

# FLEXPLAN® HOME PROTECTION PLAN



## WE ARE COMMITTED

## TO PROTECTING WHAT MATTERS

#### What is a Home Protection Plan?

A home protection plan is simple. It's a one-year service contract that covers the repair or replacement of many major home system components and appliances that typically break down over time.

#### Home protection plans should be considered for:

▶ Single Family Homes
▶ Rental Properties

▶ New Construction
▶ Townhomes

▶ Condominiums
▶ Foreclosure Properties

▶ Vacation Homes
▶ Multi-unit Properties

Other than our new construction plan, which covers years two through five, home protection plans last one year, starting on the date of closing.

#### What is a Preventative Maintenance Plan?

Our Preventative Maintenance Plan allows a heating and air conditioning contractor to check the current condition of a home's heating and cooling system to help provide comfort that it has been properly maintained in order to prevent untimely breakdowns.

#### Why American Home Shield?

As the industry leader, we have a solid reputation for reliability and follow-through. We also have a nationwide network of approved, independently insured service contractors to handle your covered repair or replacement efficiently. As our core business, helping protect major home system components and appliances is what we do most and what we do best.

Our mission is to simplify and improve the quality of our customers' lives by providing flexible home repair and maintenance solutions that help them worry less and live more.

Our goal at American Home Shield is to provide our customers with great customer service. With more than 40 years in the home protection plan industry, you can have the confidence of knowing that we'll be there for you.



#### **Benefits to Buyers**

When you buy a new home, you're making a major investment in your family and future. A home protection plan can give you the assurance of helping to safeguard that investment. There are many reasons for you, as a home buyer, to include an American Home Shield Home Protection Plan in your contract:

- D Relief from some of the expenses of unexpected breakdowns on covered items
- Affordable, flexible and customizable plans
- Access to a network of service contractors
- D Increased confidence in your home purchase

#### **Benefits to Sellers**

When you're selling a home, you want to find ways to make your home more attractive to potential buyers. A home protection plan can make your property stand out by giving buyers the boost of confidence they need to make a decision in your favor. There are many compelling reasons for you to include an American Home Shield Home Protection Plan on your listing:

- D It may discourage downward price negotiation
- D It can help distinguish your property from other listings
- D It can help boost buyer confidence
- D It can help reduce your liability in post-sale issues

## SEE THE DIFFERENCE

## A HOME PROTECTION PLAN CAN MAKE

#### **AVERAGE REPAIR AND REPLACEMENT COSTS†**

NOT ALL ITEMS MAY BE COVERED IN CORE COVERAGE PLAN



Heating w/Ductwork

Repair: \$316 Replacement: \$2,442



Air Conditioning w/Ductwork

Repair: \$332 Replacement: \$2,390



Refrigerator

Repair: \$209 Replacement: \$1,088



Water Heater

Repair: \$140 Replacement: \$767



Ranges/ Ovens/Cooktops

Repair: \$170 Replacement: \$706



Main Electrical Panel

Repair: \$210 Replacement: \$651



Clothes Washers

Repair: \$98 Replacement: \$571



Dishwasher

Repair: \$171 Replacement: \$502



Built-in Microwave

Repair: \$84 Replacement: \$309

<sup>†</sup>As reported in *A Study of Homeowners' Appliance and Home Systems Service Experiences*, a nationwide survey of homeowners conducted in 2011 by Decision Analyst for American Home Shield. Further reproduction is expressly prohibited.



#### Here's How Our Home Protection Plan Works

- **01.** When an item breaks down, it is best to first verify the item in question is covered. If the item is covered in your plan, call our 24/7 customer service line at **800 776 4663** or visit **ahs.com** to place a service request. You will pay a Trade Service Call Fee. This is a fee paid per service trade plumber, electrician, etc. There may be additional costs associated with your repair or replacement.
- **02.** American Home Shield will assign a service contractor to handle your covered request. If you prefer, we can send email notifications on the progress of your service call.
- **03.** A service contractor will schedule a time during normal business hours to diagnose and repair your covered item.
- **04.** Relax. The service contractor will then diagnose and repair your covered item. We may follow up with you by phone or email to hear about your experience. Again, service requests are unlimited during your agreement term.

#### For Buyers:

Your contract package should arrive within four weeks of enrollment. Once you receive it, be sure to create your My Account online at ahs.com. Doing so will allow you to request service and check account information quickly and easily.

Within your contract package, you'll find your contract and contract number, as well as instructions on how to make a service request. If a covered item breaks down before you receive your contract package, your service request can be placed by calling 800 776 4663 or by visiting ahs.com. If for some reason your contract package does not arrive, please contact us at 800 776 4663. Please note that no contract package is sent during the listing coverage period.

## MORE YOU SHOULD KNOW ABOUT A **HOME PROTECTION PLAN**

## If you have any questions about your home protection plan, call us at 800 735 4663.

## We want you to fully understand your home protection plan and the value it provides.

To get the most out of your Home Protection Plan:

- Please review your agreement carefully
- D Your home protection plan does not cover all systems and appliances, and coverage varies from state to state
- ▶ Make sure you understand what your home protection plan covers and what it does not

#### **Code and permit violations**

As building and repair codes are revised, more safety precautions are put into effect. Those revisions become the new requirement when replacing older equipment. With the ServicePlus Package or the FlexPlan Combo, we will cover certain code violations up to a \$250 limit during your home protection plan term and the cost for obtaining permits up to a \$250 limit per occurrence when related to the repair or replacement of covered items.

## Examples of items that are NOT COVERED under any plan or package (see agreement for a full list):

- D Wood stoves, even if they are the only source for heating, as well as fireplaces, key valves and chimneys
- D Electrical breakdowns, such as power failures, surge and circuit overload
- D Optional pool accessories, such as pool liners, ornamental fountains and waterfalls
- Misuse, abuse or mistreatment of items will result in a denial of service

#### American Home Shield is NOT LIABLE for hazardous materials

We are not liable for the diagnosis, repair, removal or any damages resulting from mold, mildew, bio-organic growth, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials such as asbestos, mold, lead paint and sanitation of sewage spills. These coverage examples are merely illustrations to assist you in understanding your agreement. Coverage will be based on your FlexPlan selections and the actual terms and conditions listed in your agreement.

The American Home Shield Home Protection Plan covers the repair or replacement of many system components and appliance breakdowns, but not necessarily the entire system or appliance. For specific information on coverages, exclusions and limitations, please review the sample agreement. Covers single-family homes under 5,000 sq. feet. The Trade Service Call Fee applies to the initial visit by a service contractor for each covered trade. This initial fee covers any additional service contractor visits required for the same breakdown within 60 days of the original service date. Additional charges may apply for some repairs and replacements. AHS may provide cash back in lieu of repair or replacement in the amount of AHS's actual cost to repair or replace such item, which in most cases may be less than actual retail pricing. For further information regarding AHS's cash payment policies and procedures, please call AHS. System components and appliances will be replaced with units having comparable features, not necessarily the same dimension, color, and/or brand. Any items designated by the manufacturer as commercial are not covered. Limited-time offer.

#### SAMPLE CONTRACT

The Provider/Obligor of this contract is American Home Shield Corporation In Arizona, American Home Shield of Arizona, Inc. In California, American Home Shield of California, Inc. In Florida, American Home Shield of Florida, Inc. In Iowa, American Home Shield of Iowa, Inc. In Maine, Massachusetts, Utah, and Wisconsin, American Home Shield of Maine, Inc.

In Oklahoma, American Home Shield of Oklahoma, Inc. ("AHS" or "Provider")

In Texas, American Home Shield of Texas, Inc. In Virginia, American Home Shield of Virginia, Inc. In Washington, American Home Shield of Washington, Inc.



P.O. Box 849, Carroll, IA. 51401 **800 776 4663** 

Wisconsin residents only: THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.

Certain items and events are not covered by this contract. Please refer to the exclusions, restrictions, and limitations in boldfaced type in this document

#### A. COVERAGE OVERVIEW

1. American Home Shield (AHS) will repair or replace your selected covered items. Coverage includes only the items stated as covered, excluding all others, and is subject to limitations, exclusions, and provisions specified in this contract. For your specific coverage and selections see your Contract Agreement pages. Please read your contract carefully.

2. AHS will repair or replace items which malfunction due to normal wear and tear during the contract term as defined in Section B and not covered by a manufacturer, distributor, builder, or extended warranty (for additional coverage see Section F ServicePlus Package). The covered items must be:

a. Installed for diagnosis within the confines of the main foundation of the home or attached or detached garage with the exception of (if selected): air conditioning, heating, electrical panel, water heater, pressure regulator, water softener, exterior well pump, septic tank and related sewage ejector pump, or pool and/or spa equipment. These exceptions must be installed for diagnosis and must be manufactured for outside use or be located in a structure which fully protects items from the elements.

b. Domestic or commercial grade and specified by the manufacturer for residential use.

AHS will repair or replace items which malfunction due to insufficient maintenance, rust, corrosion, or sediment.

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

5. In instances where the cost of completing a full repair or replacement exceeds a stated contract dollar limit, AHS will pay an amount equal to the contract dollar limit in lieu of providing repair or replacement services. Some or all of such a payment may be made to you and/or a service contractor. **Nevada residents only:** Example: A customer's air conditioning system is not working properly; the customer decides to put in a larger system. The customer may take the cash-in-lieu of repair and purchase the upgraded system.

In all other instances:

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

(i) Following a response to a covered breakdown, the item would remain non-compliant with laws, regulations or code requirements;

(ii) The item is subject to a manufacturer's recall for a defect unrelated to the covered breakdown; or

(iii) An item becomes non-repairable and a replacement item is no longer available.

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

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

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

NOTE: Contract Terms and Plan Fees vary for each customer classification listed below. See your Contract Agreement pages for your specific Contract Term and Plan Fee.

#### 1. FIRST YEAR CUSTOMER

First Year Customer contract term begins upon the date stated on your Contract Agreement pages and continues for one year from that date (unless AHS approves an alternative contract term in writing) and provided Plan Fees are received by AHS.

#### 2. RENEWAL CUSTOMER

Renewal Customer is an existing AHS customer whose contract AHS has offered to renew. Renewal Customer contract term begins upon expiration of previous contract term and continues for one year (unless AHS approves an alternative contract term in writing) provided plan fee is received by AHS within 45 days after expiration. (See Section K. RENEWAL)

#### 3. TRANSFER OF OWNERSHIP

If the covered property changes ownership during the contract term, you are required to call the Sales phone number on the Contract Agreement pages to transfer coverage to the new owner.

#### C. REQUESTING SERVICE

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

a. AHS will accept service requests 24 hours a day, 7 days a week.

b. AHS will not provide service until all past due Trade Service Call Fees and Plan Fees are paid in full.

#### Nevada residents only: 1.b. above does not apply.

c. AHS will not reimburse for services performed without its prior approval

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

a. The contracted services will be initiated under normal circumstances by AHS within 48 hours after your service request is made to AHS.

**Virginia residents only:** However, in all instances, a response and plan for covered services will be communicated within seventy-two (72) hours of the request for service.

b. The Service Contractor will contact you to schedule the service to be performed during normal business hours.

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

Nevada residents only: Service will commence not later than 24 hours after the report of the claim in an emergency. An emergency as defined by the Nevada Revised Statutes is including, but not limited to, the loss of heating, cooling, plumbing, or electrical service by the insured. If the emergency involving the items covered in this contract renders a dwelling unfit for a person to live in because of defects that endanger the health and safety of the occupants, AHS will provide a status report to the holder no later than 3 calendar days after the report of the claim, if AHS cannot complete the repairs within 3 calendar days. If you should request AHS to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime.

d. AHS will accept your request to expedite scheduling of non-emergency service only when a Service Contractor is available. If the Service Contractor agrees to expedite scheduling of a non-emergency service request an additional fee may apply at customer's expense.

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

**California residents only:** In the event that AHS informs you the malfunction is not covered under this contract, you have the right to request a second opinion of the cause of the malfunction. You must ask AHS for a second opinion from another Service Contractor within 7 days from AHS informing you the malfunction is not covered. In the event that the outcome of the second opinion is different than the first opinion, then AHS may, in its discretion, decide whether to accept coverage under this contract. If you request a second opinion, you will be responsible for the payment of an additional Trade Service Call Fee only if the outcome of the second opinion is the same as the initial opinion.

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

#### D. TRADE SERVICE CALL FEE

### NOTE: The amount of your Trade Service Call Fee is listed on your Contract Agreement pages.

 You are required to pay a Trade Service Call Fee for each trade service request you submit to AHS.

If a particular repair or replacement fails within 60 days, AHS will send a Service Contractor to repair the failure and you will not be charged an additional Trade Service Call Fee.

#### E. CORE COVERAGE PLAN

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

NOTE: Coverage available on Heating and Air Conditioning systems up to a 5 ton capacity.

APPLIANCE NOTE: AHS will pay up to \$3,000 for any required replacement of any covered Appliance, unless otherwise noted. Customer is responsible for payment of any costs in excess of \$3,000 for any required replacement of an Appliance.

1. HEATING (Gas, Electric, or Oil if main source of heat to the home or room)

COVERED ITEMS: Heating units including; but not limited to: Circulating heat-Built-in wall unit – Cable heat (if only source of heat to the room) - Metering devices – Furnace – Furnace transition – Evaporator coils and drain lines – Air handling unit – Air handling transition – Condenser casing or air filters if in conjunction with a mechanical failure – Secondary drain pan and lines – Refrigerant lines. Any of the foregoing covered components as well as plenum, indoor electrical up to the disconnect, and duct connections are also covered as required to maintain compatibility and compliance with minimum SEER and HSPF standards.

NOT COVERED: ALL COMPONENTS AND PARTS RELATING TO GEOTHERMAL AND/OR WATER SOURCE HEAT PUMPS – BASEBOARD CASINGS – FUEL STORAGE TANKS – PORTABLE UNITS – SOLAR HEATING SYSTEMS – FIREPLACES AND KEY VALVES – CONDENSER CASING – FILTERS OR AUTOMATIC FILTER CHANGERS – ELECTRONIC AIR CLEANERS – REGISTERS – GRILLS – CLOCKS – TIMERS – HEAT LAMPS – HUMIDIFIERS – FLUES AND VENTS – IMPROPERLY SIZED HEATING SYSTEMS – CHIMNEYS – GRAIN, PELLET, OR WOOD HEATING UNITS (EVEN IF ONLY SOURCE OF HEATING) – CABLE HEAT – SYSTEMS WITH IMPROPERLY MATCHED CONDENSING UNIT AND EVAPORATIVE COIL PER MANUFACTURER'S SPECIFICATIONS – IMPROPER USE OF METERING DEVICES – WINDOW UNITS – ADDING INSULATION TO PLENUM – DEHUMIDIFIERS – HEATING SYSTEM/UNIT AND BUILT-IN WALL UNIT FOR GARAGE USE ONLY.

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

NOTE: AHS will pay up to \$10 per pound per occurrence for refrigerant. Customer is responsible for payment of any costs in excess of \$10 per pound.

#### 2. AIR CONDITIONING

COVERED ITEMS: Ducted electric central and wall air conditioning units including; but not limited to: Water evaporative coolers – Air handler for chillers – Condenser casing or air filters if in conjunction with a mechanical failure – Condenser – Metering devices – Furnace transition – Evaporator coils and drain lines – Air handling unit – Air handling transition – Secondary drain pan and lines – Refrigerant lines. Any of the foregoing covered components as well as plenum, indoor electrical up to the disconnect, and duct connections are also covered as required to maintain compatibility and compliance with minimum SEER and HSPF standards.

NOT COVERED: GAS AIR CONDITIONING SYSTEMS – REGISTERS AND GRILLS – CONDENSER CASING – FILTERS OR AUTOMATIC FILTER CHANGERS – ELECTRONIC AIR CLEANERS – WINDOW UNITS – NON-DUCTED WALL UNITS – WATER TOWERS – HUMIDIFIERS – ROOF JACKS, PADS OR TANDS – EVAPORATIVE COOLER PADS – FLUES – VENTS – IMPROPERLY SIZED AIR CONDITIONING UNIT – CHILLERS, CHILLER COMPONENTS, AND WATER LINES – SYSTEMS WITH IMPROPERLY MATCHED CONDENSING UNIT AND EVAPORATIVE COIL PER MANUFACTURER'S SPECIFICATIONS – IMPROPER USE OF METERING DEVICES – AIR CONDITIONING SYSTEM/UNIT AND BUILT-IN WALL UNIT FOR GARAGE USE ONLY.

NOTE: AHS will pay up to \$10 per pound per occurrence for refrigerant.

Customer is responsible for payment of any costs in excess of \$10 per pound.

#### 3. DUCTWORK

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

NOT COVERED: REGISTERS OR GRILLS – INSULATION – DAMPERS AND DAMPER CONTROLS – IMPROPERLY SIZED DUCTWORK – LEGALLY MANDATED DIAGNOSTIC TESTING OF DUCTWORK WHEN REPLACING HEATING OR COOLING EQUIPMENT.

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

#### 4. PLUMBING

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

NOT COVERED: COLLAPSE OR DAMAGE TO WATER, DRAIN, GAS, WASTE OR VENT LINES CAUSED BY FREEZING OR ROOTS —FAUCETS — HOSE BIBS — BASKET STRAINERS — BATHTUBS — SINKS — SHOWERS — SHOWER ENCLOSURES AND BASE PANS — TOILET LIDS AND SEATS — CAULKING OR GROUTING — SEPTIC TANKS — WATER FILTRATION/PURIFICATION SYSTEM — PRESSURE REGULATORS — INADEQUATE OR EXCESSIVE WATER PRESSURE — FLOW RESTRICTIONS IN FRESH WATER LINES — SEWAGE EJECTOR PUMPS — WELL PUMPS — HOLDING OR STORAGE TANKS — SAUNAS OR STEAM ROOMS — WHIRLPOOL JETS.

NOTE: Where covered repairs require access to plumbing, AHS will only provide access to plumbing through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. If the plumbing is accessible only through a concrete floor, wall or ceiling, AHS will pay up to \$500 per contract term for access to, repair to, or replacement of such plumbing, including returning access openings to a rough finish.

#### 5. PLUMBING STOPPAGES

COVERED: Clearing of sink, bathtub, shower, and toilet stoppages. Clearing of mainline drain and sewer stoppages through an accessible ground level cleanout up to 100 feet from access point. Clearing of lateral drain line stoppages up to 100 feet from access point including accessible cleanout, p-trap, drain or overflow access points.

NOT COVERED: COSTS TO LOCATE OR ACCESS CLEANOUTS NOT FOUND OR IN-ACCESSIBLE, OR TO INSTALL CLEANOUTS – ACCESS THROUGH ROOF VENTS – STOPPAGES CAUSED BY COLLAPSED, DAMAGED OR BROKEN DRAIN, VENT OR SEWER LINES OUTSIDE THE HOME'S MAIN FOUNDATION – STOPPAGES DUE TO ROOTS OR FOREIGN OBJECTS – LINES BROKEN OR INFILTRATED BY ROOTS, OR OTHERWISE STOPPED BY ROOTS, EVEN IF WITHIN THE HOME'S MAIN FOUNDA-TION – SEPTIC TANKS.

#### 6. WATER HEATERS

COVERED ITEMS: All components and parts, including tankless water heaters and circulating pumps, except:

NOT COVERED: SOLAR WATER HEATERS – SOLAR COMPONENTS – AUXILIARY HOLDING OR STORAGE TANKS – NOISE – FUEL STORAGE TANK AND ENERGY CONSERVATION UNIT – FLUES AND VENTS – THERMAL EXPANSION TANKS – INSTANT HOT/COLD WATER DISPENSER.

#### 7. ELECTRICAL

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

NOT COVERED: LIGHTING FIXTURES — INADEQUATE WIRING CAPACITY — AUDIO/ VIDEO/COMPUTER/INTERCOM/ALARM OR SECURITY WIRING OR CABLE — POWER FAILURE OR SURGE — DIRECT CURRENT (D.C.) WIRING OR COMPONENTS AND/OR LOW VOLTAGE SYSTEMS INCLUDING WIRING AND RELAYS — CIRCUIT OVERLOAD — CEILING FANS — RADON MONITORING SYSTEM — SOLAR COMPONENTS.

#### 8. BUILT-IN MICROWAVE OVENS

COVERED: All components and parts, except:

NOT COVERED: DOOR GLASS - RACKS - MEAT PROBE ASSEMBLIES - ROTISSERIES.

See APPLIANCE NOTE

9. DISHWASHERS

COVERED: All components and parts.

See APPLIANCE NOTE

10. GARBAGE DISPOSALS

COVERED: All components and parts.

#### 11. RANGES/OVENS/COOKTOPS

COVERED: All components and parts, except:

NOT COVERED: CLOCKS (UNLESS THEY AFFECT THE FUNCTION OF THE OVEN)
- MEAT PROBE ASSEMBLIES - ROTISSERIES - RACKS - HANDLES - KNOBS.

See APPLIANCE NOTE

12. TRASH COMPACTORS

COVERED: All components and parts, except:

NOT COVERED: LOST KEY - REMOVABLE BUCKETS.

See APPLIANCE NOTE

OPTIONAL COVERAGE NOTE: Optional coverage begins upon receipt of option fee by AHS and continues through the contract term. Optional coverage may

be purchased up to 60 days after the beginning of the contract for Sections F-H. After the 60th day, optional coverage may be purchased for Sections G and H provided an inspection is performed (at customer's expense) and approved by AHS. New Construction Customer may add optional coverage during the contract term for brand new items providing proof of purchase is received by AHS.

#### F. SERVICEPLUS PACKAGE

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

1. REFRIGERANT RECAPTURE, RECLAIM, AND DISPOSAL

#### 2. REMOVAL OF DEFECTIVE EQUIPMENT

When AHS replaces a covered item, AHS will pay the costs to dismantle and/or dispose of such item (see Section I.4.b).

#### 3. PERMITS

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

#### 4. CODE VIOLATIONS

AHS will pay up to \$250 per contract term to correct code violations when affecting AHS-approved repairs or replacements.

#### 5. UNDETECTABLE PRE-EXISTING CONDITIONS

AHS will cover an existing defect or mechanical failure provided the defect or mechanical failure could not have been detected by 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 of turning the unit off or on verifying the item operates without irregular sounds, smoke or other abnormal outcome

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

AHS will cover an existing defect or mechanical failure of an item that was improperly installed, repaired, or modified prior to or during the contract term. If the improper installation, repair, or modification violates a code requirement. Section F.4 applies.

#### 7. MISMATCHED SYSTEMS

AHS will cover an existing defect or mechanical failure of a system that was not properly matched in size or efficiency prior to or during the contract term. If the mismatched system violates a code requirement, Section F.4 applies.

#### G. COVERAGEPLUS PACKAGE

APPLIANCE NOTE: AHS will pay up to \$3,000 for any required replacement of any covered Appliance, unless otherwise noted. Customer is responsible for payment of any costs in excess of \$3,000 for any required replacement of an Appliance.

#### 1. CEILING FANS

COVERED: All components and parts.

#### 2. GARAGE DOOR OPENERS

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

#### NOT COVERED: DOOR OR DOOR TRACK ASSEMBLIES.

#### See APPLIANCE NOTE

#### 3. TELEPHONE WIRING

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

NOT COVERED: PHONE JACKS — PLUGS — LIGHTS — TRANSFORMERS AND OTHER POWER UNITS — COVER PLATES — PHONE UNITS — ANSWERING DEVICES — BURGLAR ALARM CIRCUITS — PHONE FUSES — WIRING WHICH IS THE PROPERTY OF A TELEPHONE COMPANY — ACCESS AND CLOSING COSTS TO FLOORS, WALLS, AND CEILINGS WHEN LOCATING OR REPAIRING A MALFUNCTION.

#### 4. BUILT-IN FOOD CENTERS

COVERED: All components and parts, except:

NOT COVERED: REMOVABLE ACCESSORIES.

#### See APPLIANCE NOTE

5. DOORBELLS

COVERED: All components and parts, except:

#### NOT COVERED: WHEN PART OF THE INTERCOM SYSTEM.

#### 6. INSTANT HOT/COLD WATER DISPENSERS

COVERED: All components and parts.

#### 7. CENTRAL VACUUM

COVERED: All components and parts, except:

NOT COVERED: REMOVABLE HOSES AND ACCESSORIES – ACCESS AND CLOSING COSTS TO FLOORS, WALLS, AND CEILINGS WHEN LOCATING OR REPAIRING A MALFUNCTION.

#### 8. SMOKE DETECTORS

COVERED: Battery operated and hardwired units.

#### 9. ADDITIONAL CORE COVERAGE PLAN ITEMS

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

#### a. HEATING

COVERED ITEMS: Components of geothermal and/or water source heat pump units – Registers – Grills – Heat lamps.

NOT COVERED: OUTSIDE OR UNDERGROUND PIPING, WELL PUMP, AND WELL PUMP COMPONENTS FOR GEOTHERMAL AND/OR WATER SOURCE HEAT PUMPS.

#### b. AIR CONDITIONING

COVERED ITEMS: Components of geothermal and/or water source heat pump units – Electric non-ducted wall air conditioning units – Registers – Grills.

NOT COVERED: OUTSIDE OR UNDERGROUND PIPING, WELL PUMP, AND WELL PUMP COMPONENTS FOR GEOTHERMAL AND/OR WATER SOURCE HEAT PUMPS. NOTE TO FIRST YEAR AND RENEWAL CUSTOMER (Sections a and b): AHS will pay up to \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any geothermal and/or water source heat pumps.

#### c. DUCTWORK

### Ductwork located in concrete-\$1,000 Limit. See Section E.3 NOTE

COVERED ITEMS: Faucets (chrome builder's standard used when replacement is necessary) – Shower heads and shower arms – Hose bibs – Toilets of like quality (up to \$600 per occurrence) – Pressure regulators – Sewage ejector pump for Section E.4 only (septic system sewer ejector pumps are not covered unless the optional Septic System Pumping/Sewage Ejector Pump is purchased).

#### Plumbing located in concrete-\$1,000 Limit. See Section E.4 NOTE

#### e. BUILT-IN MICROWAVE OVENS

(OVFRFD ITFMS: Door glass - Racks.

See APPLIANCE NOTE

#### f. RANGES/OVENS/COOKTOPS

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

See APPLIANCE NOTE

#### g. TRASH COMPACTORS

COVERED ITEMS: Removable buckets.

See APPLIANCE NOTE

#### H. ADDITIONAL FLEXPLAN OPTIONS

NOTE: Sections H.1 – H.8 are available for First Year and Renewal Customers. Please call AHS for availability and pricing of duplicate items.

APPLIANCE NOTE: AHS will pay up to \$3,000 for any required replacement of any covered Appliance, unless otherwise noted. Customer is responsible for payment of any costs in excess of \$3,000 for any required replacement of an Appliance.

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

NOTE: Dual compressor refrigerator and built-in combination of both an All-Refrigerator and an All-Freezer are only available with the Kitchen Refrigerator option. AHS will pay up to \$5,000 per contract term for access, diagnosis and repair or replacement for the dual compressor refrigerator and built-in combination of both an All-Refrigerator and an All-Freezer.

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

NOT COVERED: ANY REMOVABLE COMPONENT (WHICH DOES NOT AFFECT THE PRIMARY FUNCTION) — INTERIOR THERMAL SHELLS/INSULATION — FOOD SPOILAGE — FREEZERS WHICH ARE NOT A BUILT-IN UNIT OR AN INTEGRAL PART OF THE REFRIGERATOR — MULTI-MEDIA CENTER — WINE CHILLERS — FILTERS.

#### See APPLIANCE NOTE

#### 2. ADDITIONAL REFRIGERATOR

NOTE: Only available when Kitchen Refrigerator option is purchased. This option includes a single built-in All Refrigerator. This option does not apply to dual compressor refrigerators.

(See COVERED and **NOT COVERED** under Section H.1)

See APPLIANCE NOTE

#### 3. CLOTHES WASHER

COVERED: All components and parts, except:

NOT COVERED: PLASTIC MINI-TUBS — SOAP DISPENSERS — FILTER SCREENS — KNOBS AND DIALS — DAMAGE TO CLOTHING — DRAWERS.

See APPLIANCE NOTE

#### 4. CLOTHES DRYER

COVERED: All components and parts, except:

NOT COVERED: VENTING — LINT SCREENS — KNOBS AND DIALS — DRYER CABI-NET FRAGRANCE/HUMIDITY CENTER, HANGERS, SHELVES, RODS, HOOKS, AND CABINET LINER — DAMAGE TO CLOTHING — RACKS — DRAWERS.

#### See APPLIANCE NOTE

#### 5. FREE STANDING ICE MAKER

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

NOT COVERED: ANY REMOVABLE COMPONENT (WHICH DOES NOT AFFECT THE PRIMARY FUNCTION) — FILTERS — INTERIOR THERMAL SHELLS/INSULATION.

#### See APPLIANCE NOTE

#### 6. POOL AND/OR SPA EQUIPMENT

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

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

NOT COVERED: LIGHTS — LINERS — STRUCTURAL DEFECTS — SOLAR EQUIPMENT — JETS — ORNAMENTAL FOUNTAINS, WATERFALLS AND THEIR PUMPING SYSTEMS — POOL COVER AND RELATED EQUIPMENT — FILL LINE AND FILL VALVES — BUILT-IN OR DETACHABLE CLEANING EQUIPMENT INCLUDING, WITHOUT LIMITATION, POOL SWEEPS, POP-UP HEADS, TURBO VALVES, SKIMMERS, CHORINATORS, AND IONIZERS — FUEL STORAGE TANKS — DISPOSABLE FILTRATION MEDIUMS — HEAT PUMP — ACCESS TO POOL AND SPA EQUIPMENT — MULTI-MEDIA CENTER — DEHUMIDIFIERS.

#### 7. WATER SOFTENER

COVERED: All components and parts, except:

#### NOT COVERED: LEASED OR RENTED UNITS.

#### 8. WELL PUMP

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

NOT COVERED: ABOVE OR UNDERGROUND PIPING, CABLE OR ELECTRICAL LINES LEADING TO OR FROM THE WELL PUMP, INCLUDING THOSE THAT ARE LOCATED WITHIN THE WELL CASING — WELL CASINGS — PRESSURE SWITCHES NOT LOCATED ON THE PUMP — HOLDING, STORAGE OR PRESSURE TANKS — BOOSTER PUMPS — REDRILLING OF WELLS — WELL PUMP AND ALL WELL PUMP COMPONENTS FOR GEOTHERMAL AND/OR WATER SOURCE HEAT PUMPS.

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

#### 9. SEPTIC SYSTEM PUMPING & SEPTIC SEWAGE EJECTOR PUMP

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

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

NOT COVERED: BROKEN OR COLLAPSED SEWER LINES OUTSIDE THE FOUN-DATION — STOPPAGES OR ROOTS THAT PREVENT THE EFFECTIVE USE OF ANY EXTERNALLY APPLIED SEWER MACHINE CABLE — COST OF FINDING OR GAINING ACCESS TO THE SEPTIC TANK OR SEWER HOOK-UPS — DISPOSAL OF WASTE — CHEMICAL TREATMENT OF THE SEPTIC TANK AND/OR SEWER LINES — TANKS — LEACH LINES — CESSPOOL — ANY MECHANICAL PUMP OR SYSTEMS.

#### 10. SUBTERRANEAN TERMITE TREATMENT (Available in Texas only)

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

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

NOT COVERED: FORMOSAN TERMITES — REPAIR OF DAMAGE CAUSED BY SUB-TERRANEAN TERMITES. THE AHS-DISPATCHED STRUCTURAL PEST CONTROL CONTRACTOR RESERVES THE RIGHT NOT TO PROVIDE TREATMENT IN INSTANCES WHERE THERE EXISTS CUSTOMER CHEMICAL SENSITIVITY, ENVIRONMENTAL HAZARD, AND/OR ACCESS IS PREVENTED DUE TO STRUCTURAL DESIGN.

#### I. LIMITATIONS AND EXCLUSIONS

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

#### **General Exclusions from Coverage**

- 1. This contract does not cover:
- a. Routine maintenance (you are responsible for providing maintenance and cleaning of covered items as specified by the manufacturer);

Nevada residents only: 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.

- b. Repair or remediation of cosmetic defects;
- c. Electronic, computerized, or comfort control home management systems;
- d. Repair, replacement, installation, or modification of any covered item or component or part thereof, that has been, or is, determined to be defective by the Consumer Product Safety Commission or for which a

manufacturer has issued, or issues, a warning, recall, or determination of defect; or

- e. System or appliance upgrades, or repairs or replacements required:
- (i) when the malfunction is due to missing components, parts, or
- (ii) when the malfunction is due to lack of capacity in the existing system or appliance;
- (iii) when the malfunction is due to a system or appliance whose parts or components are improperly mismatched in terms of capacity or efficiency (unless the ServicePlus Package is purchased); or
- (iv) to comply with any federal, state, or local laws, regulations or ordinances, utility regulations, or building or zoning code requirements.
- 2. AHS is not responsible or liable for performing service, or paying remediation costs, involving hazardous or toxic materials.
- 3. In regards to mold, mildew, bio-organic growth, rot, fungus, or pest damage, AHS is not responsible or liable for:
- a. Damages caused by such substances;
- b. Diagnosis, removal or remediation of such substances; or
- c. Repairs or replacements necessitated by such substances.

**Partial Exclusions from Coverage and Certain Additional Fees** 

- 4. AHS is not responsible or liable for:
- a. Providing or closing access to covered items;
- b. Costs of construction, carpentry, or other modifications necessary to remove, relocate, or install equipment; or
- c. Restoration of any wall or floor coverings, cabinets, counter tops, tiling, paint, or the like.
- 5. You may be charged an additional fee by the Service Contractor:
- a. To obtain legally required permits;
- b. To dispose of an old covered item; or
- c. If cranes are needed to install or remove any equipment located on a roof top.

Coverage Exceptions Applicable to Certain Breakdowns

- 6. AHS is not responsible or liable for repairs or replacements when the malfunction is due to:
- a. Misuse, abuse, or mistreatment, including but not limited to, removal of parts and damage by people, pests, or pets;
- b. Improper repair or modification of the item prior to or during the contract term:
- c. Accidents, fire, freezing, water damage, electrical failure or surge, or excessive or inadequate water pressure;
- d. Lightning, mud, earthquake, soil movement, storms, or acts of God; or e. A manufacturer's use of improper design, improper materials or formulations, a defective manufacturing process, or other manufacturing

**General Limitations of Liability** 

- 7. AHS's policy is to abide by all current federal, state and local laws, regulations and guidelines. AHS will not be liable for any violations prior to the beginning of the contract term and will not perform future repairs or replacements that violate any such laws, regulations or quidelines.
- 8. AHS is not responsible or liable for secondary, incidental, and/or consequential loss or damage resulting from the malfunction of any covered item, or a Service Contractor's neglect or delay in providing, or failure to provide, repair or replacement of such item, including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage.
- 9. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond AHS's control.
- 10. In the event you threaten to harm or actually harm the safety or well-being of: (i) AHS; (ii) any employee of AHS; (iii) a Service Contractor; or (iv) any property of AHS or the Service Contractor, you will be in breach of this contract. In the event you breach this or any other obligation under this contract, AHS may refuse to provide service to you and may cancel this contract.

#### J. SHARED SYSTEMS AND APPLIANCES

- 1. If this contract is for a duplex, triplex, or fourplex dwelling, then all units within the dwelling must be covered by one AHS contract for coverage to apply to shared systems and appliances.
- 2. If this contract is for a multi-unit dwelling other than those specified in Section J.1, then only items contained within the confines of each individual unit are covered. Shared systems and appliances are not covered.
- Except as otherwise provided in this Section, shared systems and appliances are not covered.

#### K. RENEWAL

AHS may, in its sole discretion, elect to renew this contract for a one year contract term, unless otherwise approved by AHS. In the event we elect to renew your contract, you will be notified of the terms within 60 days prior to expiration of your contract. Unless you notify AHS prior to expiration of your contract will be automatically renewed and you will be charged applicable Plan Fees.

#### L. CANCELLATION

1. This contract may be cancelled by AHS for the following reasons: (a) non-payment of contract fees or other breach of this contract by the customer; (b) fraud or misrepresentation by the customer and/or customer representative of facts material to AHS's issuance of this contract; or (c) a change in laws or regulations that has a material effect on the business of AHS or AHS's ability to fulfill its obligations under this contract.

**Utah residents only:** 1. This contract may be cancelled by AHS for the following reasons: (a) nonpayment of contract fees or other breach of this contract by the customer; or (b) fraud or misrepresentation by the customer and/or customer representative of facts material to AHS's issuance of this contract. AHS will provide at least ten (10) days prior written notice when cancelling for nonpayment of fees and at least thirty (30) days prior written notice when cancelling for any other reason.

**Wyoming residents only:** Prior notice is not required if the reason for cancellation is nonpayment of contract fees, a material misrepresentation by the service contract holder to AHS or a substantial breach of duties by the service contract holder relating to the covered product or its use.

- 2. The customer may cancel this contract at any time and for any reason.
- 3. If the customer or AHS cancels the contact within the first 30 days following the beginning of the contract term:
- (a) if AHS has not provided any services, the customer will receive a full refund of all contract fees paid;
- (b) if AHS has provided services and the amount of the service costs incurred by AHS is less than the contract fees paid, the customer will receive a refund of the contract fees paid, less the service costs incurred by AHS;
- (c) If AHS has provided services and the amount of the service costs incurred by AHS is greater than the contract fees paid, the customer shall pay AHS the lesser of (i) the amount by which the service costs incurred by AHS exceeds the contract fees paid; or (ii) the amount by which the annual rate listed on the Contract Agreement pages exceeds the contract fees paid.
- 4. If the customer or AHS cancels the contract after the 30th day following the beginning of the contract term:
- (a) if AHS has not provided any services, the customer will receive a pro rata refund of the contract fees paid for the unexpired term;
- (b) if AHS has provided services and the amount of the service costs incurred by AHS is less than the contract fees paid, the customer will receive a pro rata refund of the contract fees paid for the unexpired term, less the service costs incurred by AHS:
- (c) If AHS has provided services and the amount of the service costs incurred by AHS is greater than the contract fees paid, the customer shall pay AHS the lesser of (i) the amount by which the service costs incurred by AHS exceeds the contract fees paid; or (ii) the amount by which the annual rate listed on the Contract Agreement pages exceeds the contract fees paid; and (d) Additionally, customer shall be responsible for an administrative fee of the lesser of (i) your Plan Fee for one month of coverage under this contract or (ii) such amount as is permitted by law.

**Illinois residents only:** (d) Additionally, customer shall be responsible for an administrative fee of the lesser of (i) your Plan Fee for one month or (ii) \$50.

**Wyoming residents only:** A ten percent (10%) penalty per month shall be added to a refund that is not paid or credited within forty-five (45) days after return of the service contract to AHS.

5. 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) 247-4749 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.

**Arizona and Wisconsin residents only:** 1. This contract may be cancelled by AHS for the following reasons: (a) nonpayment of contract fees or other breach of this contract by the customer; (b) fraud or misrepresentation by the customer and/or customer representative of facts material to AHS's issuance of this contract; or (c) a change in laws or regulations that has a material effect on the business of AHS or AHS's ability to fulfill its obligations under this contract.

- 2. The customer may cancel this contract at any time and for any reason.
- 3. If the customer or AHS cancels the contact within the first 30 days following the beginning of the contract term, the customer shall be entitled to a full refund of the paid contract fees. If the customer cancels after the 30th day, the customer shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less an administrative fee of an amount equal to one month's Plan Fee.
- 4. 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) 247-4749 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.

**Nevada residents only:** 1. The customer may cancel this contract at any time. If the customer cancels the contract within the first 30 days following the beginning of the contract and no claim has been made, the customer shall be entitled to a full refund of the paid contract fees. If the customer cancels after the 30th day or after a claim has been made, the customer shall be entitled to a pro rata refund of the paid contract fees for the unexpired term,

less an administrative fee of an amount equal to one month's Plan Fee. If AHS fails to refund any amount owed under this section within 45 days of customer's cancellation of the contract, AHS will pay a ten percent penalty for each 30-day period or portion thereof that the refund and any accrued penalties remain unpaid.

- 2. This contract may be cancelled by AHS for the following reasons:
- (a) Failure by the customer to pay an amount when due:
- (b) Conviction of the customer of a crime which results in an increase in the service required under the contract:
- (c) Discovery of fraud or material misrepresentation by the customer in obtaining the contract, or in presenting a claim for service:
- (d) Discovery of: an act or omission by the customer or a violation by the customer of any condition of the service contract, which occurred after the beginning of the contract and which substantially and materially increases the service required under the contract; or
- (e) A material change in the nature or extent of the required service or repair which occurs after the beginning of the contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the contract was issued or sold. If AHS cancels this contract within the first 30 days following the beginning of

If AHS cancels this contract within the first 30 days following the beginning of the contract, the customer shall be entitled to a refund of the paid contract fees. If AHS cancels this contract after the 30th day, the customer shall be entitled to a pro rata refund of the paid contract fees for the unexpired term. If AHS cancels this contract, AHS will not charge a cancellation fee. AHS will provide the customer at least 15 days notice before cancellation.

3. 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) 247-4749 to establish an alternate payment method. If you fail to initiate such payment arrangements within 30 days, AHS may cancel the contract by providing you with at least 15 days notice before cancellation.

#### M. MISCELLANEOUS

Obligations of the provider under this service contract are backed by the full faith and credit of the provider.

**MANDATORY ARBITRATION.** Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this agreement or the relationships among the parties hereto shall be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer, as applicable, Rules in effect at the time the Claim is filed ("AAA Rules"). Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any such suit may be brought only in Federal District Court for the District or, if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state. or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."

**CLASS ACTION WAIVER.** Any Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION

**Arizona residents only: DISPUTE REMEDY.** Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this agreement or the relationships among the parties hereto shall be resolved by one of the following means:

(a) Either party may seek binding arbitration by one arbitrator administered by the American Arbitration Association ("AAA"), under the AAA Consumer Rules in effect at the time the Claim is filed ("AAA Rules"). Copies of the AAA Rules and forms can be located at <a href="www.adr.org">www.adr.org</a>, or by calling 1-800-778-7879. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any such suit may be brought only in Federal District Court for the District or, if any such court lacks jurisdiction, in any state court that has jurisdiction.

The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."

(b) The customer may file a complaint with the Arizona Department of Insurance, Consumer Affairs Division.

**Colorado residents only:** This contract is governed by the provisions of the "Colorado Consumer Protection Act" or the "Unfair Practices Act," Articles 1 and 2 of Title 6 C.R.S., and homeowner may have a right of civil action under such laws, including obtaining the recourse or penalties specified in such laws.

Georgia residents only: THIS IS NOT A CONTRACT OF INSURANCE; however, the performance of this Contract is guaranteed by a surety bond written by Liberty Mutual, a surety insurer that is authorized to transact surety insurance in the state of Georgia. If AHS fails to pay any valid claim within sixty (60) days after proof of loss has been filed, you are entitled under Georgia law to make such claim directly to Liberty Mutual at 1524 Hwy 30 E, Carroll, IA 51401 or you may contact Liberty Mutual at (712) 794-1001.

**Illinois residents only:** Obligor is American Home Shield Corporation.

**lowa residents only:** The issuer of this contract is subject to regulation by the Insurance Division of the Department of Commerce of the State of Iowa. Complaints which are not settled by the issuer may be sent to the Insurance Division.

### New Hampshire residents only: IMPORTANT INFORMATION TO CONTRACT HOLDERS

If you need to contact someone about this contract for any reason, please contact American Home Shield Corporation at the following address and telephone number: American Home Shield Corporation, Post Office Box 849, Carroll, Iowa 51401, (800) 776-4663. If you have been unable to contact or obtain satisfaction from the Company, you may contact the New Hampshick State Insurance Department: 21 South Fruit Street, Suite 14, Concord NH 03301, (800) 852-3416. Written correspondence is preferable so that a record of your inquiry is maintained. When contacting the Company of the Insurance Department, have your contract number available.

**Oklahoma residents only:** Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. Oklahoma service warranty Statutes do not apply to commercial use references in service warranty contracts.

The Mandatory Arbitration section of this contract is amended to include the following: While arbitration is mandatory, the outcome of any arbitration shall be non-binding on you and AHS, and either you or AHS shall, following arbitration, have the right to reject the arbitration award and bring suit in a district court of Oklahoma

**South Carolina residents only:** Questions or complaints may be registered with the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina 29202, (800) 768-3467.

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

This contract is issued pursuant to a license granted by the Texas Real Estate Commission, and complaints in connection with this contract may be directed to the Commission at PO. Box 12188, Austin, Texas 78711, 512-936-3049. The purchase of a residential service contract is optional and similar coverage may be purchased through other residential service companies or insurance companies authorized to transact business in Texas.

NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT WHICH ARE IN ADDITION TO ANY REMEDY WHICH MAY BE AVAILABLE UNDER THIS CONTRACT. FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL'S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR THE ATTORNEY OF YOUR CHOICE.

#### **Buyer's Signature**

#### Date

**Utah residents only:** This service contract or warranty is subject to limited regulations by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association.

ANY MATTER IN DISPUTE BETWEEN YOU AND AHS MAY BE SUBJECT TO ARBITRATION AS AN ALTERNATIVE TO COURT ACTION PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION, A COPY OF WHICH IS AVAILABLE ON REQUEST FROM AHS. ANY DECISION REACHED BY ARBITRATION SHALL BE BINDING UPON BOTH YOU AND AHS. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY'S FEES IF ALLOWED BY STATE LAW AND MAY BE ENTERED AS A JUDGEMENT IN ANY COURT OF PROPER JURISDICTION.

#### Virginia residents only: IMPORTANT INFORMATION TO CONTRACT HOLDERS

In the event you need to contact someone about this contract for any reason, please contact American Home Shield of Virginia, Inc., the home protection company issuing this contract, at the following address and telephone number: American Home Shield of Virginia, Inc., Post Office Box 849, Carroll, Iowa 51401, (800) 776-4663. If you have been unable to contact or obtain satisfaction from the Company, you may contact the Virginia State Corporation Commission's bureau of Insurance: Post Office Box 1157, Richmond, Virginia 23218, (800) 552-7945 (Virginia only) or (804) 371-9741 (out-of-state calls). Written correspondence is preferable so that a record of your inquiry is maintained. When contacting the Company of the Bureau of Insurance, have your contract number available.

#### Wyoming residents only:

**ARBITRATION.** Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this agreement or the relationships among the parties hereto may be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer, as applicable, Rules in effect at the time the Claim is filed ("AAA Rules"), subject to the prior written agreement of the parties. Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall not be binding unless otherwise agreed upon in advance in writing by the parties. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any suit may be brought only in Federal District Court located in the State of Wyoming or, if any such court lacks jurisdiction, in any Wyoming state court that has jurisdiction. The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver.'

**CLASS ACTION WAIVER.** Any arbitrated Claim must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT SHOULD THEY AGREE TO ARBITRATE THE CLAIM THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

#### Wisconsin residents only:

**ARBITRATION.** Any claim, dispute or controversy, regarding any contract, tort, statute, or otherwise ("Claim"), arising out of or relating to this agreement or the relationships among the parties hereto may be resolved by one arbitrator through binding arbitration administered by the American Arbitration Association ("AAA"), under the AAA Commercial or Consumer, as applicable, Rules in effect at the time the Claim is filed ("AAA Rules"), subject to the prior written agreement of the parties. Copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. The arbitrator's decision shall not be binding unless otherwise agreed upon in advance in writing by the parties. This clause is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act. Neither party shall sue the other party other than as provided herein or for enforcement of this clause or of the arbitrator's award; any suit may be brought only in Federal District Court located in the State of Wisconsin or, if any such court lacks jurisdiction, in any Wisconsin state court that has jurisdiction. The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action

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#### HOW TO ENROLL

Phone 800 735 4663

Español: **800 250 2025** 

Fax 800 329 2478

#### INFORMATION FOR SERVICE

Phone 800 776 4663

Español: **800 250 2025** 

Online www.ahs.com

For state specific pricing and coverages, contact your real estate professional.

"I've had American Home Shield for fifteen years on my house and they've taken care of every major problem we've had, that's been covered. The furnace was replaced, one of the air conditioning units was replaced, we also had a really problematic plumbing problem with leaks in copper pipes, and they took care of that and made it right, and it's been a great experience having them."

- Steve, American Home Shield Customer Customer since 1996

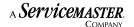
"One of the nice things about having American Home Shield is rather than having multiple service warranties on every single appliance in my home, I just have one."

- Patricia, American Home Shield Customer Customer since 2009

## FLEXPLAN



Optional Protection



**COMBO PLAN BEST VALUE** 

## AT A GLANCE

Use this chart to determine which combination of plans and packages is right for you.

ITEM	Core	Congo	Ser d	
Heating				
Add Geothermal/Water Source Heat Pumps, Registers, Grills and Heat Lamps		1		✓
Air Conditioning	/			
Add Geothermal/Water Source Heat Pumps, Registers, Grills and Electric Non-Ducted Wall A/C Units		✓		<b>√</b>
Ductwork	<b>/</b>			<b>/</b>
Increase limit to \$1,000 for ductwork located in concrete		<b>√</b>		<b>√</b>
Plumbing  Add Pressure Regulators, Faucets*, Shower Heads and Shower Arms, Hose Bibs, Toilets of Like Quality (\$600 per occurrence) and Sewage Ejector Pumps	<b>✓</b>	J		√ √
Increase limit to \$1,000 for plumbing located in concrete		<b>√</b>		<b>/</b>
Plumbing Stoppages	<b>√</b>			<b>√</b>
Water Heaters	<b>✓</b>			<b>√</b>
Electrical	<b>✓</b>			<b>√</b>
Exhaust/Vent/Attic Fans	<b>/</b>			<b>√</b>
Built-in Microwaves	<b>✓</b>			<b>√</b>
Add Door Glass and Racks		✓		<b>√</b>
Dishwashers	<b>√</b>			<b>√</b>
Garbage Disposals	<b>✓</b>			<b>√</b>
Ranges/Ovens/Cooktops	<b>√</b>			<b>√</b>
Add Rotisseries, Racks, Handles, Knobs and Dials		<b>√</b>		<b>√</b>
Trash Compactors	<b>√</b>			<b>_</b>
13 SEER	<b>√</b>			<b>√</b>
Sediment	<b>√</b>			<b>√</b>
Rust and Corrosion	<b>√</b>			<b>√</b>
Insufficiently Maintained Equipment	<b>√</b>			<b>√</b>
Ceiling Fans		<b>√</b>		<b>√</b>
Garage Door Openers		$\checkmark$		<b>√</b>
Telephone Wiring		$\checkmark$		<b>√</b>
Built-In Food Centers		$\checkmark$		✓
Doorbells		<b>√</b>		<b>√</b>
Instant Hot/Cold Water Dispensers		<b>√</b>		<b>/</b>
Central Vacuums		<b>√</b>		<b>/</b>
Smoke Detectors		<b>√</b>		<b>/</b>
Refrigerant Recapture, Reclaim and Disposal			<b>/</b>	/
Removal of Defective Equipment			✓	<b>/</b>
Permits (\$250 per occurrence)			<b>√</b>	<b>/</b>
Code Violations (\$250 per contract term)			<i>-</i>	/
Undetectable Pre-Existing Conditions			1	/
Improper Installations, Repairs or Modifications			<b>√</b>	/
Mismatched Systems			1	/

#### **ADDITIONAL BUYER** OPTIONS.

Something else you want to cover? Check out these additional options.

- Refrigerator w/Ice Maker and Dispenser\*\*
- Nitchen Refrigerator w/Ice Maker and Dispenser
- Additional Refrigerator w/Ice Maker and Dispenser\*\*\*
- D Washer and Dryer
- Free Standing Ice Maker
- Swimming Pool<sup>†</sup>

#### Note:

Other options may be available depending on your state

#### **PREVENTATIVE MAINTENANCE PLAN**

Buyers, want to help prevent unanticipated maintenance? Purchase our Preventative Maintenance Plan in addition to your AHS Home Protection Plan by calling 800 735 4663.

You will pay a Trade Service Call Fee for each service contractor of a different trade requested.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup>Core Coverage Plan must be purchased in conjunction with these packages.

<sup>&</sup>lt;sup>2</sup>Additional charges may apply to certain repairs and replacements.

<sup>\*</sup>Chrome builder's standard used when replacement is necessary.

<sup>\*\*</sup>Refrigerator must be located in the Kitchen unless Kitchen Refrigerator option is purchased.

<sup>\*\*\*</sup>Kitchen Refrigerator option must be purchased. †Not available for Condo/Townhome/Mobile Home.