

Seller and Buyer Coverage

1. CENTRAL HEATING SYSTEM (2 year coverage available with inspection)

COVERED: Centrally ducted gas or electric units and boiler units. Heating element, exchanger (**buyer only**), burners, gas valves, baseboard convectors, pumps, motors, switches, thermostat, relays, accessible ductwork, and wiring.
NOT COVERED: Space heaters, inaccessible duct work, registers, grills, filters, oil storage tanks, solar or geothermal systems, radiators, clocks, chimneys, chimney liners, fireplaces, digital equipment, and energy management systems, wood burning stoves, free standing, and portable or thru-wall units.
COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer \$1,500 for units less than 15 years old all others \$500.

2. PLUMBING SYSTEM (2 year coverage available with inspection)

COVERED: Leaks and breaks to water lines, drain, vent or sewer lines, valves to shower, tub diverter, faucets, toilet tank assemblies, vent and sewer lines.
NOT COVERED: Water damage, main drain clogs, sinks, bath tubs, toilet tank and bowl, shower base pans, tub enclosures, tile fields, leach beds, sewage ejectors, grouting, caulking, tile, lawn sprinklers, mineral deposits, porcelain, storage or holding tanks, water quality, lines located outside the main foundation of the home, tree roots, water pressure, galvanized plumbing, damage from freezing, and plumbing in or under a cement slab or basement floor. For the purpose of this contract the hot water heater is a separate component from the plumbing system.
COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer \$1,000

3. ELECTRICAL SYSTEM (2 year coverage available with inspection)

COVERED: All wiring, breakers, panels, switches, fuses, conduit, junction boxes and receptacles.
NOT COVERED: Meter boxes, service entrance cables, inaccessible and/or underground wiring, and electrical system or wiring located outside the main foundation of the home. Damage from: water, overload, power failure, lightning or a power surge.
COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$400; Buyer \$800

4. WATER HEATER (limit 1 unit)

COVERED: All components of gas or electric units only.
NOT COVERED: Oil hot water tanks, loss due to insufficient capacity, mineral or chemical deposits, rusted out tanks beyond their useful life.
COMPANY MAXIMUM AGGREGATE LIABILITY: Seller \$250; Buyer \$600 unless unit is more than 10 years old then buyer limit is \$250.

5. ATTIC AND EXHAUST FANS

COVERED: Motors, controls, bearing, blades and switches.
NOT COVERED: Circulation or paddle fans, belts, shutters and filters.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

6. KITCHEN REFRIGERATOR

COVERED: Compressor, seals, coils, thermostat, frost-free mechanisms and controls.
NOT COVERED: Racks, shelves, ice makers, ice crusher, beverage dispensers, interior thermal shells, food, and freezers. Appliances not part of sales contract.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$800

7. KITCHEN RANGE/OVEN/COOKTOPS

COVERED: Burners, wiring elements, switches, thermostats, pilot assemblies, doors and hinges, self-cleaning mechanisms.
NOT COVERED: Clocks, meat probe assemblies, rotisseries, racks, shelves, handles, and knobs. Appliances not part of sales contract.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$500

8. KITCHEN DISHWASHER

COVERED: Built in dishwashers only. Motor, pump, timers, seals, gaskets, latches, heating elements, switches and air gap spray arm.
NOT COVERED: Dish racks or shelves. Appliances not part of sales contract.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$300

9. KITCHEN MICROWAVE

COVERED: Built-in units only. All parts and components including electronic timer, transformer, magnetron tube, door latch and touch panel.
NOT COVERED: Removable bottoms. Appliances not part of sales contract.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

Additional Coverage For Buyer Only

1. CENTRAL AIR CONDITIONING SYSTEM (Limit 1 unit)

COVERED: Compressor, motors, coils, thermostat, valves, leaks in freon lines, liquid suction line dryers, fuses, breakers, disconnect boxes, wiring, condensing units. Coverage is limited to electric-freon central air conditioning units only.
NOT COVERED: Natural gas air conditioning units, filter, water cooled units, freestanding or portable, or thru-wall units, recovery of freon, digital equipment and energy management systems, condenser fins, drain pans, cleaning, pads.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,500 on units less than 15 years old \$500 on all others.

2. GARBAGE DISPOSAL

COVERED: All parts and components including motor, wiring, blades, switches, and casing.
NOT COVERED: High capacity units. Replacements will be standard units only.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

3. DOOR BELL

NOT COVERED: Intercom systems.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

4. ROOF COVERAGE (2 year coverage available with inspection)

COVERED: Rolled roofing, asphalt shingles. Coverage is for leak repair only.
NOT COVERED: Replacement of entire roof, rotted wood, flat and/or hot tar roofs, tiled roofs, enclosures / sunrooms and metal roofs. Condominium roofs.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400 CONDOMINIUM \$0

5. HUMIDIFIER

COVERED: Permanently mounted furnace humidifier including pans, housing, motors, fans, humidistat, transformer, valves and lines.
NOT COVERED: Pads, media elements, brushes, atomizers or back flush units.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

6. ELECTRONIC AIR CLEANER

COVERED: Permanently mounted systems, including transformer, power pack switches, lights, wires and cleaning elements.
NOT COVERED: Non-permanent or detached systems.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400

7. SUMP PUMP

NOT COVERED: Auxiliary or secondary sump pumps.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

8. GARAGE DOOR OPENER

COVERED: Motors, chains, drive mechanism, and push buttons.
NOT COVERED: Garage doors, counter balance mechanism, tracks, rollers, remote sending units, infrared sensors, hinges and springs.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

9. CENTRAL VACUUM

COVERED: Mechanical system only.
NOT COVERED: Duct work and accessories.
COMPANY MAXIMUM AGGREGATE LIABILITY: No limit on this item.

10. WATER WELL PUMP (Must be Primary Water Source; Repair coverage only)

COVERED: All mechanical parts. A passing inspection report conducted within 180 days of settlement date will be required for this coverage.
NOT COVERED: Holding or storage tanks, points, screens, well pump used for lawn sprinkler system or other like systems. Systems associated with a condominium.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,000 CONDOMINIUM \$0

11. SEPTIC TANK / SYSTEM (Repair coverage only)

COVERED: Tank, baffles, sewage ejector pump and switches. Passing inspection report conducted within 180 days of settlement date will be required.
NOT COVERED: Condominium systems. Drain field, tile field, leach beds on similar systems. Systems that have not been inspected or that did not pass inspection.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,000 CONDOMINIUM \$0

Optional Coverage (Additional Fee):

1. WASHER AND DRYER PACKAGE

COVERED: All components and parts.
NOT COVERED: Venting, lint screens, knobs, dials, plastic mini-tubs, soap dispensers, filter screens, damage to clothing.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$400 per appliance.

2. WATER SOFTENER

COVERED: Domestic water softener.
NOT COVERED: Conditions of insufficient or excessive water pressure, color or purity of water, water filters, salt replacement, rust or corrosion, normal maintenance responsibilities, rental units and water purification systems.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$600

3. SWIMMING POOL

COVERED: All mechanical parts and components for the heating, pumping and filtration system.
NOT COVERED: Foundation, walls, liner, cracks, settlement, and slides. Damage from improper winterization.
COMPANY MAXIMUM AGGREGATE LIABILITY: Built-in pool \$600; Above ground pool \$400

4. BASEMENT WATERPROOFING

COVERED: Poured walls only. Up to ten rod holes and four vertical cracks up to 1/4 inch wide and 12 ft long. Passing inspection report conducted within 180 days of settlement date will be required.
NOT COVERED: Block walls, crawl spaces. Any structural damage including, but not limited to, bowing or sagging walls, horizontal cracks and cracks over 1/4" inch wide. Hydrostatic pressure or leaks at the cove (where basement wall and floor meet). Backing up or plugging of sewers, floods, condensation caused by high humidity, damp spots or discoloration of walls, grading issues and drain tiles.
LIMITATIONS OF COVERAGE: The Company must have full and unobstructed accessibility to walls and floors and will not be responsible for repairing any drywall, paneling, or flooring (i.e. carpeting, linoleum, etc.) caused by water damage or services performed. The Company is not responsible for any concealed wiring, gas, or water lines. All basement coverage is null and void if there are any alterations or tampering to basement walls or floor.
COMPANY MAXIMUM AGGREGATE LIABILITY: \$1,000

HOME SHIELD ACTIVATION FORM



This is for activation of: Seller Coverage Buyer Coverage

Property Address _____

_____ City _____ State _____ Zip _____

Real Estate Broker _____ Agent's Name _____

Please choose one of the following:

- _____ Standard Service Contract \$450 / \$95 deductible per item
- _____ Condominium Service Contract \$389 / \$95 deductible per item (Unit must be less than 2,000 sq ft.)
- _____ New Home Two Year Service Contract \$450 / \$95 deductible per item (Home must be newly constructed at time of purchase see terms)

Optional Coverage items (covers buyer only). Choose those that apply:

- _____ Clothes Washer & Dryer Coverage \$75
- _____ Water Softener Coverage \$75
- _____ Swimming Pool Coverage \$100
- _____ Basement Waterproofing Coverage \$100

_____ Total Contract Cost **Mail checks to Home Shield Home Services PO BOX 758 Washington, MI 48094-0758**

Terms of Coverage

1. Service will be dispatched within 48 hours of request. In the event of a heating emergency Company will pay up to \$65 per night (maximum 3 nights) for hotel accommodations. A receipt will be required for reimbursement.
2. This Service Contract is transferable for a \$25 fee.
3. Home Shield Home Warranty, Inc. ("Company") will not reimburse for services performed without Company authorization or for claims called in after contract expiration.
4. This Service Contract will automatically terminate for non-payment of Service Contract fees or deductibles; or for fraud and/or misrepresentation of facts material to the issuance of this Service Contract.
5. Company shall have the sole discretion to repair or replace a service call item.
6. The seller and buyer will assign all unexpired warranties or guarantees received in connection with the purchase of any covered items to the Company. The seller and buyer will use their best efforts to enforce any unexpired, non-assignable warranties and guarantees at Company's request.
7. Company will NOT cover any items covered in a homeowner's insurance policy. Documentation from your insurance company may be requested.
8. Each contract is limited to an aggregate liability of \$15,000.
9. This is a limited Service Contract and may not cover all systems and/or items found in the home. If a system and/or items are not listed as covered then they are NOT COVERED.
10. The maximum Company liability on many items is NOT enough for replacement cost. Replacements will only be done if specifically stated in this Service Contract or if the maximum liability amount is enough to cover replacement of that item.
11. This Service Contract covers only those parts of mechanical systems which: Are located in a single family residence and/or condominium unit; are in place, operative and located within the main perimeter of the main foundation of the home on the effective date of this contract; are not located in rooms or buildings used for commercial or business purposes.

12. Company is not responsible for repairs or replacements required as a result of missing parts, fire, explosion or other casualty, whether or not insured by homeowner, war, terrorism, flood, smoke, water damage, lightning, freeze, earthquake, theft, storms, accidents, vandalism, code violations, improper installation, acts of God, accidental damage, negligence and misuse. This Service Contract is intended for mechanical / component failures only.
13. This contract does not cover pre-existing conditions. Pre-existing conditions shall be defined as any defect that is discovered within 14 days of occupying the home or failure to function on the first attempt. Items rated Satisfactory on a Company inspection form are exempt from being defined as pre-existing.
14. Company will not upgrade equipment or improve due to lack of capacity or failure to meet city, state, federal, or utility regulations, code or upgrades required by law including, but not limited to, permits.
15. Toxic material, lead-based paint, mold, or asbestos are not covered.
16. When it is necessary to open floors, walls or ceilings to make plumbing repairs, the Company will restore them to a primed finish, customer will be responsible for painting.
17. All replacements will be made with standard makes and models. Appliance color is not guaranteed on replacements.
18. New Home contracts are only for homes less than one year old occupied by the original owner. Second year of coverage is only applicable to appliances when appliances were newly purchased, used appliances moved into new home will only receive one year of coverage.
19. Items marked as "(2 year coverage available with inspection)" are entitled to a second year of coverage only when a Company home inspection has completed and a certificate has been issued certifying the item for 2 years of coverage.
20. ARBITRATION: Any dispute arising under this agreement shall be submitted for binding arbitration under the auspices of the American Arbitration Association's local office. Each party shall pay for its own representative and shall bear arbitration costs equally. The arbitrator's award shall be final and binding and shall be enforced by any Court of Law.

AFFILIATED BUSINESS DISCLOSURE: Notice is hereby given that Home Shield Home Warranty, Inc. DBA Home Shield Home Services has as a business relationship with the following companies: GMAC Real Estate / The Kee Group, Premier Title, LLC, Home Mortgage Professionals, Inc., Z&R Home Improvement and Premier Casualty Insurance, LLC. Your referral may provide your agent with financial benefit. The purchase of this Home Warranty is optional, there are other settlement service providers, you are free to shop and compare services and rates.

SELLER INFORMATION (Required for Seller Coverage Only)

List Date _____ Expiration Date _____ Seller(s) Name (please print) _____

Seller represents that all the covered items are in good working condition. Items that are not in good working condition at the time of listing will NOT be covered. Please list any items that are not in good working condition and/or defective: _____

Seller authorizes broker and/or home inspector to release a copy of the Seller's Disclosure Statement, Listing Agreement, and any Pre-Inspection Reports to validate information. Seller understands that this is a limited service agreement and has read the list of covered items (on the back of this form) and the Terms of Coverage. Seller understands and mutually agrees to the following: a) listing coverage is free to the seller(s) b) Seller(s) are contractually obligated to purchase this Home Warranty Service Contract at closing if property closes within 18 months of seller coverage. Seller coverage for the listing and sale period starts the date the application is received and accepted by Home Shield Home Warranty, Inc. and continues until the expiration of the initial listing period (up to 180 days) or until close of sale or listing cancellation (whichever is first).

Seller Signature Seller Signature

BUYER INFORMATION (Required at Settlement)

Settlement Date _____ Buyer(s) Name (please print) _____ Buyer authorizes broker and/or home inspector to release a copy of the Seller's Disclosure Statement, Buy and Sell Agreement, and any Inspection Reports to validate information. Buyer understands that this is a limited service agreement and has read the list of covered items (on the back of this form) and the Terms of Coverage. Buyer represents that all the covered items are in good working condition. Items that are not in good working condition at time of settlement will NOT be covered. Buyer's coverage begins on settlement date and continues for the term of one year (2 years for qualifying new homes). Please list any items that are not in good working condition and/or defective: _____

Buyer Signature Buyer Signature