

TERMS AND CONDITIONS

This document sets forth the entire agreement between Warranty Global Group, Inc., hereinafter referred to as "We", "Us" and "Our", and, the Contract Holder, hereinafter referred to as You and Your. No representation, promise, or condition herein shall modify these terms. Warranty Global Group, Inc. is contractually obligated to You to provide service under this Contract where in accordance with, and as allowed by state law. Please refer to Your Certificate of Coverage for applicable state disclosures. **This is not an insurance policy.** Obligations under this Contract are provided by Warranty Global Group Inc. The **Administrator's** performance under this **Contract** is insured by an insurance policy issued by Dealers Assurance Company, P.O. Box 21185, Upper Arlington, OH. 43221, Telephone 1-800-282-8913. If a covered claim is not paid within sixty (60) days after proof of loss has been filed, you may file a claim with Dealers Assurance Company at the address listed above.

SECTION 1. IT IS HEREBY AGREED THAT:

Warranty Global Group, Inc., in consideration of the fee(s) paid, will provide coverage for systems and primary kitchen appliances (one appliance per product line) as described in this Contract for authorized repair or replacement of covered property when such covered items become inoperative due to operational failure during coverage periods. This Contract is subject to the limitations and provisions as set forth on the following sections of this Contract and any amendatory endorsements attached hereto. Please refer to the Certificate of Coverage for Your name, covered residence address, coverage dates, coverage plan and fees.

SECTION 2. DEFINITIONS

- 2.1 "Agreement," "Contract," and "Service Contact" mean this document in its entirety which explains the coverage and limitations afforded to You.
- 2.2 Throughout this Contract "You" and "Your" refer to the Contract Holder; and "We" "Us," "Our," refer to Warranty Global Group, Inc. (Administrator).
- 2.3 "Residence" means a single family dwelling used for residential purposes only. A dwelling unit is a residential area that contains no less than the following: sleeping quarters, a bathroom, a kitchen area, and a separate entryway to the unit (cannot exceed 5,000 total livable square feet per residential dwelling unit, without prior approval). **ANY UNIT THAT DOES NOT MEET THE ABOVE DEFINED MINIMUMS OR EXCEEDS THE MAXIMUMS SHALL NOT BE COVERED.** The "residence" includes the primary physical structure, as well as attached garages. **WE DO NOT COVER DETACHED GARAGES, OUT BUILDINGS, SITE IMPROVEMENTS, OR ANY GROUNDS SURROUNDING THE RESIDENCE.**
 - (a) "Residence" includes a condominium unit. We cover only systems, equipment or appliances that are contained within the "Interior" as defined in Section 2.4 of a condominium unit. **We do not cover equipment, items, or systems that are owned by the condominium association or designated as a condominium common area. The "exterior" as defined in section 2.4 is not covered when the Contract coverage is for a condominium unit.**
 - (b) **We do not cover commercial structures or space, or properties where commerce occurs, nor will We repair or replace systems or items that service commercial space even though they may also service covered residential unit(s). We do not cover "boarding houses," "dormitories," "fraternities," "sororities," or other "cooperatives."**
- 2.4 "Interior" means all the space inside of the external surface area that constitutes the perimeter of the residence foundation and exterior walls and roof. "Perimeter" means the internal surface that ends at the foundation line, slab, ground or walls of the premises. **THERE IS NO COVERAGE FOR ANY PIPE, WIRING, OR ANY OTHER MECHANICAL DEVICE BEYOND THE PERIMETER UNLESS SPECIFICALLY AUTHORIZED IN THIS CONTRACT.** "Exterior" is the external surface area constituting the outer perimeter of the residential structure.
- 2.5 "Parts and Components" means the elements of any system of the residence as covered by this Contract that are located within the interior or are considered part of the exterior of the residence.
- 2.6 "Operational Failure" means a mechanical breakdown due to normal wear, tear and use resulting in the failure of parts of components to function. **Low or reduced water flow or water pressure is not operational failure. Rust, rot, corrosion or mineral deposit build up are excluded wear and tear failures.**
- 2.7 "Loss" means the actual reasonable cost for repair or replacement or parts or components as long as the repair or replacement is made necessary by operational failure of the parts or components occurring during the Contract period. **NO LOSS IS COVERED FOR ITEMS WITH DEFECTS THAT EXISTED PRIOR TO THE CONTRACT SALE DATE.** Warranty Global Group, Inc. may, at its option, exclude from coverage any loss that occurred prior to the non-timely receipt of payment of Contract fees.
- 2.8 A "New Construction" is a new "residence" which retains a 12 month warranty from the Builder. A "new residence" has not been occupied prior to the Contract Sale Date.
- 2.9 "Covered" means that We have not pre-determined a specific amount as a maximum amount We will pay. The amount will be determined by the actual costs to repair the component that has failed, subject to limits and exclusions set forth in this Contract. **Items and services not specifically listed as covered are not covered.**

SECTION 3. COVERED PARTS, SYSTEMS AND COMPONENTS

3.1 CENTRAL HEAT SYSTEM

COVERED: Furnace units and heat pumps (max. of two units). Includes accessible ductwork, thermostats, permanently mounted non-ducted heater, humidifiers, dehumidifiers and electronic air filtering devices. **Fireplace gas burner unit. Thermostat(s):** Controlling equipment only for furnaces, air conditioners and appliances. **Attic and Exhaust Fans.**

NOT COVERED: all coal or wood burning equipment or conversions from coal to gas or coal to oil systems, oil storage tanks, fuel oil lines, geo-thermal systems, space heaters, chimneys, fireplaces, flue liners, air filters, gas logs, normal maintenance cleaning, adjustments.

NOTE: We will pay no more than \$1500.00 per covered item per Contract term for access, diagnosis and repair or replacement of any glycol system, self contained heat and domestic hot water systems (boilers). 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.

3.2 CENTRAL AIR SYSTEM

COVERED: Central air unit (max of two units unless purchase of 3rd HVAC option) not to exceed 5 tons per unit. Refrigerated and evaporative cooler, central air conditioning unit(s) and heat pump(s). Water cooling storage tanks. **Thermostat(s):** Controlling equipment only for furnaces, air conditioners and appliances. **Attic and Exhaust Fans.**

NOT COVERED: normal maintenance, cleaning, adjustments and capacity increases. Geo-thermal systems. Cooling systems with compressors larger than five tons.

NOTE: 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.

3.3 PLUMBING

COVERED: **Piping within the interior** of the main residential structure and attached garage for: gas, hot and cold water, drain and waste lines, vent, branch and riser lines and specific items as indicated below; including clearing of line stoppage by rotary machine (including the drain line to the street). **Plumbing Components Parts:** within the toilet tank; in-line shut-off or supply valves and risers leading into: sinks, lavatories, toilets and tubs. Fixtures, faucets, shower heads and trip levers at builders' standard. **Sump Pump:** a pump unit to pump water only. **Water Well System:** pressure tank, motor, pump, shaft and point for a single dwelling only. **The Aggregate coverage for repairing or replacing water well system components shall not exceed \$300.00 during this Agreement.** **Domestic Water Softener. Septic Lines. Ejector Pump:** to pump sewage only and transfer waste from a lower level to an upper level into the sewage system. **Whirlpool Motors and Jets. Polybutylene lines. The aggregate coverage for repairing or replacing polybutylene lines shall not exceed \$500.00 during this Agreement.**

NOT COVERED: Conditions of low or insufficient water pressure, color or purity of water, water filters, and water purification systems, or repair of piping damage caused by screws, nails, or vegetation roots. Any water well system that is not the primary system (i.e. if the primary system in the house is municipal sewer and water, a well system would not be covered.) shower base pans, wax ring seals, toilet fixtures and water tanks, shower enclosures or doors, sinks, tubs, "insty" heat type devices and water purifiers. Repair or replacement of main body or caulking, grout, or tiles. Drain tile or lawn sprinkler systems. Normal maintenance services, such as, but not limited to pumping septic tanks. Energy conservation unit flues and vents. Digging new/deeper wells, shared water wells, curing condition of water in regard to contamination or water quality, or mechanical failures resulting from lack of water. Iron filters. Waste water filters. Stand alone jacuzzi-type tubs, whirlpools or saunas. For bathtub enhancement units-the main body is not covered. Drain fields, leach beds and cesspools. Any code violation (local, state or federal); and/or upgrading system, such as new installation hook-ups to city or municipal sewage system. Aerator systems for treating sewage but not limited to a peripheral aeration tank, a center clarifier or settling tank pump, piping and air filters to the aerator system. Malfunction or failure of items due to rust, corrosion or mineral buildup.

3.4 ELECTRIC

COVERED: **INTERIOR:** wiring main service panel not to exceed **\$500.00**, sub-panels, receptacles or outlets, switches, fuse boxes, breakers, electric wiring to central heating and cooling systems and wiring to all over other covered, interior, major electrical equipment and to outside receptacles attached to the main residence and attached garage. **Door Bell System. Lighting Fixtures:** Lighting fixtures and ceiling fans permanently mounted to the main residence or attached garage at builder's standard.

NOT COVERED: Fixtures commonly known as chandeliers. Audio/Video surveillance systems, intercom systems, or monitors working in conjunction with the doorbell system. Telephone wiring; inadequate wiring capacity; code violations; or any licensing permits. Items that are gas fueled, oil fueled, antique (50 years of age) and/or portable and not properly installed unless specifically indicated as covered elsewhere in this Contract. Portable, battery powered and/or hobby items.

3.5 WATER HEATER SYSTEM

COVERED: components, electrical or gas connections, flue piping and hot water tank. NOT COVERED: oil, solar or solar-assisted water heating units. Self contained heat and domestic hot water systems (boilers) refer to 3.1.

3.6 KITCHEN REFRIGERATOR

COVERED: all parts and components. **One (1) kitchen unit only.** NOT COVERED: food spoilage, icemakers, ice crushers, racks, shelves, beverage dispensers, interior thermal shells, doorliner.

3.7 DISHWASHER

COVERED: all parts and components. **One (1) kitchen unit only.** NOT COVERED: rollers, racks, baskets, portable units.

3.8 FOOD WASTE DISPOSER

COVERED: all parts and components. **One (1) kitchen unit only.** NOT COVERED: stoppage caused by foreign material.

3.9 COOKING RANGE/OVEN/COOKTOP

COVERED: all parts and components, includes self cleaning mechanisms and timers (when timer affects functions of oven). **One (1) kitchen unit only.** NOT COVERED: commercial equipment, box, door glass, lights, rotisseries, racks, handles, knobs, sensi heat burners, filters and magnetic induction.

3.10 TRASH COMPACTOR

COVERED: all parts and components. **One (1) kitchen unit only.** NOT COVERED: lock and key assembly, removable buckets.

3.11 OVER THE RANGE OR BUILT IN MICROWAVE

COVERED: all parts and components, including touch tone panel. **One (1) kitchen unit only.** NOT COVERED: door glass, interior lining, clocks, lights, shelves, rotisseries, meat probe assemblies, countertop or portable microwave oven.

SECTION 4. OTHER OPTIONAL COVERAGES

4.1 HOME INSPECTION SERVICE OPTION

COVERED: **Non Detected Pre-existing conditions:** We will cover existing defects or mechanical failures if not detected during the home inspection. **Permits:** Cost for obtaining permits up to **\$250.00** per occurrence. **Code Violations:** We will pay up to **\$250.00** per contract term to correct code violations. **Water Heater Rust and Sediment Buildup:** if not detected during the home inspection. **Improper Installation, Repairs, or Modifications:** We will repair or replace a system or appliance that was improperly installed, repaired, or modified prior to or during this contract term not to exceed **\$1,000.00** if not detected during the home inspection. **Removal of Defective Equipment:** Cost to dispose of an old appliance, system or component. **Refrigerant Recapture, Reclaim, and Disposal.**

NOTE: **This option requires a written home inspection and applies to systems and appliances covered by this Contract and shall not exceed any applicable limits.**

4.2 CLOTHES WASHER AND DRYER

COVERED: all parts and components. NOT COVERED: venting, lint screens, knobs and rails, plastic mini-tubs, soap dispensers, filter screens, knobs and rails, damage to clothing.

4.3 SWIMMING POOL AND SPA

COVERED: blower and all parts and components of the heating, pumping and filtration system,

NOT COVERED: pool sweep motors, lights, liners, concrete encased or underground electrical, plumbing or gas lines, cleaning equipment, any mechanism used in association with a waterfall, fountain, or any other attachment not associated with the primary function of the covered equipment, structural defects, solar equipment, jets, fuel storage tanks, built-in or detachable cleaning equipment including pop-up heads, turbo valves, crepey crawlers and the like.

Note: **The aggregate coverage for repairing or replacing components shall not exceed \$1,000.00 for swimming pool and shall not exceed \$500.00 for spa during this Agreement.**

4.4 ICE MAKER

COVERED: all parts and components of an ice maker installed in a kitchen refrigerator or freestanding or under the counter ice makers. **One (1) kitchen unit only.** NOT COVERED: food spoilage, ice crusher, plastic buckets, interior thermal shells, doorliner.

4.5 UPRIGHT OR CHEST FREEZER

COVERED: all parts and components. **Only one (1) unit** separate from refrigerator. NOT COVERED: food spoilage, icemakers, ice crushers, racks, shelves, beverage dispensers, interior thermal shells, doorliner. Room or walk-in freezers.

4.6 GARAGE DOOR OPENER

COVERED: all parts and components. NOT COVERED: failure caused by improper installation, transmitters, loss controls, damage to automobiles, exterior touch pads and springs.

4.7 CENTRAL VACUUM SYSTEM

COVERED: all parts and components. NOT COVERED: conditions of inadequate capacity or clogged lines.

SECTION 5. AGREEMENT AGGREGATE

We will pay for losses up to the maximum amount of coverage shown for all sums paid or payable in the aggregate over the entire term of the Contract. The aggregate amount of coverage under this Contract is limited to **\$25,000.00**. Except for Sections 3.1 and 3.2 in this Contract, the per item coverage under this Contract is limited to **\$1,500.00** per individual item except as specifically provided elsewhere in this Contract, **\$2,500.00** per system. We will pay no more than **\$1500.00** per covered item per contract term for access, diagnosis and repair or replacement of any glycol system, hot water, or steam circulating system (boilers). Coverage for concrete-encased plumbing or ductwork is limited to **\$500.00**, less applicable service fees, per incident. This limit includes access, diagnosis, repair or replacement, and resurfacing or restoring to a rough finish.

SECTION 6. LIMITATIONS OF LIABILITY

THIS RESIDENTIAL SERVICE PLAN IS NOT APPLICABLE TO THE ITEMS LISTED BELOW, OR WHERE DAMAGE OR FAILURE IS DUE TO:

(1) Items that are not in proper working order on the Contract Sale Date. (2) Fire, wind, freezing, hail, sleet, snow, ice or water back-up due to ice, explosions, riots, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, glass breakage, theft, burglary, falling objects, weight of ice and/or snow, discharge of water or steam (from plumbing, heating, air conditioning systems or appliances), war or any act of aggression, acts of God, accident, nuclear contamination, flood, surface water, waves or tidal waves, earthquake, landslide, mud flow, seepage, rot, dry rot, condensation, power failure or shortage, lightning, destruction caused by rodents, termites, insects and vermin, or any cause other than by operational failure to a covered part and/or component or any hazard that is covered by a homeowner insurance policy. Corrosion, rust, mineral build up with the exception of water heater if Home Inspection Service Option Section 4.1 was selected and a home inspection was performed. (3) Excessive or inadequate water pressure, code violations, electrical surge excessive or inadequate voltage, electrical currents artificially generated, electrical wiring not to code. (4) Any systems due to lack of capacity, maintenance inspections, cleaning, adjustment and lubrication services, failure to maintain the temperature in the residence above freezing, or caused by incorrect use or contamination of fuel or energy. (5) Damage to the physical structure of the residence including, but not limited to, bearing walls, walls, roof, roof supports, structural floor base, foundation or slabs, and ceilings except where specifically identified as covered. (6) Faulty workmanship by any agreement or trade-person selected and hired, or any improper installation of any component or system by the owner, seller or any other person, either before or after issuance of this Contract unless Home Inspection Service Option Section 4.1 was selected and a home inspection was performed. (7) Leased or rental equipment, components and systems abused and misused, unusual or abnormal use. (8) Cabins, boarding houses, dormitories, fraternities, sororities, other cooperatives, mobile homes not attached to permanent concrete or concrete block foundation, and apartments with written leases less than one (1) year. (9) Equipment, items or systems that are owned by a condominium association or designated as common area in condominium declarations, plats or plans. The exterior (as defined in 2.4) is not covered by this Contract for condominiums. (10) Permits, fees, cost of disposal of any replaced or repaired item, coolant recovery fees or other environmental fees or charges unless Home Inspection Service Option Section 4.1 was selected. (11) Defects in the equipment due to the manufacturer's errors or improper construction of the equipment. (12) Any incidental or consequential property damage, lost time, lost data, nor failure to provide timely service due to conditions beyond our control, including but not limited to, part or equipment delays, labor difficulties. (13) Non-functional parts, including damage to cabinetry, light bulbs, plastic, porcelain or enamel parts, exterior/interior finishes, knobs, dials, hinges, lock and key assemblies, handles, racks, baskets, probes or rotisseries, trim and/or appearance parts **AND ALL ITEMS NOT LISTED AS COVERED.**

SECTION 7. OBTAINING SERVICE

7.1 REQUIRED NOTICE: You shall give notice to Us of any occurrence of operational failure that may be covered by Us as soon as reasonably possible after the failure or malfunctions have occurred. You shall take every precaution to protect the property giving rise to the loss until the necessary repair or replacement is authorized by Us and made. **YOU MUST NOTIFY US OF ANY LOSS PRIOR TO ACTUAL REPAIR OR REPLACEMENT.** We shall not be liable for a loss unless said notice is given prior to the expiration of your coverage, regardless of when the loss occurred.

7.2 REQUESTING SERVICE: When service is needed You are to telephone Us at **1-866-237-4980**, twenty-four (24) hours per day, seven (7) days per week (except the twenty-fifth (25th) of December). Under normal circumstances, We will initiate the performance of services during normal business hours by an authorized trade person or Contract chosen by Us within 48 hours after You request the services.

If a repair involves the loss of heating or cooling, loss of plumbing, substantial loss of electrical service or any other condition which renders a dwelling uninhabitable, it will be considered a temporary emergency condition. In event of temporary emergency conditions, You shall notify Us of such fact through the use of Our toll-free number so We may give the proper authorization to repair or replace to alleviate the emergency.

7.3 SERVICE CALL FEE: You will pay **fifty (\$50.00) dollars** for each trade service call, or actual cost, whichever is less. The trade service call fee is for each call dispatched, including 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 in route to Your home or the service contractor has already arrived at Your home. Your payment must be made prior to completion for each service call including, but not limited to trade service calls wherein coverage was granted, excluded, limited, or denied in whole or in part. If no defects covered by this Contract are discovered or repaired during a service call, then You are responsible for the cost of the entire service call. We have the option to suspend this Contract for non-payment of service call fees until such time payment is received.

7.4 LOSS OF COVERAGE: We have the sole right to determine if a part or component should be repaired or replaced. In the event of replacement, it shall be with material of like kind and quality, but not necessarily the same brand or color. The use of non-original manufacturer's parts is permitted in making repairs under this Contract. **IF AN ITEM IS NON-REPAIRABLE DUE TO THE COVERED FAILURE OF AN OBSOLETE OR UNAVAILABLE COMPONENT PART, WE ARE NOT RESPONSIBLE**

FOR REPLACEMENT OF THE ENTIRE ITEM WE WILL BE OBLIGATED ONLY TO MAKE A REASONABLE PAYMENT BASED UPON THE VALUE OF INSTALLING A COMPARABLE COMPONENT PART THAT IS AVAILABLE, SUBJECT TO ANY PER OCCURRENCE OR AGGREGATE MAXIMUMS. You shall provide US the opportunity to speak with the repair technician prior to their implementation of any repairs. You and the repair Agreement shall provide Us with sufficient information as to the cause and nature of the occurrence, as well as other pertinent information relating to the claim to the best of Your knowledge and belief. This information also may include estimates relating to repair or replacement of the part or component which failed. We reserve the right to request additional opinion(s). **IN ALL CASES WORK MUST BE AUTHORIZED AND APPROVED BY US PRIOR TO IMPLEMENTATION OF THE REPAIRS.**

- 7.5 LOSS REQUIREMENTS:** In the case of loss as defined in Section 2 Definitions 2.7, You may be required to pay the service company directly and seek reimbursement from Us if the service company will not bill Us directly. Reimbursement covered under this Contract must be submitted to Us within 60 days of the repair date and will include but not limited to documents showing proof of loss or invoice showing payment. We will reimburse You for Your approved coverage within 30 days of receipt of a paid invoice from the service company or other proof of payment acceptable to Us. **NOTE: UNDER NO CIRCUMSTANCES SHALL ANY BENEFIT BE PAID UNDER THIS CONTRACT WITHOUT PRIOR AUTHORIZATION FROM US. MISREPRESENTATION/FRAUD BY YOU IN REPORTING A LOSS OR THE AMOUNT OF THE LOSS SHALL RESULT IN A DENIAL OF ANY BENEFITS TO YOU AND CANCELLATION OF THE CONTRACT. COLLUSION BETWEEN REPAIR PERSONNEL AND YOU TO DEFRAUD WARRANTY GLOBAL GROUP, INC. SHALL BE CONSTRUED AS MISREPRESENTATION.**

SECTION 8. OTHER INSURANCE, WARRANTY OR GUARANTEE

- 8.1 MANUFACTURER WARRANTY INFORMATION** - should We deem it required to complete the proper adjudication of your service request, you shall supply Us with all requested information with regard to manufacturer warranties on all appliances and systems, prior to payment for repair or replacement.
- 8.2** In the event that there is any other collectible insurance warranty or guarantee coverage available to you covering a loss and also covered by this Contract, our coverage shall be in excess of, and we will not contribute with any other warranty or guarantee.

SECTION 9. BUILDING CODES

WHEN THE RESIDENCE IS AFFECTED BY ZONING OR BUILDING CODES OR ANY OTHER LAW, AND RESTORATION OF A SYSTEM OR COMPONENT OF THE RESIDENCE TO ORIGINAL CONDITION IS NOT PERMITTED AND/OR THE CODE REQUIRES MORE COSTLY MATERIAL OR ADDITIONAL WORK, WE WILL NOT BE LIABLE FOR THE ADDITIONAL MATERIAL LABOR OR EXPENSES. WHEN CODE CORRECTIONS ARE NECESSARY PRIOR TO THE REPAIR OR REPLACEMENT, YOU SHALL BE LIABLE FOR MAKING THE CORRECTIONS AND WE SHALL HAVE NO OBLIGATIONS TO PAY UNTIL THE CORRECTIONS HAVE BEEN MADE. WHEN PERMITS CANNOT BE OBTAINED DUE TO CODE VIOLATIONS, WE WILL HAVE NO OBLIGATION TO PAY UNTIL THE VIOLATIONS HAVE BEEN REMOVED. THE COST OF BRINGING ANY SYSTEM OR COMPONENT UP TO CODE IS NOT A COVERED EXPENSE UNLESS HOME INSPECTION SERVICE OPTION SECTION 4.1 WAS SELECTED, THEN WE WILL PAY UP TO \$250.00 PER CONTRACT TERM FOR ANY COVERED ITEM.

SECTION 10. STATE VARIATIONS

Certain states have specific conditions; please check the disclosure box for YOUR state's specific conditions. In the event of any payment under this Contract, We shall be subrogated to all of Your rights of recovery against any person or organization. Said rights shall include, but not by way of limitation, all inspection reports, listing agreement, offers to purchase and acceptance, deed or other instrument of conveyance, and any and all oral representations made by builder or builder's representatives. You shall execute and deliver instrument and papers and do whatever else is necessary to secure such rights. You shall do nothing after loss to prejudice such rights. **We shall not be bound to pay any loss if You have impaired any right of recovery for loss. The retailer service technician or any inspection personnel or home inspection companies that inspect the covered residence are not agents of Us. We shall make all determinations regarding coverage under the Contract. Coverage is strictly determined by this Contract and not the representations of the retailer, service technician or any inspection personnel or home inspection company.**

SECTION 11. CANCELLATION AND REFUND

You may cancel this Contract at any time for any reason. If You cancel this Contract within the first sixty (60) days of the Covered term, then We will refund the full purchase price less any claims. If You cancel this Contract thereafter, then You will receive a prorated refund based upon the days of remaining coverage (less the cost for service performed if applicable). In all instances, We may retain a cancellation fee where permissible by law.

NOTE: All New Construction Program cancellations will receive a full refund if the cancellation occurs prior to the inception of the Contract term.

SECTION 12. TRANSFERS/RENEWALS

If the covered property changes ownership during the contract term, please call 1-866-445-3604 for further information to transfer coverage to the new owner. This contract may be renewed a maximum of nine (9) renewal periods at the option of Warranty Global Group, Inc. and where permitted by state law. In that event, you will be notified of the prevailing rates and terms for renewal.

SECTION 13. ARBITRATION

Any controversy or claim arising out of or relating to this Contract, or breach thereof, will be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

IF YOU HAVE ANY QUESTIONS, REQUIRE CUSTOMER SERVICE, OR WISH TO REPORT A CLAIM, PLEASE CONTACT WARRANTY GLOBAL GROUP, INC., PO BOX 2748, ADDISON, TX 75001-2748 OR CALL TOLL-FREE 1-866-237-4980.

SPECIAL STATE REQUIREMENTS AND DISCLOSURES

(Revised 10/01/2010)

WGG-HW-02

THIS CONTRACT IS AMENDED TO COMPLY WITH THE FOLLOWING STATE REQUIREMENTS AND DISCLOSURES:

ALABAMA: The Cancellation and Refund section of this Contract is amended to include the following: If this Contract is originally delivered to you by mail, you may cancel this Contract within 20 days after the date the Contract was mailed to you and receive a full refund of the Contract price provided no claim has been made under the Contract. If a full refund is due to you under this Contract, a 10% penalty per month will be added to the refund if it is not made within 45 days of return of the Contract to us. If you cancel this Contract after the initial period has expired, we will deduct a cancellation fee of \$25.00 from any refund otherwise due.

This contract is non-cancelable by the Administrator, except for non-payment of service fees, fraud or misrepresentation of facts, material to the issuance of this contract. If the contract is cancelled by the Administrator, the contract holder shall be entitled to a pro-rata refund of the paid contract fee for the unexpired term and no cancellation fee shall be deducted. This Agreement is transferable.

ARIZONA: This contract is non-cancelable by the Administrator, except for non-payment of service fees, fraud or misrepresentation of facts, material to the issuance of this contract. If the contract is cancelled, the contract holder shall be entitled to a pro-rata refund of the paid contract fee for the unexpired term less an administrative fee of \$25.00. Section 13 entitled Arbitration is deleted in its entirety.

COLORADO: Actions under a pre-owned home warranty service Agreement may be covered 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 that a party to such a Agreement may have a right of civil action under such laws, including obtaining the recourse or penalties specified in such laws.

GEORGIA: The administrator may cancel this Agreement for fraud, material misrepresentation or non-payment. Notice of such cancellation will be in writing and given at least thirty (30) days prior to cancellation. Cancellation will conform to the requirements of Code Section 33-24-44. The holder may cancel at any time upon demand and surrender of the Agreement whereupon the issuer shall refund the excess of the consideration paid for the Agreement above the customary short rate for the expired term of the Agreement. THIS IS NOT AN AGREEMENT OF INSURANCE.

The Arbitration section of this Contract is deleted in its entirety.

ILLINOIS: THIS IS NOT AN AGREEMENT OF INSURANCE. This Agreement is cancelable by the service Agreement holder. The Administrator may retain a cancellation fee not to exceed the lesser of 10% of the Agreement provided or \$50.00.

LOUISIANA: If this Contract is cancelled by Us, written notice shall be mailed to the Contract Holder's last known address within fifteen days prior to cancellation, such notice shall state the effective date and reason for cancellation. Prior notice is not required if the reason for cancellation is: (1) nonpayment of the provider fee; (2) material misrepresentation by the Contract Holder to the Provider; or (3) substantial breach of duties by the Contract Holder relating to the covered product or its use. If a refund is due to you under this Contract, a 10% penalty per month will be added to the refund if it is not made within 45 days of return of the Contract to us.

NEVADA: The following sentence(s) from the Cancellation and Refund is replaced with the following: "You may cancel this Contract at any time for any reason. If you cancel this Contract within the first sixty (60) days of the Covered term, We will refund the full purchase price. If you cancel this Contract after the first sixty (60) days of the Covered term, then You will receive a prorated refund based on the days of remaining coverage. If you cancel this Contract, We may retain a cancellation fee of no more than \$50. If We do not refund the purchase price within forty-five (45) days of return of the Contract to Us, We will pay to You a penalty of 10% of the purchase price for each thirty (30) day period that the refund remains unpaid. No Service Contract that has been in effect for at least 70 days may be canceled by Us before the expiration of the agreed term or 1 year after the effective date of this Contract, whichever occurs first, except on any of the following grounds: (a) Failure by the Contract Holder to pay an amount when due; (b) Conviction of the Contract Holder of a crime which results in an increase in the service required under the Service Contract; (c) Discovery of false or misrepresented material by the Contract Holder in obtaining this Service Contract, or in presenting a claim for the service thereunder; (d) Discovery of: (1) an act or omission by the Contract Holder; or (2) a violation by the Contract Holder of any condition of the Service Contract after the effective date of the Service Contract and which substantially and materially increases the service required under the Service Contract, (e) A material change in the nature or extent of the required service or repair which occurs after the effective date of the Service Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the Service Contract was issued or sold. If this Contract is cancelled by Us, a cancellation fee will not be charged. Cancellation of this Contract may not become effective until at least 15 days after a notice of cancellation is mailed to the Contract Holder." We may deduct any outstanding balance You have with Us from the amount of the purchase price that is unearned by Us when calculating the amount of the refund. Under no circumstances will any claims paid or services rendered be deducted from the refund price of this Contract.

The following sentence(s) from the Service Call Fee section is replaced with the following: "We have the option to cancel this Contract for non-payment of service call fees with at least 15 days written notice prior to the effective date of the cancellation. However, if the required service call fees are paid prior to the effective cancellation date listed on the cancellation notice, this Contract will remain in effect."

The Requesting Service section of this Contract is amended to include the following: "If an emergency service involves the loss of heating or cooling, loss of plumbing, substantial loss of electrical service or any other condition which renders a dwelling uninhabitable, repair will commence within 24 hours after the report of the claim. If emergency repairs cannot be completed within 3 calendar days after the report of the claim, a status report will be provided to the Contract Holder."

NEW HAMPSHIRE: Any New Hampshire resident who is aggrieved by any act or omission of WARRANTY GLOBAL GROUP, INC. or its agents may register a complaint with the New Hampshire Insurance Department, Concord, New Hampshire 03301, or by phone at 1-800-852-3416.

NEW MEXICO: The following sentence(s) are added to the Cancellation and Refund section: "If We do not refund the purchase price within sixty (60) days of return of the Contract to Us, We will pay to You a penalty of 10% of the purchase price for each thirty (30) day period that the refund remains unpaid. No Service Contract that has been in effect for at least 70 days may be canceled by Us before the expiration of the agreed term or 1 year after the effective date of this Contract, whichever occurs first, except on any of the following grounds: (a) Failure by the Contract Holder to pay an amount when due; (b) Conviction of the Contract Holder of a crime which results in an increase in the service required under the Service Contract; (c) Discovery of false or misrepresented material by the Contract Holder in obtaining this Service Contract, or in presenting a claim for the service thereunder; (d) Discovery of either of the following if it occurred after the effective date of this Service Contract and substantially and materially increased the service required under this Service Contract: (1) an act or omission by the Contract Holder; or (2) a violation by the Contract Holder of any condition of the Service Contract after the effective date of the Service Contract and which substantially and materially increases the service required under the Service Contract. If this Contract is cancelled by Us, a cancellation fee will not be charged. Cancellation of this Contract may not become effective until at least 15 days after a notice of cancellation is mailed to the Contract Holder."

NORTH CAROLINA: If the contract is cancelled, the contract holder shall be entitled to a pro-rata refund of the paid contract fee for the unexpired term less an administrative fee not to exceed ten percent (10%) of the amount of the pro rata refund. *The purchase of this agreement is not required to purchase or obtain financing of this home warranty*

OKLAHOMA: The cancellation language in the contract is replaced by the following: If You cancel this Contract within the first sixty (60) days of the Covered term, then We will refund the full purchase price less any claims paid. If You cancel this Contract thereafter, then the refund shall be based on one hundred percent (100%) of the unearned pro rata premium, less ten percent (10%) of the unearned pro rata premium or fifty dollars (\$50.00), whichever is less and less any claims paid. NOTE: All new construction cancellations will receive a full refund if the cancellation occurs prior to the inception of the contract term.

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.

SOUTH CAROLINA: If this contract is originally delivered to You by mail, You may cancel this contract within 20 days after the date the contract was mailed to You and receive a full refund of the Agreement price provided no claim has been made under the Agreement. If a full refund is due to You under this contract, a 10% penalty per month will be added to the refund if it is not made within 45 days of return of the contract to Us. This contract is transferable.

Your obligations and duties are outlined in the terms and conditions; there are no additional obligations or duties for you to follow.

TEXAS: THIS AGREEMENT IS ISSUED PURSUANT TO A LICENSE GRANTED BY THE TEXAS REAL ESTATE COMMISSION, AND COMPLAINTS IN CONNECTION WITH THIS AGREEMENT MAY BE DIRECTED TO THE COMMISSION AT PO BOX 12188, AUSTIN, TEXAS 78711, 512-465-3917. THE PURCHASE OF A RESIDENTIAL SERVICE AGREEMENT IS OPTIONAL AND SIMILAR COVERAGE MAY BE PURCHASED THROUGH OTHER RESIDENTIAL SERVICE COMPANIES OR INSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN TEXAS.

Warranty Global Group, Inc. d/b/a Global Home USA

UTAH: The Cancellation and Refund section of this Contract is amended to include the following: We may cancel this contract for (1) material misrepresentation; (2) substantial change in the risk assumed; (3) substantial breaches of contractual duties, conditions or warranties. If we cancel this contract for the reasons outlined above, the cancellation is effective no sooner than 30 days after the delivery or first-class mailing of a written notice to You.

The Contract purchase price is payable, in full, at the time of purchase.

Failure to give any notice or file any proof of loss required within the time period specified does not invalidate a claim made under this Plan. This contract is transferable within the period of coverage. Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association.

This Service Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

WISCONSIN: THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. IF SERVICE IS PERFORMED WITHOUT NOTICE TO WARRANTY GLOBAL GROUP, INC. OR WITHOUT WARRANTY GLOBAL GROUP, INC.'S PRIOR APPROVAL, THEN PENDING AN INVESTIGATION OF THE SERVICE WORK REQUIRED, WARRANTY GLOBAL GROUP, INC. MAY NOT REIMBURSE FOR THAT SERVICE.

WYOMING: This Agreement is transferable. This contract is non-cancelable by the Administrator, except for non-payment of service fees, fraud or misrepresentation of facts, material to the issuance of this contract.