

© 2013 The Home Service Club Corporation  
**THE HOME SERVICE CLUB**  
**HOME WARRANTY TERMS AND CONDITIONS**  
The Home Service Club  
305 Broadway  
9<sup>th</sup> Floor  
New York NY 10007  
Telephone: (800) 601-1009  
www.hscwarranty.com

**This contract is not valid unless the Contract Coverage Summary Page is attached.**

**A. HOME WARRANTY AGREEMENT**

This Home Warranty Agreement, ("Agreement"), is marketed, administered and issued by the **Home Service Club Warranty Corp** ("HSC"). Throughout this Agreement the words, **you** and **your**, refer to the Contract Holder shown on the Coverage Summary Page. The words, **HSC**, and **our**, refer to the **Home Service Club Warranty Corp**. **This is a Home Warranty Agreement, not an insurance policy.** During the coverage period, HSC will arrange for an HSC Authorized Service Contractor ("Service Contractor") to repair or replace the systems and appliances stated as covered on your Contract Coverage Summary Page in accordance with the terms and conditions of this contract. This Agreement is intended to provide protection against the cost of repairing certain types of mechanical breakdowns of specific items in your home. Various provisions in this Agreement restrict coverage - **please read the Agreement carefully** to determine your rights, duties, and what is and is not covered.

**B. AGREEMENT**

Your Agreement (home warranty) coverage details, effective date, and expiration date are shown on your Contract Coverage Summary Page. Items listed under "optional" will be covered only if the designated additional funds have been paid and coverage is specified on the Contract Coverage Summary Page. Types of warranties are:

- 1. Homeowner Direct Warranty:** available to homeowners not immediately purchasing or selling their home. (e.g., when the home is not listed for sale and/or it is more than ninety (90) business days after closing).
- 2. Seller Home Warranty:** a home warranty placed on the home by a prospective home seller at any time during a listing. This plan is effective upon receipt of funds and processing of the application by HSC and continues for the remaining term of the listing agreement, unless sooner terminated due to the sale of the dwelling or cancellation of the listing agreement (See Cancellation, Voidability, and Eligibility Section) and not to exceed one hundred and eighty (180) days from the date of listing. HSC may extend the Seller Home Warranty at our sole discretion. The Seller Home Warranty converts to a Buyer Conversion Warranty on the date of closing (title transfer), provided required payment has been received by HSC within fifteen (15) business days of closing.
- 3. Buyer Conversion Warranty:** a Seller Home Warranty that has converted to benefit a home buyer after closing, is effective on the date of closing, provided required payment has been received by HSC within fifteen (15) business days of closing.
- 4. Buyer Direct Warranty:** a home warranty which is purchased by or on behalf of a home buyer at the time of closing is effective on the date of closing, provided required payment has been received by HSC within fifteen (15) business days of closing. This plan can be purchased at any time within the first ninety (90) days of closing. If purchased after the first 15 days from closing HSC may require an inspection of covered systems, appliances, and components prior to issuing coverage. Once this plan is purchased coverage will retroactively start from date of closing.
- 5. Renewal Contract:** a renewal of a previously issued contract and will have no lapse in coverage provided required payment has been received by HSC prior to the expiration date of the previous contract. If payment is received after the expiration date of the previous contract, coverage will begin thirty (30) days after receipt of new payment. HSC may require an inspection of covered systems, appliances, and components during this thirty (30) day waiting period.
- 6. Types of coverage and Optional add-on coverage HSC offers:**

**Standard Coverage:**

**Appliances**

- Refrigerators
- Ovens Ranges Cooktops
- Dishwasher
- Clothes Washer
- Clothes Dryer
- Freestanding Icemakers
- Microwave Oven Built-In
- Trash Compactor
- Garbage Disposal
- Food Centers Built-in

**Systems**

- Air Conditioning Systems
- Heating Systems
- Plumbing Systems
- Electrical Systems
- Water Heater
- Ceiling Fans
- Garage Door Opener

## **Comprehensive Coverage: (includes all Standard Coverage and)**

### **Systems Coverage:**

- Plumbing Stoppage Coverage
- Ductwork
- Doorbells
- Whole House, Exhaust & Attic Fans
- Pest Control
- Central Vacuum(s)
- Instant Hot and Cold Water Dispenser
- Smoke Detectors
- Recirculating Hot Water Pump
- Gas Leaks
- Water Leaks
- Sump Pump
- Whirlpool Motor & Pump Assemblies
- Alarm Wiring
- Telephone Wiring

### **Optional Coverage:**

- Roof Coverage
- Pool/Spa
- Spa and Spa Heater
- Jetted Bathtub
- Well Pump
- Refrigerators Built-In Units With Dual Compressors
- Freestanding additional Refrigerator
- Freestanding Freezer
- Water Softener
- Sewage Ejector Pump

7. **Optional Coverage** is available provided the required additional payment have been received by HSC within the first thirty (30) days after closing for a Buyer Conversion Warranty, Buyer Direct Warranty, or within the first thirty (30) days of purchase of a Homeowner Direct Warranty, or if purchased within the first thirty (30) days after the Renewal Contract effective date.

### **C. CUSTOMER SERVICE – TO REQUEST SERVICE CALL: (800) 601-1009 or visit us at [www.hscwarranty.com](http://www.hscwarranty.com)**

1. For work to be performed under this contract, you must notify HSC as soon as the problem is discovered. HSC will accept service calls between 9 am to 5 pm eastern standard time or 24 hours a day 7 days a week online, excluding weekends and holidays. Upon receipt of your claim HSC will issue a claim number which will serve as a tracking number for your repair.

**Notice of any service request must be submitted to HSC prior to expiration of this contract.**

2. Upon request for service, HSC will contact a Service Contractor during normal business hours and forty-eight (48) hours on weekends, holidays, and the days HSC is closed. The Service Contractor will contact you to schedule a mutually convenient appointment during normal business hours. HSC will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If you should request HSC to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime.

3. HSC has the right to select the Service Contractor, which may be a service company affiliated with HSC, to perform the service. HSC will not reimburse you for services performed without HSC's prior authorization.

4. You will pay a deductible for each trade service call (See Terms, Section F.3.). Additional charges may apply to certain repairs and replacements. The trade service call fee is for each call dispatched and scheduled to be run (except as noted in Section C.6.) including, but not limited to, trade service calls wherein coverage is (in whole or in part) granted, excluded, limited or denied. Please note: the trade service call fee applies in the event you fail to be present at the scheduled time of the trade service call or in the event you cancel a call at the time the Service Contractor is en route to your home or the Service Contractor has already arrived at your home. The trade service call fee will be due and payable to the Service Contractor or HSC at the time of the scheduled trade service call. HSC will not respond to any new requests for service until any previous outstanding trade service call fees or any other outstanding balances are paid in full.

5. At the time the work begins and at appropriate time(s) thereafter, certain repairs and replacements may require you to allow a state or local building inspector access to your home. Failure to pay any required permit fee, or to allow the building inspector access to your home will result in suspension of coverage (for that specific repair or replacement) until such time as the permit fee is paid or access is granted (if applicable). At that time, coverage will be reinstated. However, the contract term will not be extended.

6. In the event work performed under this Agreement should fail during the recall period (ninety (90) days on parts and thirty (30) days on labor), HSC will arrange for the necessary repairs without requiring you to pay an additional deductible.

### **D. COVERED ITEMS**

**This Agreement provides coverage only for those items specifically listed as being covered on your Coverage Summary Page (which is attached and included as part of this Agreement) and excludes all other breakdowns and/or items. HSC agrees to repair or replace those specific items if they become inoperative during the term of this Agreement due to mechanical failure caused by NORMAL WEAR AND TEAR, and are subject to the terms and conditions of this Agreement.**

This Agreement covers only mechanical failures relating to the mechanical parts and components of those domestic-grade items that were in the home and in proper and safe operating condition and permanently installed and located within the perimeter of the main foundation of the home on the Agreement effective date. **"Mechanical failure"** occurs when a covered item becomes inoperable and unable to perform its designated function, subject to the limitations and conditions set forth herein. Examples of not covered: conditions that existed prior to Agreement effective date; lack of routine care and maintenance; misuse; and rust and/or corrosion. **"Domestic-grade"** items are those that were manufactured and marketed solely for installation and use in a residential family dwelling. The covered item will be deemed to have been in **"proper operating condition"** on the Agreement effective date if it was correctly located within the home, was

fully connected, was capable of successfully performing all operations commensurate with the manufacturer's original design intention, and did not pose any hazard to life or property. Determination of the operating condition as of Agreement effective date, and the nature of any failure, will be made by HSC based upon our professional opinion, reflecting but not limited to, diagnosis made by our Authorized Service Contractors or trained direct employees. **The items listed in Section D under "Examples of Not Covered" are not meant to be all-inclusive and are provided for illustration purposes only. They do not limit our right to decline coverage for items not specifically mentioned and should not in any way be deemed an expansion of Covered Items.**

## E. SYSTEMS AND APPLIANCES

### 1. Heating Systems (Standard Coverage)

**COVERED:** Heating systems including: forced air (gas, electric.); geothermal; wall mounted heaters; floor furnaces; package units; mini-splits; hot water or steam circulating heat; room heaters; oil heating system (if main source of heat to the home); cable heat (if main source of heat to the home or room); metering devices (e.g. thermal expansion valves); furnace; furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines. Any of the foregoing covered components as well as plenum, indoor electrical, duct connections are also covered with HSC's comprehensive coverage (see section E.3) when HSC determines that upgrading a heating system is necessary. Coverage includes indoor electrical lines up to and including the disconnect, including when required to maintain compatibility and compliance with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

**NOT COVERED:** Chimneys, flues, and liners; cleaning and re-lighting of burners; outside or underground piping; ductwork or piping where asbestos is present; concrete encased steam or radiant heating coils or lines; filters (including electronic/electrostatic and de-ionizing filter systems); electric baseboard heat, fireplaces, grain, pellet, or wood heating units (even if only source of heating) and key valves; built in heat lamps; well pump, and well pump components for geothermal and/or water source heat pump; geothermal piping; free-standing or portable heating units; fuel storage tanks, lines, and filters; roof jacks or stands; gas log systems, including gas feed lines; humidifiers; individual space heaters; maintenance and cleaning; panels and/or cabinetry; radiant heating systems built into walls, floors or ceilings; pressure regulators; registers/grills; secondary units; solar heating devices and components; crane charges; legally mandated diagnostic testing when replacing heating or cooling equipment; stopped up drain lines; and structural components; are not covered.

**LIMITS:** HSC will pay up to \$2,500 per contract term for access, diagnosis, repair, or replacement of Heating Systems and Air Conditioning Systems combined, including returning access openings to a rough finish. Coverage is only available on Heating Systems and Air Conditioning Systems not exceeding a five (5) ton capacity and designed for residential applications.

### 2. Air Conditioning Systems (Standard Coverage)

**COVERED:** Air conditioning systems including: Ducted central electric split and package units; geothermal; mini-splits; wall air conditioners (if the primary cooling system in the home is comprised of wall air conditioners, up to three (3) wall air conditioner units will be covered). Mechanical parts and components including: Air handler; blower fan motors; capacitors; compressors; condenser fan motors; condenser coils; condensers; evaporator coils; fan blades; freon gas lines interior to the unit; internal system controls; internal wiring; motors (excludes dampers); refrigerant (excludes reclamation); refrigerant filter dryer; refrigerant piping (excluding inter-connecting line sets); relays; reversing valves; switches and controls; and thermostats (electronic set back units will be replaced only with standard units).

**NOT COVERED:** Humidifiers and electronic air cleaners; secondary condensate drain pans, pumps, and lines; filters (including electronic/electrostatic and de-ionizing filter systems); heat recovery unit; interconnecting Freon lines (external of the equipment); panels and/or cabinetry; roof jacks or stands; asbestos insulated piping; outside or underground piping; recapture/reclaim of refrigerant; stopped up drain lines; structural components; geothermal piping; humidifiers; zone control systems; flues and vents; well pumps; well pump components for geothermal and/or water source heat pump; water pumps and lines (external of the condenser unit); wall units (except as noted above); crane charges; legally mandated diagnostic testing when replacing heating or cooling equipment; window units; mismatched systems; water cooling towers; general maintenance and cleaning; gas systems, including ammonia systems; and chillers, chiller components, water lines, chilled water systems; are not covered.

**LIMITS:** HSC will pay up to \$2,500 per contract term for access, diagnosis, repair, or replacement of Heating Systems and Air Conditioning Systems combined, including returning access openings to a rough finish. Coverage is only available on Air Conditioning Systems not exceeding a five (5) ton capacity and designed for residential applications.

### 3. Ductwork (Comprehensive Coverage)

**COVERED:** Leaks or breaks in ductwork (sheet metal, duct board, and flex duct including vapor barrier) from heating and/or air conditioning unit(s) including registers or grills; dampers; damper-only controls; plenums;

**NOT COVERED:** Registers or grills; insulation; collapsed or crushed ductwork; ductwork where asbestos is present; ductwork damaged by moisture; dampers; water damage; pests and/or animals; underground ductwork; improperly sized ductwork; ductwork outside the perimeter of the home or in a crawl space; diagnostic testing of, or locating leaks to ductwork, including, without limitation, as required by any federal, state or local law, regulation, or ordinance; or when required due to the installation or replacement of system equipment. When covered repairs require access to ductwork, HSC will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings, general maintenance and cleaning. If the ductwork is accessible only through a concrete floor, wall or ceiling.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of Ductwork, including returning access openings to a rough finish.

### 4. Plumbing Systems (Standard Coverage)

**COVERED ITEMS:** Mechanical parts and components of the following: interior hose bibs; angle stops; risers; shower and tub valves; gate valves; waste and stop valves faucets (replaced with chrome builder's standard); toilet tanks and bowls; and related mechanisms (replaced with two-piece white builder's standard); wax ring seals; toilet mechanisms within the toilet tank; repair of leaks and breaks in waste, drain, or vent lines within the perimeter of the main foundation of the home are also covered except if caused by freezing or roots. HSC will cover up to three (3) toilets.

**NOT COVERED:** All piping and plumbing outside of the perimeter of the foundation or below the lowest floor of the home (under the foundation or in a crawl space); collapse of waste, drain, or vent lines, or any damage caused by freezing or roots; toilet flanges; faucets and fixtures; bathtubs and showers; shower enclosures and base pans; showerheads; shower arms; Sinks; toilet lids and seats; caulking or grouting; color or purity of the water in the system; water softeners; pressure regulators; inadequate or excessive water pressure; flow restrictions in fresh water lines caused by scale, rust, minerals and other deposits or any pre existing condition; corrosion or chemical deposits; exterior hose bibs; polybutylene plumbing; water supply lines to the refrigerator; holding, storage and pressure tanks; pressure regulating devices; laundry tubs; bidets; jet plumbing; indoor/outdoor sprinkler systems; booster pumps; conditions of electrolysis; repair and finish of any walls, floors or ceilings where it is necessary to break through to effect repairs or diagnosis; septic tanks and systems in or

outside of the home; sewage ejector pumps; sewer and water laterals; wells and well pumps; solar systems; water conditioning equipment; main shut off valve; water damage; water filters; water purification systems; whirlpool bathtub, spas, saunas or steam rooms and their respective plumbing and mechanical components; are not covered.

**LIMITS:** HSC will pay up to \$750 per contract term for access, diagnosis, repair, or replacement of a covered plumbing system, including returning access openings to a rough finish. HSC is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like.

#### **5. Re-circulating Hot Water Pump (Comprehensive Coverage)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Basins and any costs associated with locating or gaining access to, or closing access from the re-circulating hot water pump.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered re-circulating hot water pump, including returning access openings to a rough finish. Coverage is limited to one (1) re-circulating hot water pump per contract.

#### **6. Gas Leaks (Comprehensive Coverage)**

**COVERED:** Repair of leaks and breaks in gas lines within the perimeter of the main foundation of the home, except:

**NOT COVERED:** All piping outside the perimeter of the foundation or below the lowest floor of the home (not limited to but including, under the foundation of the home or within a crawl space); collapse of gas lines; damage caused by a foreign object.

**Note: In the event of a gas leak in your house YOU MUST call your designated emergency response from your local gas company or local authorities.** They will shut off the gas in your home and mark off the spot of the leak. Once that is completed, you can call HSC and request service for a gas leak.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered gas leaks, including returning access openings to a rough finish. HSC is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like or any subsequent damage caused by a gas leak.

#### **7. Water Leaks (Comprehensive Coverage)**

**COVERED:** Repair of leaks and breaks in water or drain lines within the perimeter of the main foundation of the home except:

**NOT COVERED:** All piping and plumbing outside of the perimeter of the foundation or below the lowest floor of the home (under the foundation or in a crawl space); any damage caused by freezing, roots, or a foreign object collapse of waste or drain, lines.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered water leaks, including returning access openings to a rough finish. HSC is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like or any subsequent damage caused by a water leak.

#### **8. Sump Pump (Comprehensive Coverage)**

**COVERED:** Permanently installed sump pump for ground water only except:

**NOT COVERED:** Sewage ejector pump; back-up power assemblies; any unit located outside the perimeter of the foundation, or below the lowest floor of the home (not limited to but includes, under the foundation of the home or within a crawl space).

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered sump pump, including returning access openings to a rough finish. HSC is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like.

#### **9. Water Heaters (Standard Coverage) (Gas or Electric)**

**COVERED:** Mechanical parts and components for one primary water heater, including circulatory pumps and domestic hot-water coils attached to boilers, but excluding solar and heat recovery units; 80-gallon maximum capacity for both gas and electric water heaters; tankless, direct vents and power vents that malfunction due to normal wear and tear.

**NOT COVERED:** Oil-fired water heaters, anode rods (these could be considered consumable as they typically last approximately 5 years. If they fail and are not replaced, it will cause the tank to rust at a much faster rate); color or purity of water; noise; heat recovery units; stands; permits; code upgrades; flue repairs; piping; gas stop; T&P discharge line; insulation; sediment build-up; and solar heaters, including all parts and components; water heaters exceeding 80-gallon maximum capacity; Ancillary holding or storage tanks; fuel storage tank; energy conservation unit; thermal expansion tanks.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered water heater, including returning access openings to a rough finish.

#### **10. Electrical Systems (Standard Coverage)**

**COVERED ITEMS:** Mechanical parts or components as follows: general line voltage wiring (repair only); components and parts within the perimeter of the exterior walls consisting of main breaker fuse panel/box; lighting fixtures; standard light switches and receptacles.

**NOT COVERED:** Alarm systems batteries; burglar, fire and smoke alarms; direct current (DC) wiring and systems; door bells and chimes; exterior wiring and components (except main panels mounted to exterior wall); exhaust fans; lighting fixtures; load control devices; low voltage systems including wiring and relays; electrical generation systems; face plates; telephone systems; audio/video/computer/ intercom wiring or cable; timers; touch pad assemblies; remote controls; circuit overload; garage door openers; utility meter base pans. Failures and conditions caused by inadequate wiring capacity, circuit overload, power failure/shortage or surge, and corrosion caused by moisture are not covered.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered electrical systems, including returning access openings to a rough finish.

#### **11. Whole House, Exhaust & Attic Fans (Comprehensive Coverage) (Built-in)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, (replaced with builder's standard) except:

**NOT COVERED:** Exhaust fans used for radon; heating or lighting components are not covered.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered whole house, exhaust & attic fans, including returning access openings to a rough finish.

#### **12. Ceiling Fans (Standard Coverage) (Built-in)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, (Replaced with builder's standard) except:

**NOT COVERED:** Light kits and remote transmitters; attic, bathroom, and/or whole house exhaust fans; wall fans; removable accessories are not covered.  
**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a ceiling fans, including returning access openings to a rough finish.

### 13. Central Vacuum(s) (Comprehensive Coverage)

**COVERED ITEMS:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear of a single primary unit as follows: motor and drive train except:

**NOT COVERED:** Accessories or hoses; removable attachments; clogged pipes; and maintenance related breakdowns. HSC is not responsible for the cost of gaining access to, or closing access from the floor or walls either to locate the cause of malfunction or to affect repair or replacement.

**LIMITS:** HSC will pay up to \$500 per contract term for diagnosis, repair, or replacement of a central vacuum system, including returning access openings to a rough finish.

### 14. Microwave Oven Built-In (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Interior linings; door glass; shelves; portable or counter top units; meat probe assemblies; rotisseries; clocks; removable accessories.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a microwave oven built-in.

### 15. Dishwashers (Standard Coverage) (Built-in)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Racks; baskets; rollers; removable accessories.

**LIMITS:** HSC will pay up to \$650 per contract term for access, diagnosis, repair, or replacement of a covered dishwasher.

### 16. Instant Hot Cold Water Dispenser (Comprehensive Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Cosmetic or physical damage; removable accessories.

**LIMITS:** HSC will pay up to \$300 per contract term for access, diagnosis, repair, or replacement of a covered water heater, including returning access openings to a rough finish.

### 17. Refrigerators (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Racks; shelves; drawers; ice makers, ice crushers, beverage/water dispensers and their respective equipment; interior thermal shells; food spoilage; free standing freezer; freezers which are not an integral part of the refrigerator; removable accessories; wine coolers/chillers multi-media center are not covered; non functioning parts; cosmetic damage.

**LIMITS:** HSC will pay up to \$750 per contract term for access, diagnosis, repair, or replacement of a covered refrigerator. Refrigerator must be located within kitchen area. An additional premium is required for Refrigerators Built-In Units with Dual Compressors (Sub-Zero type). See Optional Coverage (E.34)

### 18. Ovens Ranges Cook-tops (Standard Coverage) (Gas or Electric)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Clocks (unless they affect the function of the oven); meat probe assemblies; rotisseries; racks; handles; knobs; dials; interior lining; sensi-heat burners (replaced with standard burners); light sockets; indoor barbecue; removable accessories are not covered.

**LIMITS:** HSC will pay up to \$750 per contract term for access, diagnosis, repair, or replacement of the ovens ranges cook-tops combined.

### 19. Garbage Disposal (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Removable accessories.

**LIMITS:** HSC will pay up to \$350 per contract term for access, diagnosis, repair, or replacement of a covered garbage disposal.

### 20. Trash Compactor (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Lock and key assemblies; removable buckets; removable accessories are not covered.

**LIMITS:** HSC will pay up to \$350 per contract term for access, diagnosis, repair, or replacement of a covered trash compactor.

### 21. Food Centers Built-in (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Removable accessories.

**LIMITS:** HSC will pay up to \$350 per contract term for access, diagnosis, repair, or replacement of covered food center built-in.

### 22. Clothes Washer: (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Plastic mini-tubs; soap dispensers; filter screens; knobs and dials; odors; damage to clothing; drawers; touch pads.

**LIMITS:** HSC will pay up to \$800 per contract term for access, diagnosis, repair, or replacement of the clothes washer and clothes dryer combined.

### 23. Clothes Dryer (Gas or Electric) (Standard Coverage)

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Venting; lint screens; knobs and dials; dryer cabinet fragrance/humidity center; hangers, shelves, rods, hooks, and cabinet liner; touch pads; damage to clothing; racks; odors; drawers are not covered.

**LIMITS:** HSC will pay up to \$800 per contract term for access, diagnosis, repair, or replacement of the clothes washer and clothes dryer combined.

### 24. Pest Control (Comprehensive Coverage)

**COVERED:** Roaches; ants (except Fire, Pharaoh, and Carpenter varieties); Silverfish; Black Widow spiders; earwigs; Brown Recluse spiders; millipedes; mice - crickets; ground beetles; centipedes; pillbugs; sowbugs; Clover Mites.

**NOT COVERED:** Termites; fungus; mold; wood-boring beetles; rats; any pests not specifically listed above as covered are not covered.

**LIMITS:** HSC will pay up to \$500 per contract term for pest control coverage, coverage is limited to one (1) claim per contract term.

#### **25. Garage Door Opener (Standard Coverage)**

**COVERED:** You're covered for the mechanical parts and components of a single primary mechanical screw, belt or chain driven unit as follows: motor; wiring; receiver board; relays; switches and sensors; and drive trains.

**NOT COVERED:** Garage Doors; batteries; damage caused by door malfunctions; all door assemblies including door panels, tracks, rollers, hinges, cables and springs; guides; frequency interference; lights; sending units; exterior mounted keypads; and transmitters.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of the garage door opener.

#### **26. Telephone Wiring (Comprehensive Coverage)**

**COVERED ITEMS:** Telephone wiring for residential telephone service located within the perimeter of the main foundation of the home.

**NOT COVERED:** Telephone jacks; plugs; lights; transformers or any other power units; cover plates, telephone units; answering devices; telephone fuses; alarm circuits; fuses; wiring which is the property of the telephone company.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of telephone wiring.

#### **27. Alarm Wiring (Comprehensive Coverage)**

**COVERED ITEMS:** Burglar alarm wiring used for residential alarm service located within the perimeter of the main foundation of the home.

**NOT COVERED:** Plugs; lights; transformers or any other power units; cover plates, alarm units; motion detectors; glass breakers; door and window contacts; alarm circuits; fuses; wiring which is the property of the alarm company.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered alarm wiring.

#### **28. Smoke Detectors (Comprehensive Coverage)**

**COVERED:** You're covered for the repair or replacement of battery operated and hardwired smoke detector components and parts that malfunction due to normal wear and tear.

**Not Covered:** Batteries.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered smoke detectors.

#### **29. Doorbells (Comprehensive Coverage)**

**COVERED ITEMS:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Batteries.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered doorbells.

#### **30. Whirlpool Motor and Pump Assemblies (Comprehensive Coverage) (Built-in)**

**COVERED:** Mechanical parts and components of one whirlpool motor and pump assemblies as follows: accessible electrical controls; accessible plumbing lines; drains; gaskets; and primary circulation pump and motor.

**NOT COVERED:** Bathtub shell; caulking and grout; failures due to dry operation of equipment; gaining access to piping, electrical and component parts; tiles and marble; and tub enclosure.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered whirlpool motor and pump assemblies, including returning access openings to a rough finish. HSC is not responsible for trim, texture, paint, wallpaper, tile, carpet, or the like.

#### **31. Plumbing Stoppage Coverage (Comprehensive Coverage) (accessible ground level clean out required)**

**COVERED:** Clearing of sink, bathtub, shower, and toilet stoppages; clearing of mainline drain and sewer stoppages up to 100 feet (standard sewer cable) from access point; mainline stoppages are only cleared when an accessible cleanout (without excavation) is either available or can be installed (installation is not covered); Clearing of lateral drain line stoppages up to 100 feet from access point including, but not limited to, accessible cleanout, p-trap, drain or overflow access points, and removing a toilet for a toilet stoppage only.

**NOT COVERED:** Costs to locate or access cleanouts not found or inaccessible, or costs associated with installing cleanouts; stoppages caused by collapsed, damaged, frozen, or broken drain, or sewer lines, inside or outside of the home's main foundation; stoppages due to roots or foreign objects; lines broken or infiltrated by roots, or otherwise stopped by roots, even if within the home's main foundation; septic tanks are not covered.

**LIMITS:** HSC will pay up to \$500 per covered property during the term of the contract for plumbing stoppage coverage. Coverage is limited to one clearing during the term of the contract per covered property.

### **HSC OPTIONAL COVERAGE**

#### **32. Freestanding Freezer (Optional Coverage)**

**COVERED ITEMS:** Mechanical parts and components affecting the proper operation of one freestanding freezer, covered mechanical parts and components include only the following: belts; compressor; condensers; control timers; defrost heaters; latch assemblies; electronic components; evaporators; fan motors; hinges; hoses; internal wiring; motors; power cords; pumps; pulleys; ram assembly; switches and relays; solid state control boards; thermostats; touch pads; and water valves.

**NOT COVERED:** Ice and beverage dispensers; buckets; commercial units; drawers; door seals; drip pans; filters and screens; food spoilage; ice maker; interior lining; internal shelves; knobs and handles; light bulbs and fixtures; lock and key assemblies; panels and/or cabinetry; racks; removable mini-tubs or buckets; secondary units; shelves; springs; stopped up drain lines; structural components; cosmetic problems, such as chipping, dents, or scratches; trays; venting; and water flow restrictions due to mineral deposits, such as, but not limited to, lime.

**LIMITS:** HSC will pay up to \$800 per contract term for access, diagnosis, repair, or replacement of one covered freestanding freezer.

#### **33. Freestanding Additional Refrigerator (Optional Coverage)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Racks; shelves; drawers; ice makers, ice crushers, beverage/water dispensers and their respective equipment; interior thermal shells; food spoilage; free standing freezer; freezers which are not an integral part of the refrigerator; removable accessories; wine coolers/chillers multi-media center are not covered; non functioning parts; cosmetic damage.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered refrigerator. An additional premium is required for Refrigerators Built-In Units With Dual Compressors (Sub-Zero type). See Optional Coverage (E.34)

#### **34. Refrigerators Built-In Units With Dual Compressors (Sub-Zero type) (Optional Coverage)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, except:

**NOT COVERED:** Food spoilage; racks; shelves; drawers; interior thermal shells; removable accessories; multi-media center.

**LIMITS:** HSC will pay up to \$2,500 per contract term for access, diagnosis, repair, or replacement of one covered refrigerator built-in unit with dual compressors.

#### **35. Well Pump (Optional Coverage)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear of a well pump utilized as the main source of water to the home, except:

**NOT COVERED:** Well pump and well pump components for geothermal and/or water source heat pump; holding or storage tanks; pressure tanks; failure attributed to well impurity; damage due to low water table; contamination or lack of water; above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing; well casings; pressure switches not located on the pump; holding, booster pumps; re-drilling of wells; joint wells; excavation or other charges necessary to gain access to remove and/or repair well pump system. Systems used partially or wholly for irrigation or agricultural purposes are not covered.

**LIMITS:** HSC will pay up to \$1,000 per contract term for access, diagnosis, repair, or replacement of a covered well pump.

#### **36. Jetted Bathtub (Optional Coverage)**

**Covered Items:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, covered mechanical parts and components include only the following: accessible electrical controls; accessible plumbing lines; air pumps; drains; gaskets; and primary circulation pump and motor.

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

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered jetted bathtub.

#### **37. Water Softener (Optional Coverage)**

**COVERED:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear of basic single and twin water softener units, including central head assembly; piping to and from unit(s) and system tanks.

**NOT COVERED:** Any and all treatment, purification, odor control, iron filtration components and systems; discharge drywells; failure due to excessive water pressure or freeze damage; failures due to mineral and/or sediment; resin bed replacement; and salt are not covered.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered water softener.

#### **38. Roof Coverage (Optional Coverage)**

**COVERED ITEMS:** Leaks that occur in the roof of the structure covered by the home warranty agreement, provided the leaks result from rain water penetrating the roof due to normal wear and deterioration of the building materials covering the roof.

**NOT COVERED:** Leaks that occur in a deck or balcony when that deck or balcony serves as the roof of the structure below; leaks in patio, porches, or detached garages; leaks that result from or that are caused by roof mounted installations, including skylights; un-workmanlike construction or repairs; missing or broken shingles or tiles; holes made in roof, including but not limited to display of decorative lighting; foam roofs; structural collapse due to earthquake, rot, or improper design; leaks that result from or are caused by persons walking or standing on the roof; acts of god; leaks manifested prior to the effective date of this agreement; structural leaks or leaks at, adjacent to, or caused by, appendages of any kind including gutters, downspouts, flashing, patio covers, solar equipment, vents, heating or cooling equipment, antennas, chimneys, built-up roofs. Failure to perform normal or preventative maintenance to the roof or gutters will not be covered. Under no circumstances will HSC be liable for consequential damages caused by leaks from a roof of a covered property.

**LIMITS:** HSC will pay up to \$1,000 per contract term for the repair of specific roof leaks that are a result of rain and/or normal wear and tear provided the roof was in good, watertight condition at the start of contract. If replacement of the existing roof is necessary, in whole or in part, HSC's liability is limited to payment in lieu of the estimated cost of repair of the leaking area only, as if the repair of that area were possible. Customer is responsible for payment of any costs in excess of \$1,000.

#### **39. Pool & Spa Equipment (Optional Coverage)**

Shared equipment is covered. If the equipment is not shared, then only one or the other is covered unless an additional fee is paid.

**COVERED:** Coverage applies to above ground, accessible, working components, pumping, and filtration system as follows: pump; motor; filter; filter timer; gaskets; blower; timer; valves, limited to back flush, actuator, check, 2-way and 3-way valves; Relays and switches; pool sweep motor and pump; above ground plumbing pipes and wiring.

excludes portable or above ground spas, and pools

**NOT COVERED:** Excludes portable or above ground spas, and pools; automatic feeders and chemicals; chlorinators, and ionizers; "creepy crawlers" and similar cleaning units; electrical lines; filter elements or media (e.g., cartridges, grids and sand); heater; lighting; pop up heads and turbo valves; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment; auxiliary pumps; skimmers; liners; salt water generators and components; remote control systems; pool sweeps; ornamental fountains, waterfalls and their pumping systems; lights; solar heaters and related components; freon reclamation; disposable filtration mediums; structural and/or cosmetic defects; fill line and fill valves; liner or shell of the pool; heat pump; underground water, gas, and electrical lines; dehumidifiers; timer systems; underground and/or concrete encased plumbing; pool cover and related equipment; damage due to lack of general maintenance or improper chemical balance; jets; electronic/computerized controls and/or control panels; fuel storage tanks; multi-media centers; and cost of access to make repairs or replacements are not covered.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered pool & spa.

#### **40. Spa and Spa Heater (Optional Coverage)**

**COVERED ITEMS:** You're covered for the repair or replacement of components and parts that malfunction due to normal wear and tear, covered mechanical parts and components include only the following: above ground accessible plumbing lines leading to and from unit; air pumps; blower motor; filters (free-standing

housing body, laterals, pressure gauges, back flush valves); gaskets; impellers; internal spa pack heater; internal switches; primary circulator pump and motor; relays; mechanical components and parts of gas, electric, oil, and heat pump units.

**NOT COVERED:** Automatic feeders and chemicals; chlorinators; "creepy crawlers" and similar cleaning units; electrical lines; filter elements or media (e.g., cartridges, grids and sand); lighting; pop up heads and turbo valves; freon reclamation; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment; skimmers; remote control systems; fountain and waterfall pumps; solar heaters and related components; structure, liner or shell of the pool; timer systems; and underground and/or concrete encased plumbing.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of a covered spa and spa heater.

#### **41. Sewage Ejector Pump (Optional Coverage)**

**COVERED:** All parts and components that affect operation, except:

**NOT COVERED:** Basins and any costs associated with locating or gaining access to, or closing access, from the sewage ejector pump.

**LIMITS:** HSC will pay up to \$500 per contract term for access, diagnosis, repair, or replacement of covered sewage ejector pump, including returning access openings to a rough finish. Coverage is limited to one sewage ejector pump per contract.

### **F. TERMS OF COVERAGE**

1. When repair or replacement services covered by this Agreement are required, you must contact HSC's customer service representatives either by making a claim online 24 hours a day at [www.hscwarranty.com](http://www.hscwarranty.com) or by calling HSC at (800) 601-1009. HSC's customer service representatives are available 9am to 5pm EST, closed on weekends and holidays. You must notify HSC immediately upon the discovery of a mechanical failure and while the contract is in effect. All repair and/or replacement work covered by this Agreement must be performed by an authorized contractor and approved by HSC in advance. Any and all unauthorized work, or work done without prior approval from HSC, will not be covered by this agreement. Should the contract holder contract directly with others or do the work themselves, HSC will not be responsible for that cost. Any incurred cost or subsequent damage that may have occurred or have been caused by an unauthorized service contractor will be assumed by you.

2. HSC has sole authority to select authorized contractors. HSC will provide you with a referral to an authorized contractor. HSC will use best efforts to provide a referral to a service contractor within twelve (12) hours after the service request is received during normal business hours and within twenty-four to forty-eight (24 - 48) hours for requests received after normal business hours and on weekends or holidays. In situations where an authorized contractor is not available, HSC may authorize repairs done as "customer reimbursement". This means the contract holder will pay for the approved repairs and submit the invoice to HSC for reimbursement of the covered repair cost. HSC does not provide overtime service. Repairs are scheduled during normal business hours. Should you agree to pay overtime charges, the company will pay the repair costs applicable to normal business hours, but the overtime labor charges are the responsibility of the contract holder. Any and all claim repairs must be authorized by an HSC claims agent prior to being made; only the amount authorized will be covered by HSC.

3. This Agreement includes a deductible charge referred to as a "Trade Service Call Fee", listed on your Contract Coverage Summary Page that you must pay per repair. A repair is defined as the necessary work performed to correct a single covered failure for the equipment and components listed as covered on the Contract Coverage Summary Page. A service call includes, without limitation, the action of inspecting, diagnosing, and performing service for the repair or replacement of a malfunctioning item. You will be responsible for and shall pay the authorized contractor directly or HSC for the service call and for actual work performed and/or items installed, up to the amount of the deductible at the time of the visit(s), in a manner acceptable to the authorized contractor or HSC. Any amounts due for services performed or parts installed that are not covered under the terms, conditions, provisions, and limitations of this Agreement are also your responsibility and shall be paid directly to the service contractor or HSC by you. If it is determined by HSC agents that the failure is not covered under this agreement, you are responsible for the reimbursement to the service provider for any trip, diagnostic, repair, or replacement charges. This would include any amount in excess of the deductible. HSC will provide no additional service if a prior deductible is unpaid.

4. You agree to make premises available during normal business hours for the authorized contractor to affect needed repairs you requested. You agree to pay our authorized contractor any service charge and additional charges assessed by our authorized contractor resulting from your failure to provide access and/or for missed appointments these charges maybe in excess of the deductible. HSC requires someone eighteen (18) years or older to provide access during normal business hours to affect repairs.

5. HSC reserves the right to provide pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement. The decision to provide pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement is solely our decision. Acceptable proof of your actual itemized documentation supporting that the item in question has been repaired, purchased and replaced, must be presented to HSC prior to receiving reimbursement. The amount of such payment shall be equal to the approved cost of repair or the estimated cost of replacement (less the deductible). This amount will be established by HSC at our sole discretion, based on what HSC would have spent on the repair or replacement of the item in question (which may be less than retail or at actual cost). Once HSC provides reimbursement, coverage for that item will be fulfilled for the remainder of the Agreement term and subsequent renewals. Please note all pre-approved reimbursement of itemized costs or payment back in lieu of repair or replacement are subject to the limitations set in section E. for each perspective System and Appliance.

6. HSC is not responsible for payment of any costs in excess of the limitations set in section E. for each perspective System and Appliance.

7. HSC reserves the right to replace a covered item rather than repair it. The decision to replace rather than repair items is solely our decision. Should HSC choose to replace an item, the replacement will be the base model that meets all applicable federally mandated minimal manufacturers' standards, will perform the same primary function, and have a capacity comparable with the covered item, when available with domestically assembled units. With respect to appliances, HSC will make reasonable efforts to provide replacement items of similar mechanical capabilities and/or efficiency of the original unit, when available. HSC is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators. HSC is not liable to provide exact match in dye, lot, type or brand. In the event HSC replaces a stainless steel appliance, HSC will match the product with a comparable stainless steel appliance, if available. When replacing systems or appliances, HSC will not be responsible for the installation of the replacement item or the cost of the construction, modifications, carpentry or transitional work made necessary in order to accommodate the replacement, nor for any costs to upgrade or modify items for any reason. Once a covered system has been replaced, that portion of coverage has been fulfilled for the remainder of the Agreement term and subsequent renewals. Please note all replacements are subject to the limitations set in section E. for each perspective System and Appliance.

8. HSC reserves the right to obtain, at our expense, a second opinion by an authorized service contractor prior to determining eligibility for coverage.

### **G. CANCELLATION, VOIDABILITY, & ELIGIBILITY**

1. This is a maintenance agreement for repair, replacement, or partial replacement of the systems and appliances listed in section E that are deemed manufactured or sold by the manufacturer and are stated as covered on your Contract Coverage Summary Page. This is not a contract of insurance, residential service, warranty, extended warranty, or implied warranty.

2. I. You may cancel this contract within the first 30 days following the date you ordered this contract, for any reason and shall be entitled to a refund of the paid contract fees less any service (claims) costs that were incurred by HSC. If you request to cancel after the 30th day, you shall be entitled to a pro rata refund of

the paid contract fees for the unexpired term, less: (a) any service (claims) costs that were incurred by HSC and an administrative fee of up to \$45 (where permitted by law).

2.II. This contract may be cancelled by HSC for the following reasons: (a) nonpayment of contract fees; (b) mutual agreement of HSC and you; (c) fraud or misrepresentation by you and/or your representative of facts material to HSC's issuance of this contract; (d) if you and/or your representative either threatens to harm or actually harms the safety or well-being of: (i) HSC; (ii) any employee of HSC; (iii) a Service Contractor; or (iv) any property of HSC or of the Service Contractor; or (e) a change in laws or regulations that has a material effect on the business of HSC or HSC's ability to fulfill its obligations under this contract. (f) HSC may cancel this contract at any time in the first 30 days following the effective date of the contract without reason, if HSC cancels this contract within the first 30 days, you shall be entitled to a refund of the paid contract fees less any service (claims) costs that were incurred by HSC. If HSC cancels this contract after the 30th day from contract effective date, you shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$45 (where permitted by law); and (b) any service (and claims) costs that were incurred by HSC.

2.III. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 601-1009 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days.

3. In the event that a real estate listing agreement is cancelled or expires while your home is covered by a Seller Home Warranty, you agree to pay to HSC the applicable Buyer Conversion Warranty fee at the time the real estate listing agreement is cancelled or at the time the real estate listing agreement expires, whichever occurs earlier. In the event of a home which was covered under the Seller Home Warranty during the listing period is sold, regardless of whether a claim is paid under the contract, the seller will be liable to HSC for the applicable Buyer Conversion Warranty fee.

4. This Agreement covers a single family residence (under 5,000 square feet), including a condominium, townhouse or villa, or a multi-family property of two (2) to four (4) units (duplex, triplex, or fourplex) used solely for residential purposes. An appropriate fee for each type of property must be paid for coverage to be valid. Any dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, group home (5 or more unrelated individuals cohabiting in same household), rest home, church or school will not be covered. Homes listed in any historical register are not covered. Whether or not this contract covers a condominium unit, mobile home, manufactured home, or any multifamily dwelling (e.g., duplex, triplex, or fourplex), any repairs and/or replacements will be limited to the items solely used by and located and serviceable within such single unit (unless specified otherwise). No common area items or items shared by non-warranted units will be covered by this Agreement. Single-family residences over 5,000 square feet require an additional square footage plan and fee.

5. Multi-family properties are eligible for the Seller Home Warranty; however, coverage is restricted to the owner occupied unit only. All other tenant occupied units are not covered under the Seller Home Warranty. If coverage is provided on tenant occupied units under the Buyer Conversion Warranty, Buyer Direct Warranty, and/or Homeowner Direct Warranty, the contract holder is responsible to report the claim and pay the trade service call fee charge.

6. Mobile homes are eligible for coverage, provided they are permanently secured to the ground and the land they are located on is owned by you. Mobile/manufactured homes that are located in a division operated similar to a condominium, where maintenance is provided, are also eligible for coverage.

#### H. LIMITS OF LIABILITY

1. This Agreement provides coverage for the mechanical failure of only those items listed as covered on your Contract Coverage Summary Page.

2. This Agreement does not cover system replacements necessitated due to missing or illegible model and/or serial numbers. In such situations HSC will issue a payment equal to the industry standard for the required repairs.

3. This Agreement does not cover failures which may result from other causes, such as without limitation: abuse or misuse; improper installation; improper or insufficient maintenance, failure to clean; neglect; impact damage, physical damage, lightning strikes; missing parts; animal, pet and/or pest damage; casualty; acts of G-d; structural and/or property damage; structural changes, flood; smoke; earthquake; freeze damage; fire, electrical failure or surge, water damage, mud, soil movement, storms, accidents, or failure due to excessive or inadequate water pressure; accidents; war; nuclear explosion, acts of terror, reaction, radiation or radioactive contamination; insurrection; riots; vandalism; or intentional destruction of property.

4. HSC is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect, and any modification to the system or appliance. HSC does not perform routine maintenance. You are responsible for performing and providing routine maintenance and cleaning on covered items as specified by the manufacturer to ensure continued coverage on such items. For example: heating and air conditioning systems require periodic cleaning and/or replacement of filters and cleaning of evaporator and condenser coils. Water heaters require periodic flushing.

5. HSC is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up.

6. Items are not covered if they are: mismatched (systems with incompatible components with different capacity ratings); modified from the original manufacturer design or application; under factory recall due to manufacturer defect or class action lawsuit; improperly installed; or located outside the perimeter of the main foundation (e.g., outside the outer load bearing walls of the structure) or below the slab, basement floor or the lowest floor of the home (except where noted above).

7. This Agreement does not cover upgrading or making modifications to items due to, but not limited to, the following reasons: capacity (over or undersized); dimensional or design change; conditions of insufficient or excessive water pressure; conditions of inadequate wiring capacity; circuit overload; power failure and/or surge; failure to meet building code(s); zoning requirements; utility regulations; or failure to comply with local, state or federal laws or regulations (such as 13 SEER federal mandate effective January 23, 2006). If a system, appliance, or component is determined to be undersized or overloaded, or inadequate, repair or replacement of the malfunctioning system, appliance, or component is not covered by this contract.

8. HSC is responsible when repairing or replacing covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements. HSC is not responsible or liable for components, parts or equipment required due to: (a) the incompatibility of the existing equipment with the replacement system or appliance or component or any part thereof; or (b) any new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. HSC is not responsible or liable for the cost of construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment.

9. This Agreement does not cover: fees associated with the removal and disposal of old systems, appliances and components; or losses or other costs, including, but not limited to, disposal fees arising from hazardous or toxic material, asbestos, freon or freon reclamation or any of the costs associated with any upgrades or modifications to comply with Federal, state, local law, code, regulation, or ordinance and any building or zoning permits that are deemed necessary.

10. HSC is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, termite damage, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

11. HSC reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

12. This Agreement does not cover repair or replacement of systems, appliances or components classified by the manufacturer as commercial-grade.

13. HSC will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to, asbestos, mold, lead paint, and sanitation of sewage spills.
14. This Agreement does not cover (a) fees associated with use of cranes or other lifting equipment required to service roof-top heating or air conditioning units; or (b) excavation or other charges associated with gaining access to the well pump; or (c) electronic computerized energy management systems or devices, or lighting and/or appliance management systems.
15. HSC is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.
16. HSC is not liable for charges incurred to gain access to a system, appliance or component in situations where there is inadequate capacity or space for serviceability caused by, but not limited to, walls, floors, ceilings, permanently installed fixtures, cabinets, personal property, counter tops, tiling, paint, or the like. In the event it is necessary to open walls, floors, or ceilings, or to move such fixtures, cabinets, or personal property to perform a diagnosis or service, HSC is not responsible for restoring such openings, items, or property. HSC is not responsible for the repair of any cosmetic defects. HSC is also not responsible for reconfiguring space to accommodate replacement equipment when equipment of identical dimensions is not readily available.
17. HSC is not responsible for additional fees the contractor may charge related to additional manpower or additional equipment (e.g. a crane) required to repair or replace a system, appliance, or component on a roof, in an attic, or in any other area not readily accessible.
18. HSC is not responsible or liable for delays or failure caused by, or related to: any of the exclusions listed herein; shortages of labor and/or materials and parts; delays in shipping or delivery of parts; or any other cause beyond our reasonable control. HSC is not liable for additional charges to access or transport materials, supplies, or authorized contractors to the covered property due to lack of or inhibited serviceability, such as but not limited to required use of ferries or barges and/or remote locations.
19. HSC is not responsible for damage that results from an authorized contractor's service or delay in service. HSC is not responsible for incidental and/or consequential loss or damages resulting from the mechanical failure of any item including, without limitation, food spoilage, loss of income, additional living expenses, and/or property damage.
20. Should any item covered by this Agreement be covered by insurance, warranties or guarantees, including but not limited to a manufacturer's, contractor's, builder's, distributor's, or in-home warranty, HSC is not liable for repairs or replacements covered by such insurance, warranties, or guarantees. If a claim covered by this Agreement is also covered by an insurance policy, warranty, service contract, or manufacturers recall, HSC shall pay only for the amount of the cost to repair or replace such covered system, appliance, or component in excess of the amount due from that other insurance, warranty, service contract, or manufacturer's recall (subject to the limitations in section E). HSC's coverage is secondary to such insurance, warranties, or guarantees.
21. Subject to the specific item limitations listed above, our liability does not exceed **\$2,500.00** per claim (A "claim" is payment made as a result of a request for service due to the failure of a single covered item.) For Standard Coverage our liability does not exceed **\$5,500.00** in aggregate per Agreement term. For Comprehensive Coverage our liability does not exceed **\$8,500.00** in aggregate per Agreement term.
22. If you authorize or perform any improper alterations, installations or repairs or improperly modify any system, appliance or component covered by this Agreement, or damage it in the course of remodeling or repair, HSC will no longer be obligated to cover such item(s).

#### **I. MISCELLANEOUS**

1. **Term.** Homeowner Direct Warranty, Buyer Direct Warranty and Buyer Conversion Warranty expire one (1) year from Agreement effective date. A Home Seller Warranty expires six (6) months from Agreement effective date.
2. **Renewal.** A Homeowner Direct Warranty, Buyer Direct Warranty, and Buyer Conversion Warranty may be renewed on an annual basis, at our discretion and where permitted by state law. In the event this Agreement is renewable, you will be notified of the applicable rates and terms of coverage. If payment for this contract is received by HSC within 30 days after the expiration date of the prior year's contract, coverage starts the date the prior year's contract expires (Effective Date) and continues for 365 days from that date. If payment is received later than 30 days after the expiration date of prior year's contract, coverage starts at a date HSC will determine as new coverage start date (alternative Effective Date) and continues for 365 days from that date.
3. **Assignment.** In the event of assignment or transfer of title of the covered property, this Agreement may be assigned and/or transferred at our discretion, for a fee not to exceed \$35, except where specifically governed otherwise by state law.
4. **Installment Billing.** In certain cases you may be permitted, at our option, to pay for your coverage on an installment basis. Should you suffer a mechanical failure covered by this Agreement at a time when there are unpaid installments due from you, whether or not such payments are due or overdue, HSC may require payment of the entire remaining unpaid balances prior to covering the loss for you, as HSC deems necessary or desirable.
5. **Waiver.** Should HSC waive any of our contractual rights, such waiver will not constitute a future waiver of said rights.
6. **Dispute Resolution.** Any controversy or dispute resulting from a claims settlement under this contract shall be settled by binding arbitration conducted in New York, unless another location is agreed to by both parties, in accordance with the existing rules of the American Arbitration Association. Any award rendered by the arbitrator(s) shall be final, binding and conclusive on all parties for all jurisdictions. The arbitrator(s) shall cause the losing party to pay the reasonable attorneys' fees and costs of the prevailing party and disbursements related to the arbitration process and any appeal thereof. Any controversy or claim must be submitted to arbitration within six (6) months (or other period required by law) from date in which controversy or claim first arose and if not brought within such time (time being of the essence), the party seeking to resolve such controversy or claim shall lose all rights and remedies with respect hereto.
7. **Disclosure.** The price of the Agreement includes the full amount of all fees due and payable as well as the costs of processing and administration for HSC the Issuing Company and its agents where allowable by law. Any applicable state or local sales taxes are in addition to the price of the Agreement.
8. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreement and understandings of the parties hereto, oral or written, with respect to the subject matter hereof. Except as provided herein, all other warranties, expressed or implied, are hereby disclaimed.