HSA Home Warranty Protection

One of the most important features of your home

The right people.
The right service.
The right home warranty.

Prudential
Fox & Roach, REALTORS®
Protect yourself from unexpected home repair costs.

As a seller
You're protected while your home is on the market. Mechanical system failures are covered during the listing period for up to one year – you simply pay a low deductible.

You have a marketing edge. An HSA Home Warranty can help sell your home faster and closer to your asking price. The warranty enhances your home’s value to prospective buyers and helps secure the best possible price for your home.

You’re helping prevent post-sale disputes. If an unexpected failure occurs in your home after the sale, the buyer turns to HSA for the resolution instead of you.

As a buyer
You’re prepared for the unexpected. The cost of repairing or replacing appliances and systems in your home can be budget-breaking, especially when you’ve just purchased a new home. You know they can’t last forever, so you need to plan ahead.

You save yourself time and keep it simple. An HSA Home Warranty provides the convenience of one source for most repair needs. Prompt, reliable service is available 24 hours a day, 7 days a week.

You’re protected year after year. An HSA Home Warranty is renewable annually, so you’re always prepared for the unexpected.

Most homes experience at least two mechanical failures each year. Without HSA Home Warranty protection, typical repair/replacement costs* would be:

<table>
<thead>
<tr>
<th>Item</th>
<th>Repair</th>
<th>Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating system</td>
<td>$95 - $600</td>
<td>$1,325 - $3,700</td>
</tr>
<tr>
<td>Central air</td>
<td>$200 - $1,100</td>
<td>$1,475 - $4,200</td>
</tr>
<tr>
<td>Water heater</td>
<td>$85 - $210</td>
<td>$420 - $705</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$100 - $1,200</td>
<td>$480 - $2,225</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>$80 - $515</td>
<td>$525 - $2,100</td>
</tr>
<tr>
<td>Oven/Range</td>
<td>$80 - $310</td>
<td>$415 - $1,600</td>
</tr>
</tbody>
</table>

*Based on HSA’s estimates of retail cost for repairs and replacements of items listed above. Costs may vary in your geographic area.

Quality service is our top priority.
Whether you’re working with one of the HSA customer service representatives over the phone, or relying on a service contractor to make a repair in your home, HSA ensures prompt, convenient and reliable service.

When a problem arises in your home, you simply make one call to HSA. Service representatives are available 24 hours a day, 7 days a week to help you.

HSA provides qualified, pre-screened service contractors from its Preferred Vendor Network that arrive promptly and invoice HSA directly for covered repairs. If an HSA authorized service provider cannot respond in a timely manner, HSA will approve the use of a contractor outside of its network to ensure the convenience of fast service.
The HSA Home Warranty is a contractual guarantee that should certain appliances or mechanical systems fail due to normal wear and tear during the coverage period, those items will be repaired or replaced, subject to a small deductible.

Understanding Your HSA Home Warranty

With HSA Home Warranty you get extensive coverage on your mechanical systems and appliances; however, not all services and failures are covered. HSA wants to help you understand the coverage so you see the value in having the HSA Home Warranty. For a complete understanding of your HSA Home warranty, read the Sample Contract portion of this brochure.

Some of the following services:

...may not be covered:
Normal maintenance/cleaning
Drain line stoppages due to roots
Coolant evacuation and recovery

...may not qualify for repair:
Improper maintenance
Improper installation
Code violations

...may incur additional cost:
Disposal of the replaced item
Modifications required to fit new equipment
Code violations
Permit fees
Coolant evacuation and recovery

Coverage is available on some of the above items for additional premium. Please read the sample contract and application for options that will save you even more money.

Filing a Claim

1. Homeowner must call HSA at 800-367-1448 before calling a contractor. Failure to do so may result in a refusal of coverage on that item.
2. HSA will provide a qualified, pre-screened contractor who will arrive promptly and invoice HSA directly for covered repairs.* If HSA’s authorized service provider cannot respond in a timely manner, HSA will approve the use of a contractor outside of its network to ensure the convenience of fast service. It’s guaranteed.
3. Contractor must call HSA for approval before initiating the repair. Homeowner is required to pay the service contractor for all charges incurred in the event that no “Operational Failure” is discovered.

* If the approved failure was serviced by an HSA service provider, that provider will bill us directly. The contract holder will be responsible for the deductible and any charges not covered by the HSA Home Warranty. If the approved failure was serviced by a contractor outside of the HSA network and that provider is not willing to bill us directly, simply fax the paid invoice to HSA (fax 877-638-1741), and HSA will reimburse the contract holder.

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**PREMIER PLAN**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>SELLER Deductible</th>
<th>BUYER Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central heat, central air and heat pump</td>
<td>$60</td>
<td>$0</td>
</tr>
<tr>
<td>Central air: registers, grills, filters &amp; heat lamps</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Central air: refrigerant recovery and non-ducted window or wall air conditioner</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Faucets and shower heads (replaced with chrome builder’s standard)</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Water heater expansion tanks; toilets replaced with like quality</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Smoke alarms</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Garage door opener: hinges, springs, keypad and remote transmitter</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Trash compactor lock/key assembly &amp; bucket</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Dishwasher racks, baskets &amp; rollers</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Built-in microwave interior lining, door glass, clock and shelves</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Oven/range interior lining, clocks, rotisseries, racks, handles, knobs and dials</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Oven, stove top/range &amp; built-in microwave oven</td>
<td>$75</td>
<td>$0</td>
</tr>
<tr>
<td>Freestanding ice maker/wine chiller</td>
<td>$45</td>
<td>$0</td>
</tr>
<tr>
<td>Hot tub</td>
<td>$150</td>
<td>$0</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>$150</td>
<td>$0</td>
</tr>
<tr>
<td>Pool/hot tub combination (must share common mechanicals)</td>
<td>$175</td>
<td>$0</td>
</tr>
</tbody>
</table>

**BUYER OPTIONS**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water well pump/Septic system</td>
<td>$50</td>
</tr>
<tr>
<td>Water softener</td>
<td>$30</td>
</tr>
<tr>
<td>Electronic air cleaner</td>
<td>$40</td>
</tr>
<tr>
<td>Clothes washer and dryer</td>
<td>$70</td>
</tr>
<tr>
<td>Refrigerator (including ice maker/beverage dispenser)</td>
<td>$30</td>
</tr>
<tr>
<td>Home freezer</td>
<td>$25</td>
</tr>
<tr>
<td>Freestanding ice maker/wine chiller</td>
<td>$45</td>
</tr>
<tr>
<td>Crane charges for roof top air conditioning or heating replacement</td>
<td>$135</td>
</tr>
<tr>
<td>Central heat and air: registers, grills, filters &amp; heat lamps</td>
<td>$75</td>
</tr>
<tr>
<td>Central air: refrigerant recovery and non-ducted window or wall air conditioner</td>
<td>$75</td>
</tr>
<tr>
<td>Faucets and shower heads (replaced with chrome builder’s standard)</td>
<td>$75</td>
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<td>Built-in microwave interior lining, door glass, clock and shelves</td>
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<td>$150</td>
</tr>
<tr>
<td>Pool/hot tub combination (must share common mechanicals)</td>
<td>$175</td>
</tr>
</tbody>
</table>

**BUYER 7 STAR UPGRADE**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permits up to $250 per occurrence</td>
<td>$0</td>
</tr>
<tr>
<td>Disposal of replaced equipment</td>
<td>$0</td>
</tr>
<tr>
<td>Mismatches heating and/or air conditioning system</td>
<td>$0</td>
</tr>
<tr>
<td>Improper installation/repair</td>
<td>$0</td>
</tr>
</tbody>
</table>

**COVERAGE TERMS**

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller coverage</td>
<td>Effective the date of application and continues for up to 12 months.</td>
</tr>
<tr>
<td>Buyer coverage</td>
<td>Effective the date of closing and continues for 12 months. Renewable annually.</td>
</tr>
</tbody>
</table>

**Price**

<table>
<thead>
<tr>
<th>Service</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$435</td>
<td></td>
</tr>
</tbody>
</table>

| Deductible | $75 |

Please reference the Sample Contract portion of this brochure for complete coverage details.
Sample Contract

PLEASE READ THIS DOCUMENT CAREFULLY. YOU MUST NOTIFY HOME SECURITY OF AMERICA, INC. (HSA) PRIOR TO ACTUAL COMMENCEMENT OF REPAIR OR REPLACEMENT. TO REPORT ALL CLAIMS: CALL HSA AT 1-800-367-1448. FAX SERVICE INVOICES TO 1-877-638-1471.

The aggregate coverage under this agreement is limited to $25,000.00, with a $5,000.00 per mechanical system sub-limit. A separate deductible shall apply to all covered “Component Parts” sub-limits. A separate deductible shall apply to all covered aggregate sub-limits is specifically enumerated elsewhere in this agreement. Certain items and events are not covered by this contract. Please refer to Section F. Limitations of Liability and to the exclusions listed in each applicable section of this contract.

A. Coverage

1. “Component Parts” - the constituent elements of mechanical items as covered by this contract.
2. “Operational Failure” - the mechanical breakdown of “Component Parts”.
3. “Proper Working Order” - functioning as intended and expected for its age, and within the safety standards as established by code.
4. “Loss” - the reasonable market cost or the actual cost HSA can contract for the required services, whichever is less, for the repair or replacement of “Component Parts”.
5. “Interior” - the space within the external surface area which constitutes the perimeter of the residence’s exterior walls; under the roofing materials; above or encased in the basement floor or home’s slab; or above the ground surface in a crawl space.

C. Coverage Period

Home owner: coverage begins on the date HSA issues a contract number and continues for twelve (12) months, until close of sale or termination of listing, whichever occurs first.

Buyer Only Coverage: for properties involved in a real estate transaction, coverage begins at the close of sale and continues for twelve (12) months from that date. Payment due is at the close of sale.

New construction: coverage begins on the first anniversary of the close of sale and continues for one or three years from that date. Length of coverage is determined by the buyer at the time of purchase in writing. Payment due is at the close of sale.

Buyer direct: for properties not involved in a real estate transaction, coverage begins 15 days after payment is received by HSA and continues for twelve (12) months from that date. Call 1-800-367-1448 for pricing and availability.

D. Customer Service

1. YOU MUST NOTIFY US PRIOR TO REPAIR OR REPLACEMENT. When service is needed due to an “Operational Failure”, including emergency situations, you are to telephone HSA at 1-800-367-1448, twenty-four (24) hours per day, and seven (7) days per week. This telephone shall initiate the service process without the requirement of a claim form or service application. This notification includes the requirement that we have the opportunity to speak with the service contractor prior to the implementation of any repairs. Failure to do so may result in our denial of reimbursement for the expenses you incurred.

HSA shall not be liable for a “Loss” unless notice is given to HSA prior to the expiration of your coverage and the reported “Operational Failure” is professionally diagnosed and the diagnosis is reported to HSA within 15 days after the expiration of your coverage, regardless of when the “Operational Failure” occurred.

2. You shall take every precaution to protect the property giving rise to the “Operational Failure” until the necessary repair or replacement is made. If repair or replacement shall be performed within forty-eight (48) hours, under normal circumstances, of an approved claim by a service contractor chosen by HSA, unless a service contractor of your choice is approved by HSA when you report the malfunction or “Operational Failure” by telephone. HSA selected service contractor will be used on all claims. Please notify HSA if you have a complaint about an HSA approved service contractor. (If HSA cannot provide a contractor for you, HSA will provide the use of a contractor outside of its network. We have the sole right to determine if items will be repaired or replaced. Unless specifically identified elsewhere in this contract, replacement shall be with systems comparable in features, capacity and efficiency; HSA is not responsible for matching colors, color or brand. The use of non-original manufacturer “Component Parts” is permitted in making repairs under this contract. We will use original manufacturer “Component Parts” when original manufacturer “Component Parts” are unavailable. HSA reserves the right to obtain additional opinions at our expense. HSA reserves the right to offer cash in lieu of repair or replacement based on what HSA can expect to pay to repair the failure (parts and labor); this amount may be less than retail or less than your actual cost. Once a failure has been diagnosed, subsequent failures to the same system will be exempt from coverage until the failure is repaired and until proof of repair is submitted to HSA. HSA shall not include, but is not limited to, receipts verifying repair and/or replacement.

3. DEDUCTIBLE: you will pay the $75.00 deductible for each separate trade call. If multiple visits are required for the same repair you will not be charged an additional deductible. Trade calls mean each visit by an authorized repair contractor. The deductible shall apply to all approved costs including service call charges. If service work performed under this contract should exceed the repairs covered by the deductible, you will be required to pay the balance of the cost as the trade call is completed. If the trade call exceeds the deductible amount, you will be required to pay the balance of the trade call in addition to the deductible. If you have a complaint about one of our service contractors, you should file a complaint with the Better Business Bureau. You may also file a complaint with HSA at 1-877-638-1741 or mailed to 1818 Ludden Drive, Ludden Drive, Cross Plains, WI 53528.

5. You are required to pay the service contractor directly for the service call fee and any non-covered charges. In the event that no “Operational Failure” is discovered, you are required to pay for the service contractor directly for all charges incurred, including access and diagnosis. HSA will not respond to a new service request when any applicable deductible(s) or fees are outstanding. HSA reserves the right to recover any outstanding deductible(s) and fees directly from the contractor.

E. Covered “Component Parts” Seller & Buyer Coverage

In accordance with the terms and conditions of the warranty contract, HSA will repair or replace systems and appliances specifically mentioned as covered, all others are excluded. Please reference Section F. Limitations of Liability for general exclusions and limitations.
12. WATER SOFTER - COVERED: all “Component Parts” including electrical wiring. NOT COVERED: rental or leased equipment; repair or replacement of water softener necessitated by mineral beds or deposits; cleaning.

13. PERFECTLY MOUNTED ELECTRONIC AIR CLEANER - COVERED: transformer, power pack, switches, lights, and wiring. NOT COVERED: free standing units; mesh filters, back flush mechanisms and self-cleaning units.

14. CLOTHES WASHER AND DRYER - COVERED: all “Component Parts” including controls, except: HSA will pay up to $2000 aggregate for the life of the contract toward replacement of Professional series appliances or replacement with like quality up to $600 per occurrence of “Operational Failure”. Not limited to, Sub-Zero, Viking or Jenn-Air (individual trademarks are owned by the brand name company). NOT COVERED: any failures to the door other than appliance controls located within the door; clocks, knobs, handles, dials, springs, tubing, lines, baskets, shelves, drains, glass breakage, racks, lines, light switches and receptacles.

15. KITCHEN REFRIGERATOR - COVERED: all “Component Parts” including ice maker/refrigerator/beverage dispenser and their respective equipment. HSA will pay up to $2000 aggregate for the life of the contract toward replacement for Professional series or replacement with like quality up to $600 per occurrence of “Operational Failure”, including, but not limited to, Sub-Zero, Viking or Jenn-Air (individual trademarks are owned by the brand name company). NOT COVERED: drain, condensate line cleaning; any failures to the door other than appliance controls contained within the door; glass breakage, racks, baskets, rollers, handles, shelves and light bulbs. HSA will pay costs associated with covered systems that fail due to faulty workmanship or improper installation or modification if the defect or mechanical failure would have otherwise been covered. If the failure is a code violation HSA will pay up to $250 per occurrence per term outlined under Section G. Building Codes. 16. Secondary damage, consequential damage or any damage caused by or resulting from the failure or malfunction of covered or non-covered “Component Parts”. Any damage resulting from the actual removal and replacement of equipment will be paid for in full, including the cost for replacing the removed equipment with new, like-kind equipment. Buyer only. Electronic, computerized or energy management systems, devices or emergency power supplies are not covered. Buyer is responsible for providing and maintaining such equipment and is responsible for any costs incurred in doing so. HSA is not responsible or liable for any labor difficulties including, but not limited to, additional costs associated with repair or replacement of a mechanical system due to space restrictions or location of the covered equipment. Any damage alleged to be caused directly or indirectly by the buyer or the services of the personnel provided by or on behalf of the buyer. Any remote control transmitting/receiving items. If the 7 Star Upgrade package is purchased for the buyer HSA will pay the cost of defective equipment on HSA approved system replacement. Equipment, items or systems that are owned by a condominium association or designated as common area in condominium declarations, plats, or plans. More than two central heating and/or central air conditioning units, or garage doors, unless expressly listed and approved by HSA. More than one of any appliance unless specifically listed and approved by HSA. 17. Repairs related to manufacturer recall or defects. In the event that there is an out-of-warranty period unless otherwise covered by the warranty contract. The warranty will state if the above warranty is in full force and effect and, if so, to what extent it is limited to, Sub-Zero, Viking or Jenn-Air (individual trademarks are owned by the brand name company). All Else not listed as covered.

G. Building Codes

HSA is not responsible for any upgrades, work or costs required to comply with any federal, state or local laws, regulations or ordinances or utility regulations, or to meet current building or zoning code requirements, or to correct for code violations. If the 7 Star Upgrade package is purchased for the buyer the contract expiration. The warranty is non-cancellable by either party except for the following: A. The contract fees are not paid. B. Fraud or misrepresentation of facts materials to the issuance of this contract. C. I. Agency

Neither the real estate broker nor the buyer’s sales representative is an agent of HSA. Coverage is strictly determined by the warranty contract and not the representations of the real estate professional.

J. HSA’s Rights of Recovery

In the event of any payment under this contract, HSA shall be subrogated to all of contract holder’s rights of recovery against any person or organization. You shall do nothing after loss to prejudice such rights. The company shall not be bound to pay any loss if you have impaired any right of recovery for loss.

K. State Disclosures

Terms of this contract that are in conflict with the statutes of the state in which this contract is issued are amended to such statutes.

Form # PFR1 05/10
Four easy ways to enroll
1. Online
   www.onlinehsa.com
2. Phone
   800-367-1448
3. Fax
   877-638-1741
4. Mail with payment to HSA
   1861 Ludden Dr., Cross Plains, WI 53528

Warranted Property  (Required)

Real Estate Professional Information
Please send warranty confirmation by:  ☐ Fax  ☐ E-mail  ☐ Mail

NAME  E-MAIL ADDRESS

COMPANY NAME

FAX (Required)  TELEPHONE

OFFICE STREET ADDRESS

CITY  STATE  ZIP

Seller Information
Please send warranty confirmation by:  ☐ Fax  ☐ E-mail  ☐ Mail

NAME  E-MAIL ADDRESS

MAILING ADDRESS (If different from warranted property)

CITY  STATE  ZIP

Closing Information

ESCROW/CLOSING/TITLE COMPANY

CLOSING AGENT  E-MAIL ADDRESS

FAX (Required)  TELEPHONE

OFFICE STREET ADDRESS

CITY  STATE  ZIP

Buyer Information
Please send warranty confirmation by:  ☐ Fax  ☐ E-mail  ☐ Mail  CLOSE DATE

NAME  TELEPHONE

MAILING ADDRESS (If different from warranted property)

CITY  STATE  ZIP

Purchase Agreement: When seller coverage is selected, seller agrees to pay the fee shown on the date legal title transfers to the buyer. This agreement is binding and may not be cancelled. If seller fails to pay the specified fee, seller shall be liable for all attorney fees and court costs incurred by HSA to collect the fee. By application for this contract, seller and/or buyer represent that, to the best of their knowledge, all items are in good working order on the date of application for this coverage. Further, seller and/or buyer agree that failure to notify HSA prior to repair or replacement of any covered item may result in a refusal of coverage on that item.

Coverage Desired:  ☐ Seller and Buyer Coverage  ☐ Buyer Coverage Only

Applicant signature  Date

Coverage Limitations: Some limitations and general exclusions apply to covered items. Please read the Sample Contract section of this brochure for details.

Waiver: Purchase of this coverage is not mandatory. No other services are contingent upon the purchase of the warranty. I have reviewed the Home Warranty Protection plan and hereby decline coverage. I agree to hold the real estate broker and real estate professional harmless in the event of a subsequent mechanical failure which otherwise would have been covered under the warranty plan.

Applicant signature  Date

CONTRACT NUMBER

DATE ASSIGNED

Telephone application

FORM NUMBER  PFR10 05/10

Select coverage desired:

☐ Single family residence  $435
☐ Condominium  $405
☐ Multiple family ($435 + $200 each additional unit)

HSA New Construction  Coverage begins one year after closing

Year 2  ☐ $435
Year 2 through 4  ☐ $535

Optional Coverage For Seller:

Central heat, central air and ductwork  ☐ $60

Optional Coverage For Buyer:

Electronic air cleaner  ☐ $40
Water well pump/septic system  ☐ $50
Water softener  ☐ $30
Clothes washer and dryer  ☐ $70
Refrigerator (including ice maker/beverage dispenser)  ☐ $30
Home freezer  ☐ $25
Free standing ice maker/wine chiller  ☐ $45
Hot tub  ☐ $150
Swimming pool  ☐ $150
Pool/hot tub combination (must share common mechanisms)  ☐ $175

New Construction: call for optional coverage pricing 1-800-367-1448

Buyer 7 Star Upgrade*  ☐ $135

Total  $

*If the Upgrade package has been selected and the property is a multiple family dwelling, the upgrade must be purchased for each unit.

Payment Due At Closing

☐ Check is enclosed (payable to HSA)  ☐ Charge my credit card
☐ Discover  ☐ MasterCard  ☐ Visa  ☐ American Express

Account #

Expiration Date

Name as on credit card

Cardholder’s signature  Date

Home Security of America, Inc.
1861 Ludden Drive
Cross Plains, WI 53528
www.onlinehsa.com
1-800-367-1448