

# HOME SERVICE AGREEMENT

**This is a Home Service Agreement, not an insurance policy.** This Home Service Agreement, hereinafter referred to as the “Agreement”, is issued by the entity listed for your state on the Agreement Coverage Summary Page. Such entity is hereinafter referred to as the “Issuing Company”, or “we”, “us”, and/or “our”. The owner of the home covered by this Agreement is hereinafter referred to as “you” and/or “your”.

## IMPORTANT INFORMATION ABOUT YOUR PLAN COVERAGE SUMMARY:

Your Plan Coverage Summary page is attached to and is part of this Agreement. It is important to review because your coverage includes only certain mechanical failures of the specific items listed as covered on your Plan Coverage Summary page. Coverage is subject to the limitations and conditions specified in this Agreement.

This Agreement has provisions for the use of final and binding arbitration to resolve disputes and otherwise limits the remedies available to you. Please see the DISPUTE RESOLUTION section for more information about arbitration.

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## I. Types of Properties Covered

This Agreement covers a single family residence, including a condominium, townhouse, villa or manufactured home used solely for residential purposes and eligible manufactured homes. To be eligible, a manufactured home must

- (i) Have been constructed within (10) years of the effective date of the Agreement.
- (ii) Be permanently secured to the ground on land you own or located in a division operated similar to a condominium, where maintenance is provided.

This Agreement provides coverage under a special exception for special purpose group homes devoted to housing persons with mental and physical disabilities, as those terms are defined by the Americans with Disabilities Act at Title 42 of the United States Code Section 12102(2)(A).

This Agreement does not cover:

- Mobile homes
- Multi-family residential property of more than two-units
- Any dwelling used in whole or in part for commercial purposes including non-profit organizations
- Homes listed or registered in any historical register, including without limitation the National Register of Historic Places

Whether or not this Agreement covers a condominium unit, manufactured home, or multi-family property (duplex), any repairs and/or replacements are limited to the items solely used by and located and serviceable within such single unit (unless specified otherwise). **No common area items shared by non-warranted units shall be covered by this Agreement.**

## II. Terminology to Know

- “Mechanical failure” occurs when a covered item/system becomes inoperable and unable to perform its primary function, subject to the limitations and conditions of this Agreement.
- “Domestic-grade” items are those that were designated by the manufacturer, manufactured and marketed solely for installation and use in a residential single family dwelling.
- “Commercial-grade” items are those that were designated by the manufacturer, manufactured and primarily marketed for installation and use in commercial operations.
- A “visual inspection” of the covered item is considered to mean the viewing of an item to verify that it appears structurally intact and without damage or missing parts that would indicate inoperability.
- A “simple mechanical test” means the ability to turn the unit off and on verifying the item operates without irregular sounds or smoke that may indicate a problem. In certain instances, we may require documentation from you during a claim review.
- “Proper operating condition” means the item/system was correctly located within the home, was properly installed to code at the time of installation, was fully connected, was capable of successfully performing all operations commensurate with the manufacturer’s original design intention, and did not pose any hazard to life or property.
- A “necessary or required upgrade” is a replacement improving: manufacturer specification; energy efficiency; or system performance due to external circumstances (such as inability to obtain parts/equipment or government mandated system modifications).
- “Item” examples: air conditioning unit, heating unit, water heater, individual appliances such as refrigerator, dishwasher and ceiling fans.
- “Item Lifetime” is defined as the total time for which an item is technically designed to operate from its date of purchase and is expressed in years.

## III. When Your Coverage Applies

1. **We agree to pay the covered costs to repair or replace the items listed as covered on your Agreement Coverage Summary Page if any such items become inoperable during the term of this Agreement due to mechanical failure caused by routine**

**wear and tear.** The definitions of the specific items that may be listed on your Agreement Coverage Summary Page as covered, as well as other limitations on coverage and other terms and conditions, are listed below.

2. We will cover mechanical failures relating to the mechanical parts and components of those domestic-grade items that were in the home and in proper operating condition on the Agreement effective date.
3. We will cover failures due to rust and corrosion, and or sediment.
4. When completing a covered repair or replacement, we will NOT pay the cost to:
  - dismantle and remove defective equipment,
  - recapture refrigerant,
  - reclaim refrigerant,
  - dispose of refrigerant.
5. We will cover an unknown pre-existing mechanical failure provided the failure could not have been detected by visual inspection or simple mechanical test.
6. **The decision to replace rather than repair items is solely our option.** Should we choose to replace an item, the replacement shall:
  - be the base model that meets all applicable federally mandated minimal manufacturers' standards,
  - perform the same primary function, and have a capacity comparable with the covered item, when available with domestically assembled units.

When replacing systems and appliances:

- We are not liable to provide exact match in color, dye, lot, material, type or brand.
- We will be responsible for the installation of the replacement item but not for the cost of the construction, modifications, carpentry or transitional work made necessary in order to accommodate the replacement, nor for any costs to upgrade or modify items for any reason except as otherwise specified in this Agreement.
- With respect to kitchen/laundry appliances, we will make reasonable efforts to provide replacement items of similar mechanical capabilities and/or efficiency of the original unit, when available.

When making repairs:

- We reserve the right to rebuild existing parts or components and/or install rebuilt or refurbished parts or components.

7. Our cash payment policies and procedures:
  - In instances where the combined cost of diagnosis and repair or replacement is estimated to exceed a stated contract dollar limit, we will not provide repair or replacement services but will instead pay an amount equal to the contract dollar limit minus the deductible amount. If the stated contract dollar limit is an aggregate amount then paid claims will also be subtracted from payment.
  - In some instances, we may offer cash in lieu of repair or replacement services. This offered amount is based on what we would expect to pay (which is substantially less than retail cost) for parts and labor for covered items less the incurred cost of the contractor's diagnosis. You are required to repair the item or provide a new replacement and send the acceptable proof of your actual itemized costs to us before any reimbursement amount will be paid.
8. **Should we determine to pay cash in lieu of replacement and you only repair the item instead, the item will be excluded from further coverage under this Agreement and subsequent renewals. We reserve the right to inspect repaired and/or replacement items.**
9. **Determination of the operating condition as of the Agreement effective date, and the nature of any failure, will be made by us based upon the professional opinion of remote diagnosis for connected systems and/or appliances or our direct employees, considering but not limited to, the independent contractor's diagnosis.**

#### IV. Requesting and Receiving Service

1. **You must notify us of any mechanical failure when it happens and prior to the expiration of your Agreement. We are available twenty-four (24) hours a day, seven (7) days a week online at [my.cinchhomeservices.com](http://my.cinchhomeservices.com) or by phone at 1-844-324-5688. If you fail to notify us of any mechanical failure during the coverage term in which the failure occurred, we will not be responsible for the cost of any repairs and/or replacements resulting from the mechanical failure.**

2. We will use reasonable efforts to provide a referral to an independent contractor within two (2) hour(s) after the service request is received during normal business hours and within twenty-four (24) hour(s) for requests received outside of normal business hours. We will determine, at our sole discretion, which repairs constitute an emergency requiring expedited service and will give consideration to covered mechanical failures that affect the habitability of the dwelling.
3. **We are not responsible for expenses you incur without our express consent.** We will not reimburse you for any costs associated with unauthorized repairs or work performed by unauthorized contractors.
4. **This Agreement may include a deductible amount, as listed on your Agreement Coverage Summary Page. You may be required to pay all or part of your deductible at the time you request service. All or a portion of your deductible may be nonrefundable.**
  - You are responsible and must pay for any amounts due for services performed which are not covered under the terms, conditions and provisions of this Agreement.
5. You are responsible to provide access to the covered property during normal business hours for the independent contractor to diagnose, obtain approval for, and/or complete repairs for covered mechanical failures. You are responsible to pay us and/or our independent contractor any service charge and additional charges assessed by our independent contractor resulting from your failure to provide access and/or for missed appointments caused by you.
6. We reserve the right to obtain, at our expense, a second opinion by an independent contractor prior to determining eligibility for coverage.

## V. Details About What's Covered and What's Not

This Agreement provides coverage only for those items specifically listed as being covered on your Agreement Coverage Summary Page. **An additional fee may be required for additional systems, appliances or optional coverages. Coverage of some items may not be available under all plans or in every state.**

**This Agreement defines precisely what mechanical systems and appliances, and which of their parts and components, will be covered; only those items specifically so described are covered, subject to the limitations and conditions herein and on your Agreement Coverage Summary Page.**

**Under any and all circumstances, our maximum liability, in the aggregate, for any and all claims submitted per agreement term shall be \$10,000.**

**1. Air Conditioning and Heating** Coverage is available on an Air Conditioning and Heating unit up to a five (5) ton capacity. A maximum of 2 unit(s) are covered per contract. **We will pay up to \$1,500 per Agreement Term for access, diagnosis and repair or replacement of any geothermal and/or water source heat pumps, glycol, hot water, cable heating, or steam circulating system.** Where covered repairs require access to Air Conditioning and Heating ductwork, we will provide access to ductwork only through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. **If the Air Conditioning and Heating ductwork is accessible only through a concrete floor, wall or ceiling, we will pay up to \$1,000 per Agreement Term for access, diagnosis, repair or replacement of such ductwork, including returning access openings to a rough finish.** We will pay for access, diagnosis, and replacement related to necessary or required Air Conditioning and Heating system efficiency and other upgrades except: (1) costs associated with plenums and refrigerant line sets and (2) any other Air Conditioning and Heating specific limitations and exclusions in your Agreement.

### A. AIR CONDITIONING INCLUDING DUCTWORK

Refer to **1. Air conditioning and Heating** above.

**A maximum of 2 units are covered per contract.**

COVERED	NOT COVERED
All components and parts of the following air conditioning system(s): ducted central electric split and package units, geothermal, wall air conditioners, mini-splits. With regard to ductwork, except as otherwise noted above, the following are covered: plenums, dampers, damper-only controls, leaks or breaks	<b>Outside or underground piping, well pump, and well pump components for geothermal and/or water source heat pump, interconnecting refrigerant lines (external of the equipment) window units, water towers, chillers, chiller components, water lines and legally mandated diagnostic testing when replacing</b>

in ductwork (sheet metal, duct board, and flex duct including vapor barrier) from heating and/or air conditioning unit(s) including registers or grills.	heating or cooling equipment.
<b>NOTE: We will pay up to \$10.00 per pound, for refrigerant.</b>	
<b>B. HEATING INCLUDING DUCTWORK</b> Refer to 1. Air conditioning and Heating above.	
<b>A maximum of 2 units are covered per contract.</b>	
<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts of the following heating system(s): forced air (gas, electric, oil), geothermal, wall mounted heaters, floor furnaces, package units, heat pumps, mini-splits, hot water or steam circulating heat, electric baseboard, cable heat (if main source of heat to the home or room). With regard to ductwork, except as otherwise noted above, the following are covered: plenums, dampers, damper-only controls, leaks or breaks in ductwork (sheet metal, duct board, and flex duct including vapor barrier) from heating and/or air conditioning unit(s) including registers or grills.	<b>Outside or underground piping, well pump, and well pump components for geothermal and/or water source heat pump, interconnecting refrigerant lines (external of the equipment), Fuel storage tanks, portable units, Fireplace, grain, pellet, or wood heating units (even if only source of heating) and legally mandated diagnostic testing when replacing heating or cooling equipment.</b>
<b>NOTE: We will pay up to \$10.00 per pound, for refrigerant.</b>	

**2. Ceiling Fan(s)**

<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts.	-

**3. Central Vacuum(s)**

<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts.	<b>Removable hoses and accessories; access and closing costs to floors, walls, and ceilings when locating or repairing a malfunction.</b>
<b>A maximum of 5 units are covered per contract.</b>	

**4. Door Bell(s)**

<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts.	<b>When part of the intercom or monitoring system.</b>
<b>A maximum of 5 units are covered per contract.</b>	

**5. Electrical**

<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts including Direct Current (D.C.) wiring, lighting fixtures, and built-in exhaust/vent/attic fans.	<b>Components wiring or cable of audio/video/computer/intercom/alarm/security wiring or telephone systems circuit overload; or overload protection and face plates.</b>

**6. Garage Door Opener(s)**

<b>COVERED</b>	<b>NOT COVERED</b>
All components and parts located inside the ceiling mounted electric motor of garage door opener.	<b>Door or door track assemblies, cables, springs</b>
<b>A maximum of 5 units are covered per contract.</b>	

**7. Garbage Disposal(s)**

COVERED	NOT COVERED
All components and parts.	-
<b>A maximum of 5 units are covered per contract.</b>	

**8. Instant Hot/Cold Water Dispenser(s)**

COVERED	NOT COVERED
All components and parts.	-
<b>A maximum of 5 units are covered per contract.</b>	

**9. Plumbing**

COVERED	NOT COVERED
Leaks and breaks of water, drain, gas, waste or vent lines, toilets and related mechanisms, toilet wax ring seals, faucets, showerheads, shower arms, valves for shower, tub, and diverter, angle stops, risers and gate valves (similar features of finish and style used when replacement is necessary), hose bibs, basket strainers, permanently installed sump pumps (ground water only), built-in bathtub whirlpool motors, pumps, and air switch assemblies, pressure regulators, expansion tanks, sewage ejector pump (septic system sewage ejector pumps are not covered unless optional coverage is purchased), clearing of sink, bathtub, shower, and toilet stoppages, clearing of mainline drain and sewer stoppages through an accessible 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.	<b>Stoppages caused by collapsed, damaged or broken drain, vent or sewer lines outside the home's main foundation, lines broken, infiltrated or stopped by roots or foreign objects, even if within the home's main foundation; costs to locate or access cleanouts not found or inaccessible, or to install cleanouts, and access through roof vents; any fees for photo/video equipment, hydro-jetting equipment, chemicals, jet or steam clearing; bathtubs, sinks, showers, shower enclosures and base pans, toilet lids and seats, jets, caulking or grouting, septic tanks, water softener, water filtration/purification systems, whole home water filtration system, holding or storage tanks, saunas or steam rooms.</b>

**NOTE: Where covered repairs require access to plumbing, we will provide access to plumbing only 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, we will pay up to \$1,000 per Agreement term for access, diagnosis, repair, or replacement of such plumbing, including returning access openings to a rough finish. A maximum covered amount of \$5,000 is allowed per claim.**

**10. Smoke Detector(s)**

COVERED	NOT COVERED
Battery operated and hardwired units.	-

**11. Water Heater(s)**

COVERED	NOT COVERED
All components and parts, including tankless water heaters and circulating pumps.	<b>Auxiliary holding or storage tanks, fuel storage tank or energy conservation unit(s).</b>
<b>A maximum of 2 units are covered per contract.</b>	

**VI. Details About Optional Coverage**

Optional coverage may be purchased up to 30 days after the beginning of the Agreement term without an inspection. After the 30<sup>th</sup> day optional coverage may be purchased provided an inspection is performed (at customer's expense) and the inspection results are approved by us. New Construction Customers may add optional coverage during the Agreement term for brand new items providing proof of purchase is received by us. Optional coverage, regardless of date of purchase, continues only through the Agreement term.

### 1. Swimming Pool and/or Spa Combination (Shared Equipment)

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

COVERED	NOT COVERED
Above ground components and parts of the heating, pumping, and filtration system including: pool heater, pool sweep motor and pump, pump motor, blower motor and timer, plumbing pipes and wiring.	Portable or above ground spas, access to pool and spa equipment, lights, liners, jets, ornamental fountains, waterfalls and their pumping systems, auxiliary pumps, 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, chlorinators, and ionizers, fuel storage tanks, disposable filtration mediums, heat pump, multi-media centers, dehumidifiers, panel box and dials, salt water generator; salt and components.

A maximum covered amount of \$1,500 is allowed per Agreement term.

### 2. Septic System

**NOTE: This option is available for first year customers only and is not renewable.**

COVERED	NOT COVERED
Mainline stoppages that can be cleared through an existing access or cleanout without excavation. The septic tank will be pumped one (1) time during the Agreement coverage term if the stoppage is due to septic back up. <b>We will not pay more than \$500 per pumping occurrence. If the septic tank needs to be replaced, we will not pay more than \$1,000 towards the replacement of the septic tank. We will cover one (1) sewage ejector pump for septic system located within the perimeter of the main foundation.</b>	Broken or collapsed sewer lines outside the foundation, 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, and any mechanical pump or systems.

### 3. Well Pump

COVERED	NOT COVERED
All components and parts of well pump utilized as a source of water to the home.	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, re-drilling of wells, well pump and all well pump components for geothermal and/or water source heat pumps.

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

### 4. Premier Upgrade Package

Adding this package to your Home Warranty Agreement provides additional benefits on a covered claim. Certain repairs or replacements may require additional fees that are not normally covered under your Home Warranty Agreement, such as, but not limited to, disposal of equipment; duct, electrical and/or plumbing modifications; reclamation of refrigerant; code upgrades; permits; condenser pads. Depending on the package selected, we will provide up to either \$500 or \$1000 towards **non-covered charges when repairing or replacing a covered item. This benefit does not apply to equipment; items; or failures deemed ineligible for coverage. In no event shall we be liable to cover fees and/or disposal arising from hazardous and/or toxic materials or asbestos. Package limits apply to one (1) covered item, per claim. Each claim event is capped for up to either \$500 or \$1000; any unused portion of the benefit cannot be applied towards a future claim. In no event shall we be liable for more than two (2) claims per agreement term, for an aggregate amount of up to \$1000 or \$2000. Florida Residents Only: Pursuant to Florida Statute §634.346 this package provides coverage towards the replacement of functional components of the HVAC system necessary to maintain the compatibility and operating efficiency requirements of the manufacturer.**

## VII. General Exclusions and Limitations

1. This Agreement does not cover performance of routine maintenance. You are responsible for performing all routine maintenance and cleaning for all covered items and systems as specified and recommended by the manufacturer. You are

also responsible for providing all routine maintenance for all areas in a covered property around covered items and/or systems to ensure that these items and/or systems are able to function properly as specified by the manufacturer.

2. This Agreement does not cover repairs or replacements of any item covered by other insurance, warranties or guarantees, including but not limited to, manufacturer's, contractor's, builder's, distributor's, home service agreement or home warranty. Our coverage is secondary to such insurance, warranties, or guarantees.
3. This Agreement shall not cover any item(s) if they are:
  - systems, appliances or components classified by the manufacturer as commercial-grade;
  - flues, venting, chimneys, and exhaust lines;
  - determined to be defective by the Consumer Product Safety Commission or the manufacturer and for which either has issued, or issues, a warning or recall, or which is otherwise necessitated due to failure caused by the manufacturer's improper design, use of improper materials and/or formulas, manufacturing process or any other manufacturing defect;
  - below the slab or basement floor of the home; except as otherwise specified in this Agreement;
  - located outside the perimeter of the main foundation or a detached garage (i.e. outside the outer load bearing walls of the structure with the exception of central air conditioning unit, main electrical panel, water heater) or unless specifically covered with optional coverage purchased for items outside the main perimeter. These exceptions must be installed for diagnose and must be manufactured for outside use or be located in a structure which protects items from the elements;
  - damaged by you in the course of remodeling or unauthorized repair.
4. This Agreement does not cover failures which may result from causes other than normal wear and tear, such as without limitation:
  - abuse, misuse and/or neglect;
  - lightning strikes, power failure, power surge;
  - missing components, parts or equipment;
  - animal, pet and/or pest damage;
  - fire; casualty; flood; smoke; earthquake; freeze damage; acts of God;
  - manufacturer's improper design, use of improper materials and/or formulas, manufacturing process or any other manufacturing defect;
  - structural and/or property damage;
  - accidents; war; acts of terrorism; nuclear explosion, reaction, radiation or radioactive contamination; insurrection; riots; vandalism; or intentional destruction of property;
  - any noise without a related mechanical failure.
5. This Agreement does not cover mechanical failures, damages or remediation due to:
  - mold, mildew, mycotoxins, fungus, bacteria, virus, condensation, wet or dry rot, regardless of the source, origin, or location;
  - lack of capacity in the existing system or appliance, under/oversized systems in relation to the square footage for the area being heated or cooled;
  - conditions of insufficient or excessive water pressure;
  - conditions of inadequate wiring capacity, circuit overload, power failure and/or surge.
6. This Agreement does not cover costs for (except as otherwise specified in this Agreement):
  - construction, carpentry, dimensional or design change, or other modifications necessary to remove, relocate or install equipment;
  - providing or closing access to covered items;
  - equipment to gain access or permit serviceability such as but not limited to scaffolding;
  - restoration of any wall or floor coverings, cabinets, counter tops, tiling, paint or the like;
  - failure to meet building code(s), zoning requirements, utility regulations;
  - failure to comply with local, state or federal laws or regulations;
  - compliance with federal, state, and/or local law, code, regulation, or ordinance;
  - for testing required by state or local municipalities, such as but not limited to, load calculation or duct certification;



- for additional charges to access or transport materials, supplies, or independent contractors to the covered property, such as but not limited to: tolls, required use of ferries, or barges;
- permits;
- code upgrades;
- modifications.

7. This Agreement does not cover:

- removal and/or disposal of hazardous or toxic material or asbestos;
- the use of cranes or other lifting equipment required to service any item or system;
- excavation or other charges associated with gaining access to a well pump;
- electronic computerized, or home energy management systems or devices; LCD displays that do not affect the primary operation of the unit unless otherwise stated in this agreement;
- lighting and/or appliance management systems, unless otherwise stated in this agreement;
- radon monitoring systems, fire sprinkler systems, and solar systems and components.

8. This Agreement does not cover delays or failures to provide service caused by, or related to:

- any of the exclusions listed herein;
- shortages of labor and/or materials;
- any other cause beyond our reasonable control.

9. This Agreement does not cover replacement of functional components of HVAC systems for reasons of compatibility or efficiency requirements of the manufacturer unless additional coverage for such circumstance is purchased. This additional coverage must be purchased within 30 days from the effective date of this Agreement. To obtain this coverage, call the number on you Agreement Coverage Summary page or visit [www.cinchhomeservices.com](http://www.cinchhomeservices.com).

## VIII. Limitation of Liability

1. We are not responsible for incidental, consequential, special, and/or punitive damages and you agree to waive any and all claims for such damages, arising from, resulting from and/or related to the failure of any item or system, including, but not limited to, food spoilage, loss of income, additional living expenses, and/or other property damage.
2. We are not liable for any damages that result from an independent contractor's service, delay in providing service or failure to provide service. We are not liable for any incidental, consequential, special, and/or punitive damages, whether caused by negligence or any other cause, and you agree to waive any and all claims for such damages, arising from, resulting from or related to any independent contractor's service, delay in providing service or failure to provide service, including, but not limited to, damages, resulting from delays in securing parts and/or labor, the failure of any equipment used by an independent contractor, labor difficulties, and/or the negligent, tortuous and/or unlawful acts or omissions of any independent contractor.

## IX. Cancellation Information

1. You may cancel this Agreement by telephone or in writing within 30 days of the coverage effective date for a full refund of the contract fees paid if no claim has been made. The right to cancel this Agreement as provided in this paragraph is not transferable. A ten percent (10%) penalty per month will be added to any refund required under this paragraph, including any accrued penalties, which are not paid or credited within 30 days after you cancel this Agreement.
2. You may cancel this Agreement within 30 days of the coverage effective date if a claim has been made, or at any time thereafter, at which time you may be entitled to a refund of unearned contract fees paid based on the short rate schedule less a processing fee of twenty-five dollars (\$25) and less the cost of any services performed pursuant to the Agreement, where permitted by law. If claims have been paid, we may bill you for the lesser of the net amount due to us or the unpaid annual term contract fee. We will bill or charge you any balance owed to us through the same mechanism as any previous installment billings, or we will direct bill you if such a mechanism is not available.
3. We may terminate this Agreement immediately, after any applicable notice provisions, for non-payment, fraud or material misrepresentation. If we terminate for fraud or material misrepresentation, this Agreement is void and we shall refund all paid contract fees if no claims have been made. If a claim has been made, we will follow normal cancellation procedures as outlined in this section.

4. In the event you threaten to harm or actually harm the safety or well-being of: (i) the company; (ii) any employee of the company; (iii) an independent contractor; or (iv) any property of the company or the independent contractor, you will be in breach of this Agreement. In the event you breach this or any other obligation under this Agreement, we may refuse to provide service to you and may cancel this Agreement immediately.

## X. Dispute Resolution

1. **ARBITRATION:** All disputes, controversies or claims of any sort, arising out of or in any way relating to this Agreement, its negotiation, and the Services provided pursuant to it, whether based in contract, tort, regulation, or any other legal or equitable theory (collectively "Disputes"), shall be resolved at the consumer's choice by settlement, or final and binding arbitration, or in and through a small claims court having jurisdiction over such Disputes. Arbitration shall be conducted within the geographical limits of the applicable federal district court where the Covered Property is located, or such other location upon which both parties mutually agree, and administered by a mutually agreed upon arbitration service. The Commercial Arbitration Rules and Supplementary Procedures for Consumer-Related Disputes of the American Arbitration Association or similar such rules (the "Arbitration Rules") in effect at the time arbitration is demanded by either party shall govern the arbitration proceeding and the selection of one neutral arbitrator to preside over the proceeding. The arbitrator is empowered to decide all Disputes and all questions related to the enforceability and scope of these Dispute Resolution provisions, including but not limited to the validity, interpretation and applicability of these Dispute Resolution Provisions. Additionally, this transaction involves interstate commerce, and these Dispute Resolution provisions shall be governed by the Federal Arbitration Act, as amended (9 USC 1). No arbitration may proceed on a class or representative basis, and the arbitrator may not consolidate any arbitration proceeding governed by these Dispute Resolution Provisions with any other person's arbitration proceeding, and may not otherwise preside over any form of a representative or class proceeding. Under the Arbitration Rules, although each party is required to pay certain administrative and arbitrator fees, the amount the consumer may be required to pay is limited. Each party to arbitration is responsible for its own attorney's fees, if the party chooses to be represented by an attorney.
2. **CLASS ACTION AND JURY TRIAL WAIVER:** Each party to this Agreement may bring a Dispute against the other only in its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Each party gives up or waives any right it may have to have any Disputes between them resolved by a jury.

## XI. Other Conditions

1. **Term.** Coverage under this Agreement commences on the effective date specified on the Agreement Coverage Summary Page and expires twelve (12) month(s) from Agreement effective date.
2. **Renewal.** Where permitted by state law, this Agreement may automatically renew at the sole and exclusive option of the Issuing Company for successive twelve (12) month(s). In the event the Issuing Company elects to renew this Agreement, you will be notified of any rate and/or coverage changes, not less than thirty (30) days prior to the expiration of the current Agreement term and commencement of the renewal term.
3. **Assignment.** In the event of assignment or transfer of title of the covered property, this Agreement may be assigned and/or transferred at our option, where permitted by state law and when the applicable fee has been paid. We reserve the right to charge a transfer fee not to exceed twenty-five dollars \$25.
4. **Installment Billing.** In certain cases you may be permitted, at our sole and exclusive discretion, to pay for your coverage on an installment basis. Should you suffer a mechanical failure covered by this Agreement at a time when there are unpaid installments due from you, whether or not such payments are due or overdue, we reserve the right to deduct all or any portion of any unpaid amounts from the amount of loss covered by this Agreement for such incident, or to require payment of the entire remaining unpaid balances prior to covering the loss for you as we deem necessary or desirable. Our failure to exercise any such right on one occasion shall not be deemed a waiver of such right on other occasions.
5. **Waiver.** Should we waive any of our contractual rights; such waiver will not constitute a future waiver of said rights.

6. **Disclosure.** The price of the Agreement includes the full amount of all fees due and payable as well as the costs of processing and administration for the Issuing Company and its agents where allowable by law. Any applicable state or local sales taxes are in addition to the price of the Agreement.
7. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.
8. **Entire Agreement.** This Agreement constitutes the entire agreement between you and us and supersedes all prior agreement and understandings, oral or written, which may have been made with respect to the Agreement and its subject matter. Except as provided herein, all other warranties, expressed or implied, are hereby disclaimed.
9. **Issuing Company.** This Agreement is issued by HomeSure Services, Inc., except in the following states where it is issued by the identified entity: in Alabama, Arizona, Florida, Illinois, Iowa, Massachusetts, Nevada, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, South Carolina, Texas, Utah, Vermont, Washington, Wisconsin and Wyoming by HomeSure of America, Inc.; in California by HomeSure Protection of California, Inc.; and in Virginia and Oregon by HomeSure of Virginia, Inc. Services are provided by independent contractors.
10. **Corporate/Administrative Office.** P.O. Box 811720, Boca Raton, FL 33481-1720, 954-835-1900.

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