIC RENEWAL. This Agreement will automatically renew on a periodic basis unless canceled by You by sending written notice to Home Warranty of the Midwest, Inc., with office located at 303 S. 2nd Ave., Rock Rapids, IA 51246 or by canceling on the website homewarrantyinc.com. You must indicate Your affirmative consent to automatic renewal below.

Signature: _____

11.4 Refunds. You will receive a full refund of any Plan Fee(s) if You provide Administrator a written request for refund within seven (7) days of the Effective Date and You have not filed a Claim pursuant to Section 3. The Administrator will process refunds within thirty (30) days. In the event that You terminate Your participation in the Plan pursuant to Section 11.2, the Administrator will process Your notice of termination within thirty (30) days of receipt and no refunds shall be due to You.

12. AUTHORITY. You represent to the Obligor and Administrator that You have the authority to enter into and bind You to these Terms, and that You shall bear all costs attributable thereto, and You shall, at Your own expense, defend, indemnify and hold the Obligor and Administrator harmless from and against all liability, loss or damage (including attorney's fees) assessed against, suffered or incurred by the Obligor or Administrator as a result of an allegation or claim that You did not have such authority.

13. ENTIRE AGREEMENT. These Terms and attached Rider(s) are the entire understanding between the parties, and supersedes all prior Agreements, representations and communications regarding this subject matter. The headings in these Terms are provided for convenience of reference only and shall not affect the construction of the text of these Terms. Obligor or Administrator reserves the right to make non-material updates (e.g., phone number, mailing address) and prospectively change these Terms from time to time by posting updated Terms at homewarrantyinc.com. You agree to the obligation to periodically review such location for authorized non-material updates to these Terms. Continued participation in the Plan after any such posted changes shall constitute Your acknowledgment of and consent to such non-material changes. Notwithstanding the above, the Obligor or Administrator will provide You with written notice of any changes to the Terms that are material whether beneficial or adverse to You.

SurgeShield®
EXHIBIT A – APPLIANCE RIDER

COVERAGE SUMMARY		
PLAN NUMBER:	EFFECTIVE DATE:	PLAN FEE: \$7/ MONTH or \$84/year plus tax (if applicable)
PER CLAIM LIMIT: \$5,000	AGGREGATE LIFETIME CLAIM LIMIT: \$10,000	
PLAN PURCHASER (“You or Your”):		
RESIDENTIAL ADDRESS:		

COVERED PRODUCTS AND EXCLUSIONS

- A. Covered Products.** This Appliance Rider provides coverage for physical damage to Covered Appliances as defined below, caused by a Power Surge. “Covered Appliances” must be located within the residence or within four (4) feet of the residence and include only residential grade central air conditioners, furnaces, heat pumps, boilers, standard thermostats, clothes washers and dryers, refrigerators, freezers, dishwashers, garbage disposals, ovens, stoves, microwaves, hot water heaters, garage door openers, central vacuum (motor only), water softeners (motor only), sump pumps, ceiling fans
- B. Exclusions.** Covered appliances do not include anything not specifically listed above in Section A and is subject to the exclusions of the Terms and Conditions. For the avoidance of doubt, coverage excludes (a) bodily injury to persons, (b) damages resulting from operation of the covered appliance under conditions exceeding its manufacturer’s published specifications, such as surges beyond its capability, continuous steady over-voltages, voltage sags (commonly known as brownouts), under-voltages and open neutrals, as a result of power delivery system damage or flaws, (c) damages to wiring, electrical outlets, breaker panels, and meter sockets, (d) detached buildings, stand-alone buildings or buildings attached via breezeway or other such structures, (e) generators and damages caused by a customer’s on-site backup generator, (f) elevators and elevator equipment, (g) electric cars or supplemental equipment associated with electric cars, (h) solar equipment, (i) any damages other than physical damage to Covered Appliances. (j) stand-alone “electronic equipment” using microchip or transistor technology, such as but not limited to, computers, stereos, televisions, DVD players, and security systems, (k) medical or life support equipment, or damage caused by a direct lightning strike not carried down the utility power lines or passing through the transformer and then the Covered Appliance.

SurgeShield® Plus
EXHIBIT A – ELECTRONICS RIDER

COVERAGE SUMMARY

PLAN NUMBER:	EFFECTIVE DATE:	PLAN FEE: \$12/MONTH or \$144/year plus tax (if applicable)
COVERAGE LIMIT: \$5,000/Claim	AGGREGATE ANNUAL CLAIM LIMIT: \$10,000	
PLAN PURCHASER (“You or Your”):		
RESIDENTIAL ADDRESS:		

COVERED PRODUCTS

All items listed in SurgeShield® Exhibit A – Appliance Rider, plus:	
Televisions	Tablets and Netbooks
Gaming Systems	Laptop Computers
Video Surveillance/Alarm Monitoring Systems	DVD/DVR/Blu-Ray and Streaming Media Players
Desktop Computers	Keyboards/Mouses
Storage Devices	Audio Tuners/Receivers/Amplifiers
Home Theater Sound Systems (Speakers, Sound Bars)	Printers
Digital Cameras	Networking and Wireless Devices
Monitors	Projectors
LED Light Bulbs	

ADDENDUM 2: Exterior Water and Gas Lines Terms and Conditions

Eligibility: We provide coverage for the owners of a single structure permanently secured to the ground and on land that is owned by You and used and zoned only for residential occupancy including single family homes, town homes, multi-family homes.

Not Eligible: Recreational vehicles; or mobile homes not tied down or permanently skirted. Properties used for commercial purposes. Systems covered entirely by a third party (homeowners association, condo association, or similar). Any known pre-existing condition, defect, deficiency that You are made aware of prior the start date of Your first Agreement period is not covered.

Exterior Water Line

COVERED: Water (potable only) lines between the public utility connection and Your water meter or initial shut-off valve inside Your home (if water supplied by public utility) OR Your water pipe from the external wall of Your well casing to the main shut-off valve inside Your home (if water supplied by private well). Coverage applies to blockages, leaks or low pressure (below industry standard) as well as inoperable stop boxes, shut-off valves, pressure reducing valves and backflow prevention devices.

Exterior Gas Line

COVERED: Broken or leaking natural gas or propane lines between the public utility connection (or external propane tank outlet connection if not connected to public utility) and the appliance connectors inside Your home. **Coverage for exterior water and gas lines is limited to \$4,000 aggregate per Agreement period.**

NOT COVERED: Moving or replacing meters, appliances, fixtures, pressure regulating devices, lines on land not owned by You, plants, lines located in detached garages, sheds, or buildings, sprinkler/irrigation lines, restoration of floor coverings, fittings, walls, pavement, pathways, landscaping, leaks/breaks/stoppages due to tree roots or foreign objects, damage due to freezing, propane tanks.

See also *Exclusions* for additional coverage terms and exclusions.