

A. COVERAGE OVERVIEW

1. This residential service contract ("contract") is offered, administered, underwritten and serviced by OneGuard Home Warranties ("OneGuard") located at 20410 N. 19th Avenue, #200, Phoenix, AZ 85027. Toll free phone number is 888-896-0014. In accordance with the terms and conditions of this contract, OneGuard will repair or replace contract holder's selected covered items so long as they:
 - a. Are in good, safe working order and correctly installed at the premises on the effective date of this contract;
 - b. Become inoperative from normal wear-and-tear after the effective date of this contract;
 - c. Are classified by the manufacturer as residential (OneGuard does not cover systems classified as commercial);
 - d. Are located within the perimeter of the main house foundation or garage (with the exception of items marked with an "***");
 - e. Are not covered by a manufacturer, distributor, builder, extended warranty or homeowner's insurance policy;
 - f. Are reported during the terms of this contract.

In addition, OneGuard will not exclude any selected covered items from coverage solely due to a condition existing prior to the effective date of this contract as long as such condition was known or should reasonably have been known by OneGuard or the person selling this contract on OneGuard's behalf prior to the sale of this contract. Such items will be eligible for coverage subject to all other terms, condition, limitations, and exclusions herein

2. This contract covers single-family residences (including condos, town homes and manufactured housing). Guest homes, duplexes, triplexes and four-plexes are covered if appropriate fee is paid. This contract covers owned or rented residential property, not residences used as businesses.
3. This contract only covers items that were installed on the premises on the effective date. Systems or appliances that

were installed after the effective date must be registered with OneGuard to be covered by this contract. Used items installed after the effective date are not covered by this contract unless they were purchased from a reputable retailer and backed by a minimum 90-day warranty.

4. Determination of whether to repair or replace will be at the sole discretion of OneGuard. When replacement is required, OneGuard is responsible for installing equipment comparable in features, capacity, and efficiency (except as noted under "Limits"). OneGuard is not responsible for matching identical colors, brands, and dimensions, or any features that do not contribute to the primary function of the covered system or appliance.
5. When addressing a covered item breakdown or malfunction, OneGuard will also make arrangements in accordance with the terms of this contract to:
 - a. Dismantle, remove and dispose any defective covered equipment.
 - b. Pay up to \$250 per contract term to obtain required permits or to upgrade to current code requirements when completing repairs or replacements of covered items. This contract does not cover any existing code violations that are not associated with a covered repair or replacement.
6. OneGuard reserves the right to offer cash in lieu of repair or replacement in the amount of OneGuard's actual cost (which is less than retail) to repair or replace any covered item. If OneGuard makes the determination to provide the contract holder cash in lieu of repair or replacement, OneGuard will make payment within 30 days from the time that determination is made. If OneGuard provides cash in lieu of repair or replacement of a covered item, that item will not be covered for future malfunctions until the contract holder has it correctly repaired or replaced by a service professional and delivers to OneGuard any paid invoices evidencing the repairs or replacement.
7. Coverage includes only the items stated as covered and excludes all others. Coverage is subject to limitations, exclusions and provisions specified in this contract.

B. CONTRACT HOLDER'S OBLIGATIONS

1. Contract holder is responsible for normal maintenance of covered equipment according to the manufacturer required maintenance guidelines located in the Owner's Manual.
2. When a failure occurs, turn covered item off, protect it from further damage and call OneGuard at 1-888-896-0014 or enter information in the OneGuard customer portal at OneGuardHW.com. Should contract holder fail to protect

the covered item from further damage, the consequential damage is not covered.

3. Contract holder is obligated to provide information relating to the cause, nature and timing of any breakdown. This information may include inspection reports, real estate contracts and repair invoices.

C. CONTRACT TERM AND EFFECTIVE DATE

- 1.

First Year Customer: Contract term begins ten (10) days after acceptance of application by OneGuard and receipt

of plan fee and continues for one (1) year. If contract holders selects the monthly payment option and OneGuard elects to renew the contract, the contract will automatically be renewed for an annual coverage period unless contract holder notifies OneGuard in writing 30 days prior to the expiration of the contract (See section - RENEWALS & TRANSFER OF CONTRACT for more details).

2.

Renewal Customer:Renewal Customer contract term begins upon expiration of previous contract term and continues for one (1) year provided that the plan fee is received by OneGuard prior to expiration of current contract. If plan fee is received by OneGuard after expiration, a new First Year Customer contract term will begin, new plan fee pricing may differ and the new contract term will begin ten (10) days after receipt of plan fees (See section - RENEWALS AND TRANSFER OF CONTRACT).

D. REQUESTING SERVICE (CALL 888-896-0014)

1. Contract holder, contract holder's agent or tenant must call 1-888-896-0014 or enter information in the OneGuard customer portal at OneGuardHW.com as soon as the problem is discovered and prior to the expiration date.
2. OneGuard has the sole right to select and arrange an authorized OneGuard service contractor to perform work covered by this contract. Only work authorized and arranged by OneGuard is covered by this contract.

OneGuard will not reimburse contract holder for service performed by contract holder's own contractor without prior authorization.

3. **Service Response Times.** OneGuard will make reasonable efforts to initiate service by selecting an authorized service contractor within 48 hours after a service request has been made.

E. TRADE SERVICE FEE

1. For each separate trade item, contract holder is responsible to pay a 69.00 service fee. The service fee will be due and payable to OneGuard at the time of scheduled service. This includes when:
 - a. A contract holder cancels a service request after the service contractor is in route to the contract holder's home;
 - b. A contract holder fails to provide accessibility necessary to perform the service request;
 - c. A service contractor's diagnosis results in a partial or complete exclusion of coverage; or
 - d. OneGuard approves a contract holder's request for a second opinion.
2. Repairs are guaranteed for 30 days. Should failure of that item occur within 30 days, another service fee will not be charged.

3. Failure to pay service fees will result in suspension or cancellation of this contract.
4. OneGuard reserves the right to obtain a second opinion at OneGuard's expense. In the event that OneGuard informs contract holder that the malfunction is not covered, contract holder has the right to request a second opinion of the cause of the malfunction. Contract holder must ask OneGuard for a second opinion from another OneGuard service contractor within seven (7) days from the time OneGuard informed contract holder the malfunction is not covered. In the event that the outcome of the second opinion is different than the first opinion, contract holder will not owe an additional service fee. If contract holder requests a second opinion, contract holder will be responsible for the payment of an additional service fee only if the outcome of the second opinion is the same as the initial opinion.

F. HOMEGUARD COVERAGE

1. KITCHEN APPLIANCES

COVERED: All mechanical parts and components that fail due to normal wear-and-tear of:

- KITCHEN REFRIGERATOR,
- DISHWASHER,
- RANGE - OVEN - COOKTOP,
- BUILT-IN MICROWAVE,
- GARBAGE DISPOSAL,
- INSTANT HOT WATER DISPENSER,

TRASH COMPACTOR

NOT COVERED: Detachable accessories, items that do not affect the primary operation of an appliance, maintenance items and items that do not fail as a result of normal wear-and-tear such as but not limited to: shelves, drawers, hinges, light bulbs, glass or glass tops, food spoilage, insulation, multi-media centers and filters.

LIMITS: Maximum for diagnosis, repair, or replacement of a kitchen appliance is \$2,500.

Note: This coverage is for one (1) unit per appliance type. Additional fee is required to have multiple units of each

appliance type covered by this contract.

2. WASHER & DRYER

COVERED: All mechanical parts and components that fail as a result of normal wear-and-tear:

NOT COVERED: Items that do not affect the primary operation of an appliance, maintenance items and items that do not fail as a result of normal wear-and-tear such as but not limited to: dispensers, plastic mini-tubs, lint or filter screens, venting, hinges, dials and knobs.

LIMITS: This coverage is for one (1) unit per appliance type. Additional fee is required to have multiple units of each appliance type covered by this contract.

3. AIR CONDITIONING & HEATING SYSTEM

COVERED: Electric central air conditioning systems, gas or electric central heating systems, heat pumps and mechanical parts thereof including: condenser*, evaporative coil, air handler and detached drain lines, ducted electric wall air conditioners, metering device (evaporative coil piston and thermal expansion valve), leaks in accessible refrigerant lines, evaporative coolers, baseboard heaters, radiators, registers and grills.

NOT COVERED: Window units, portable units, chiller systems and chiller components, boiler systems, solar heating, fireplaces and key valves, radiant cable heat, heat lamps, humidifiers, standard or electronic filters, electronic air cleaners, computerized HVAC management systems or zone controllers, flues and vents, transitions, roof jacks or stands, condenser casings, non-ducted wall units, condensate pans, condensate line stoppages, pads or pad frames, automatic or manual dampers, refrigerant recapture and disposal, and air conditioning with improperly sized systems.

LIMITS: \$1,500 maximum for diagnosis, repair, or replacement of glycol, hydronic, steam or geothermal heating systems. OneGuard will pay up to \$15 per pound for recharging of refrigerant. The contract holder will be responsible for refrigerant costs in excess of \$15 per pound.

Note: This contract covers air conditioning and heating systems with a capacity not exceeding five (5) tons per unit.

4. PLUMBING SYSTEM, FIXTURES, & STOPPAGES

COVERED: Leaks or breaks in water, gas, drain, sewer or vent lines that are located within the perimeter of the main house foundation, faucets and showerheads (up to \$250 per occurrence), built-in whirlpool bath motors, basket strainers, toilet bowls and tanks, wax seals, mechanisms, valves in tub and shower, diverter, angle stop and gate valve, built-in interior sump pump, circulating hot water pump, hose bibs*, pressure regulators*, and clearing of stoppages in sewer lines through accessible ground-level clean out. OneGuard will also cover up to \$250 to clear stoppages caused by roots, to hydrojet if a standard sewer cable is unable to clear the stoppage or to access a drain line from rooftop or toilet drain.

NOT COVERED: Stoppages caused by collapsed, damaged or broken drain, vent or sewer lines outside of the home's main foundation; lines broken, infiltrated or stopped by roots or foreign objects even within the home's main foundation; tub or shower unit, shower/tub strainers, pan or enclosure, toilet lids/seats, sinks, grouting/caulking, bidets, plumbing for solar systems, septic tanks and ejector pump, high or low water pressure, water softener equipment, water filters or conditioning equipment, storage or holding tanks, steam rooms or saunas, sounds caused by heating or flowing water, inadequate plumbing capacity, flow restrictions in water supply lines, icemaker water lines, fire suppression systems, sprinkler systems, stoppages that cannot be cleared with cable, access to sewer or drain lines from vent (rooftop line clearing), costs to locate, access, or install a ground-level clean out, and hydrojetting.

LIMITS: \$1,000 maximum per plan for diagnosis, repair or replacement for leaks in water, drain, gas or polybutylene piping that is underground or obstructed by concrete or any other solid surface. OneGuard will only provide access to plumbing systems through unobstructed walls, ceilings and floors; and, if the area around the access hole has not sustained consequential damage from the water leak, OneGuard will restore access openings to a "rough" finish only (consequential damage is covered by homeowners insurance).

5. WATER HEATERS

COVERED: Gas or electric water heaters including tankless water heaters, thermostat assembly parts and components, heating elements, burner assembly, gas valve, drain valve, relief valve and circulating pump (non-solar-systems).

NOT COVERED: Solar water heaters and associated components and plumbing, vents and flues, storage or expansion tanks, noise caused by sediment, drip pans, heating/water heater combination units, multi-valve manifolds and water heater heat pump attachment.

LIMITS: Coverage applies to residential water heaters not exceeding 80 gallons.

6. ELECTRICAL SYSTEM

COVERED: Wiring, conduit, outlets, switches, panels and subpanels that are attached to home, circuit breakers, fuses, GFI circuit breakers, junction boxes and built-in lighting fixtures (up to \$250 per occurrence).

NOT COVERED: Inadequate wiring capacity, intercoms, power failure or surge, audio/video/computer/intercom/alarm or security wiring or cable, sensors, direct current (D.C.) wiring and components, low voltage or timed circuits including wiring and relays, light bulbs, ballasts, system controllers.

LIMITS: Light fixtures that are higher than 12 feet from the ground will result in extra fee.

7. CEILING FANS & EXHAUST FANS

COVERED: All mechanical parts and components that affect the operation, except:

NOT COVERED: Attic fans, whole-house fans, light kits, remote controls and heaters.

LIMITS: Ceiling fans replaced with builder's standard when necessary. Ceiling fans that are higher than 12 feet from the ground will result in an extra fee.

8. CENTRAL VACUUM

COVERED: All mechanical parts and components that affect the operation, except:

NOT COVERED: Hoses, clogged pipes, removable attachments and accessories.

9. SMOKE DETECTORS

COVERED: All mechanical parts and components that affect the operation.

NOT COVERED: Batteries and low voltage wiring.

LIMITS: Smoke detectors that are higher than 12 feet from the ground may result in extra fee

10. DOOR BELLS

COVERED: All mechanical parts and components that affect the operation.

NOT COVERED: Door bells integrated into Intercom Systems.

11. GARAGE DOOR OPENER

COVERED: Wiring, receiver, switches, capacitor, motor, springs, hinges, rail/trolley assembly, push arm and carriage.

NOT COVERED: Doors, track assembly, light bulbs and remotes.

12. A/C & HEATING SYSTEM PRE-SEASON TUNE-UPS

COVERED: OneGuard will calibrate thermostat, test temperature split, check refrigerant levels and system pressures, perform amp draw on condenser motor, evaporator motor and compressor, rinse condenser coils, check contactors, check condensate lines, clean or replace filters (owner supplied), clean and tighten electrical connections, test capacitors, check heat operations, inspect pilot system, test safety switches, test limit switches and clean burners.

NOT COVERED: Filters, clearing of condensate line stoppages, recharging of refrigerant, evaporator/indoor coil cleaning including acid cleaning or unclogging services required to correct problems related to the lack of manufacturer recommended maintenance (filters must be replaced monthly).

LIMITS: Service fee covers tune-up for one (1) unit. Contract holder will be responsible to pay \$30 for each additional unit.

Note: For the applicable service fee each season, OneGuard will perform one (1) A/C Pre-Season Tune-up between February and April and one (1) Heating System Pre-Season

Tune-up between October and November. Service fee for tune-ups must be secured by a credit card at the time of service request. If contractor finds a covered problem, an additional service fee will be due at the time the repair is made.

13. GARAGE DOOR TUNE-UP SERVICE

COVERED: For the applicable service fee, OneGuard will provide a safety inspection and tune-up service for up to two (2) garage door openers. Service includes an inspection and any necessary adjustments for garage door safety sensors, adjustment of door springs, clean and lube rollers and hinges, and clean and tighten electrical connections.

NOT COVERED: This service does not cover necessary repairs. An additional service fee will be charged for repairs of covered items.

LIMITS: This service is limited to a safety inspection and tune-up maintenance of a maximum of two (2) garage door openers. An additional fee will be charged to perform this service on each additional garage door opener in excess of two (2). An additional fee may also be charged for garage door openers that are installed on ceilings that exceed twelve (12) feet. Service fees are due per housing unit in duplex, triplex, and four-plex properties.

14. RE-KEY SERVICE & GARAGE DOOR REMOTE RE-PROGRAM

COVERED: For the applicable service fee, OneGuard will provide re-programming of two (2) garage remotes, re-key up to six (6) key holes (including deadbolts) and provide four (4) copies of the key.

NOT COVERED: Homelink or other car remote re-programming, re-programming of garage door openers that are higher than 12 feet from ground, exterior keypad re-programming, lock picking, lock-out service or new lock sets. The contact holder will incur extra fees for these items.

15. CARPET CLEANING SERVICE

COVERED: For the applicable service fee, OneGuard will clean carpets of general soiling in up to three (3) rooms but not more than 600 square feet. For more extensive carpet or upholstery cleaning, contract holder will be charged additional fees at discounted rates.

NOT COVERED: Old/permanent stain removal, urine and/or feces odors and stains, preexisting visible carpet damage and any stain that requires enzyme treatments.

LIMITS: Note: This service may only be utilized once in a 90 day period. Additional floor cleaning services are available for an additional fee including, additional carpet cleaning over three (3) rooms or 600 feet, tile and grout cleaning, upholstery cleaning, deodorizing treatments, enzyme stain removal treatments and more.

16. WINDOW CLEANING SERVICE

COVERED: For the applicable service fee, OneGuard will clean up to fifteen (15) ground-level exterior windows.

Additional fees will be charged for additional exterior windows and/or second story windows.

NOT COVERED: Hard water stain removal, paint overspray removal, screen cleaning, screen repairs, and interior windows. Additional fees apply for these services.

17. DRYER VENT CLEANING SERVICE

COVERED: For the applicable service fee, OneGuard will roto-clean one (1) dryer vent.

NOT COVERED: Maintenance or cleaning service on dryer unit.

Note: This service is intended for single family dwellings. This service may require an additional fee for condos in a high-rise multi-family dwelling.

18. PEST CONTROL TREATMENT

COVERED: For the applicable service fee, OneGuard will provide a pest control treatment of ants, carpenter ants, roaches, crickets, spiders, ground beetles, earwigs, silverfish, millipedes, centipedes, pillbugs, sowbugs, clover mites; and treatment for mice. Additionally, OneGuard will provide limited extermination treatment for rodents by placing up to five (5) traps or two (2) bait stations.

NOT COVERED: Treatment of infested areas outside the perimeter of the main house foundation, bed bugs, flying insects, ticks, fleas, German Roach infestations, rats and any pests not listed above.

LIMITS: Limited rodent extermination treatment does not cover a return trip for removal and/or disposal of traps or bait stations - an additional service fee is required for a return trip. Additional fees will also be required for any rodent infestation that requires more than five (5) traps or two (2) bait stations.

Note: Pest control treatments will be performed by a pest control company licensed by the state of Arizona.

19. TERMITE TREATMENT

COVERED: For the applicable service fee, OneGuard will provide a Termidor® spot treatment of an existing or pre-existing infestation of subterranean termites.

NOT COVERED: Fungus and wood-destroying organisms other than subterranean termites and carpenter ants. Repair of past, existing, or future damage to the property caused by any wood-destroying insect or organism and correction of conducive conditions are not covered.

LIMITS: All termite treatments covered by this contract will be "spot" treatments as defined by the Arizona Office of Pest Management. Spots treated for termites are guaranteed until expiration of this contract. Any additional "spots" of termite infestation will require an additional service fee.

20. WEED KILL TREATMENT

COVERED: For the applicable service fee, OneGuard will spot treat and kill any existing weeds in landscaped rock beds. While this Weed Kill Treatment will destroy existing

weeds, it WILL NOT prevent weed seeds from germinating. Any treatment for new weed growth will require an additional service fee.

NOT COVERED: Prevention of new weed growth, removal of dead weeds, weed control for lawns, tree and shrub seedlings, Bermuda grass, Johnson grass, Fountain grass, Nut Sedge, and Desert Broom, and pest control of landscaped areas. Pre-emergent weed control and weed prevention services require additional fees.

LIMITS: This treatment covers lot sizes of 10,000 square feet or less. Lot sizes larger than 10,000 square feet require an additional fee.

21. POOL MAINTENANCE SERVICE - STARTS AT \$95 (WEEKLY SERVICE PROGRAM)

COVERED: Complete water analysis, administration of all chemicals to maintain properly balanced water, clean salt cell (as needed), empty skimmer/pump baskets, backwash filter, brush walls and steps, inspect pool equipment, skimming of surface and bottom debris, vacuum pool floor (as needed), lube backwash piston o-rings and lid o-rings (as needed).

NOT COVERED: Filter Cleaning, Green Pool Clean-up, Acid Washing, Sand Changes, Equipment Repairs, Algae Treatment, Phosphate Treatment, Calcium Line Removal

Note: Filter Cleanings (Filters require a cleaning service every six months), Green Pool Clean-up, sand changes, acid washes are not included in a regular pool maintenance visit, but can be done at a discounted rate for weekly maintenance customers. Monthly rate is for typical residential play pools. Dive Pools will be an additional \$15 per month.

22. YARD MAINTENANCE SERVICE

COVERED: For the applicable service fee, OneGuard will mow, edge, trim shrubs, trim bottom of tree canopy up to six (6) feet, blow grass and leaves from lawn and landscape areas.

NOT COVERED: This service is intended for lawns and landscapes that have been regularly maintained. Cleanup service for overgrown lawns or landscapes will require an additional fee. Tree trimming above six (6) feet, weed control, fertilization, and any other work not detailed above may require an additional fee at time of service.

LIMITS: This lawn maintenance service covers lot sizes of 10,000 square feet or less. Lot sizes larger than 10,000 square feet require an additional fee.

23. PERMITS AND CODE UPGRADES

COVERED: OneGuard will pay up to \$250 per contract term to obtain required permits or to upgrade to current code requirements when completing repairs or replacements of covered items.

NOT COVERED: This contract does not cover any existing code violations that are not associated with a covered repair or replacement.

24. EQUIPMENT DISPOSAL

COVERED: When addressing a covered item breakdown or malfunction, OneGuard will also make arrangements in

accordance with the terms of this contract to dismantle, remove and dispose any defective covered equipment.

G. OPTIONAL ITEMS

1. UNDETECTABLE PRE-EXISTING CONDITIONS COVERAGE

COVERED: When this option is selected and premium is paid, failures of covered items caused by unknown pre-existing conditions are covered so long as the mechanical failure was a result of normal wear-and-tear and would not have been detectable by a simple visual inspection and/or by operating the system or appliance.

Note: Known problems or defects that existed on the effective date of this contract are not covered by this option. The contract holder must have all known pre-existing defects correctly repaired by a service contractor and provide OneGuard any paid invoices evidencing the repairs before the defective item can be covered by this contract.

2. SALT WATER POOL/SPA (1 SET OF EQUIPMENT)

COVERED: Both the built-in pool and spa equipment are covered if they use common equipment. If they have separate pump and filtration systems, then only one or the other is covered unless additional fee is paid. Coverage applies to the primary pump, primary filter, primary pump timer, primary heater, blower, gaskets, seals, back flush valves, 2 & 3-way valves, switches, relays, above ground plumbing and electrical that are associated with primary pump and filter. When Salt Water Pool Equipment coverage is selected and premium is paid, salt water cell and circuit board are also covered.

NOT COVERED: Any item not listed above such as but not limited to fill lines and fill valves, grids, diatomaceous earth, sand, cartridge elements, fountains and other water features (unless Addt'l Pool Pump/Water Feature coverage is selected and paid), computerized control boards and related equipment, booster pumps and water feature pumps (unless the Addt'l Pool Pump/Water Feature option is selected and paid), problems caused by lack of maintenance or abnormal wear-and-tear, liners, structural defects, lights, solar equipment, tile or plaster, inaccessible components and built-in and in-pool cleaning equipment such as but not limited to salt system chlorinators (unless the Salt Water Pool/Spa Equipment option is selected and paid), ionizers, pool sweeps, jets, pop-up heads, actuator valves (turbo valves), heat pump pool heaters, skimmers and above ground pools and spas.

LIMITS: \$1,000 maximum for diagnosis, repair, or replacement of a pool/spa heater.

3. ADDITIONAL POOL/SPA PUMP

COVERED: This option provides coverage for additional booster pump associated with pool/spa water features or

in-pool cleaning systems.

LIMITS: Note: Contract fee is for one (1) pump. Additional fee is required for each additional pump. Built-in Pool/Spa Equipment option or Salt Water Pool/Spa Equipment option must be purchased before this option can be selected.

4. BUILT-IN KITCHEN REFRIGERATOR UPGRADE

COVERED: This upgrade increases the maximum coverage limit on contract holder's kitchen refrigerator from \$2,500 to \$5,000. This upgrade is designed to provide more coverage when a high-end, professional grade refrigerator must be replaced. When this option is selected and the option fee is paid, OneGuard will pay up to \$5,000 for diagnosis, repair or replacement of the kitchen refrigerator covered by the ApplianceGuard or HomeGuard plan.

5. ADDITIONAL FREESTANDING REFRIGERATION UNITS

COVERED: All mechanical parts and components that affect the operation of a freestanding refrigeration unit except:

NOT COVERED: Any removable equipment, shelves, racks, drawers, ice/water dispenser, ice crusher, hinges, light bulbs, food spoilage, interior thermal shell, insulation, filters and filter housing.

LIMITS: \$1,000 maximum per covered item for diagnosis, repair or replacement of additional freestanding refrigerators, freezers or ice makers.

Note: This option is available to cover additional freestanding refrigerators, freezers, ice makers or wet bar refrigerators. Additional option fee is required for each additional freestanding refrigeration unit that the contract holder desires to be covered by this contract. Unless a refrigerator is rated for garage use, OneGuard only covers refrigerators in climate controlled areas. This option is not available for built-in refrigeration units.

6. HVAC EQUIPMENT INCOMPATIBILITY COVERAGE

COVERED: If any replacement parts become incompatible with the existing equipment due to changes in the federally mandated refrigerant standards and efficiency standards (13 SEER to 14 SEER), OneGuard will pay to upgrade or modify the existing covered air conditioning and heating system equipment to maintain compatibility and to meet the new federal standards.

Note: The Federal Government is mandating the phase out of R-22 refrigerant (Freon) because of its ozone-depleting properties (see phaseoutfacts.org for more details). In addition, the Federal Government has increased the minimum efficiency standard of air conditioning equipment

from 13 SEER to 14 SEER. As a result of these two federal mandates air conditioning manufacturers have stopped producing air conditioning systems that utilize R-22 refrigerant. Instead, manufacturers are producing air conditioning systems that utilize a non-ozone depleting refrigerant called R-410a (Puron) for residential applications. The phase-out of R-22 refrigerant and R-22 air conditioning equipment will have a significant financial impact for homeowners who have R-22 air conditioning systems. If an R-22 condenser or air handler must be replaced, it must be replaced with R-410a air conditioning equipment or components. This will cause existing R-22 air conditioning equipment to become incompatible with any new replacement equipment unless the existing equipment is upgraded. This coverage is meant to cover those upgrade costs due to incompatibility when OneGuard replaces an R-22 condenser or air handler. The retail cost of upgrading an air handler or condenser is over \$2,500.

NOT COVERED: Plenum, transition or structural modifications.

7. MAIN LINE PLUMBING

COVERED: Shutoff valves, and underground pipe leaks caused by normal wear-and-tear and located outside the foundation of the main home including water, drain and gas lines that service the covered structure.

NOT COVERED: Sprinkler systems (unless Sprinkler System & Timer option is selected), pool/spa plumbing, downspout or landscape drain lines, outside/underground piping for water source heat pump, consequential or secondary damage and damage caused by roots.

LIMITS: \$1,000 maximum per contract for the diagnosis, repair or replacement. OneGuard will only provide access to underground plumbing lines if they are unobstructed by concrete, paved surfaces, pavers, trees, shrubs, rocks and other landscaping. OneGuard is not responsible to restore concrete/paved surfaces or landscaping as a result of accessing and closing access to underground plumbing.

8. SPRINKLER SYSTEM & TIMER

COVERED: Leaks and breaks of PVC lines (unless caused by freezing), sprinkler heads and bubbler heads, timers, gate valves, shut-off valves, solenoid and other remotely activated control valves.

NOT COVERED: Hydraulic systems, electrical wiring not U.L. rated for underground use, backflow prevention devices, pressure reducers, rain sensors, sprinkler heads with problems caused by abnormal wear and tear such as but not limited to lawn mower damage and pet damage, timer batteries, damage to lines by roots, adjustments or cleaning. Sprinkler lines behind or beneath concrete/paved surface are not covered.

LIMITS: Sprinkler heads and system timer is replaced with builder's standard when necessary. Covers systems with six (6) valves or less. Systems with more than six (6) valves require an additional fee.

9. WATER SOFTENER & R/O WATER FILTRATION SYSTEM

COVERED: All mechanical parts and components of the Water Softener/Reverse Osmosis Water Filtration System (for drinking water) except:

NOT COVERED: Cleaning, leased/rented equipment, whole-house water conditioning and purification systems, odor control systems, iron filtration systems, salt, discharge drywells, resin bed, problems caused by sediment or mineral deposits, filters and filter components, and replacement membranes.

LIMITS: \$500 maximum per plan for diagnosis, repair or replacement of reverse osmosis filtration systems and water softener or components.

10. GUEST HOUSE

COVERED: When Guest House option is selected, a guest house receives all coverage as outlined in HomeGuard Plan.

LIMITS: Note: For HomeGuard Plans only

H. LIMITATIONS OF LIABILITY

This contract is intended to cover the costs to repair or replace contract holder's covered home systems and appliances when they fail due to normal wear-and-tear; however, coverage is not all inclusive. There may be situations in which contract holder will be responsible to pay additional costs for parts or services not covered by this contract. In those cases, OneGuard will work with contract holder to determine the best course of action to reasonably minimize out-of-pocket costs.

1. General Exclusions. This contract does not cover:

- a. Known defects that existed on or before the effective date. Unknown pre-existing conditions are not covered by this contract unless (1) the contract holder has selected and paid for the Undetectable Pre-existing Conditions Option, (2) the pre-existing defect or malfunction would not have been detectable by visual inspection and a simple

mechanical test and (3) the defect or malfunction occurred as a result of normal wear-and-tear. The contract holder must have all known pre-existing breakdowns and defects correctly repaired by a service professional and deliver to OneGuard any paid invoices evidencing the repairs before the defective item can be covered by this contract.

- b. Routine maintenance of appliances and equipment. Contract holder is responsible for maintenance and cleaning of covered items as specified by the manufacturer.
- c. Failure of parts or components caused by the lack of manufacturer recommended maintenance of this contract are not covered.
- d. Breakdowns that are caused by any condition that is not considered to be normal wear-and-tear such

as but not limited to:

- (1) Misuse, abuse, or improper usage;
 - (2) Lack of capacity or insufficient or undersized systems or components;
 - (3) Improper previous repairs or modifications;
 - (4) Missing parts, components or equipment;
 - (5) Fire, freezing, hail, wind damage, water damage, lightning, smoke, earthquakes, mud slides, soil movement, other acts of nature, accidents or any other risk covered by homeowner's insurance;
 - (6) Manufacturer or builder defects;
 - (7) Chemical, soap or sedimentary build-up (except water heaters); or
 - (8) Pest or pet damage.
- e. Secondary, consequential, or incidental damages resulting from the malfunction of any covered item such as but not limited to food spoilage, loss of income, utility bills, additional living expenses or the restoration or repair of walls, ceiling, flooring, cabinets, countertops or painting.
 - f. Repair or remediation of cosmetic defects.
 - g. Repair, replacement, installation or modification of any covered item that has been determined to be defective by the Consumer Product Safety Commission or for which a manufacturer has issued a warning, recall or determination of defect.
 - h. Electronic, computerized home management systems such as but not limited to energy, lighting, comfort, appliance or pool management systems.

2. Access Limitations:

- a. Except as noted under "Limits", OneGuard is not responsible for providing access or closing access to covered items.
- b. OneGuard is not responsible for costs of restoration of any wall or floor covering, cabinets, countertops, tile, stone, brick, paint or the like.

3. General Limitations of Liability:

- a. Except as otherwise provided herein, OneGuard is not responsible for any additional work or costs required to comply with any federal, state, or local

laws, regulations or ordinances or utility regulations including legally required permits; or to meet current building or zoning code requirements or correct for code violations.

- b. OneGuard is not responsible for costs related to the recapturing and remediation of refrigerants for which the disposal of such substances is regulated by the EPA.
- c. OneGuard is not responsible or liable for performing service, or paying remediation costs, involving toxic or hazardous substances or problems caused by pathogenic organisms including but not limited to mold, mildew, fungi, spores, bacteria, virus, yeast and mycotoxins.
- d. OneGuard is not responsible for repairs, replacements or modifications of covered equipment that are merely inefficient.
- e. OneGuard is not responsible for upgrades, component, or parts required due to the incompatibility of the existing equipment with the replacement system, appliance, component or part thereof or new type of material or chemical utilized to run the replacement equipment including but not limited to differences in technology, refrigerant requirements or efficiency as mandated by federal, state or local governments.
- f. OneGuard is not responsible for costs of construction, carpentry or structural modifications necessary to effect repair or replacement of covered items.
- g. OneGuard is not responsible or liable for the costs of testing required by statute or regulation associated with the repair or replacement of covered items or components.
- h. This contract does not cover common areas and common systems in multi-family dwellings and mobile home parks.
- i. OneGuard is not liable for failure to provide timely service due to conditions beyond its control including, but not limited to, delays in obtaining parts or equipment and labor difficulties.
- j. Systems and appliances that are installed at the premises any time after the effective date of this contract are not covered unless OneGuard agrees to provide coverage for such item.

I. RENEWALS AND TRANSFER OF CONTRACT

1. This contract is renewable, subject to OneGuard approval. Renewal is effective only upon issuance of a new contract.
2. If contract holder selects the monthly payment option and OneGuard elects to renew the contract, OneGuard will notify contract holder of applicable rate and terms of renewal at minimum 45 days prior to expiration of the contract and contract will automatically be renewed for an annual coverage period unless contract holder notifies

OneGuard in writing 30 days prior to the expiration of the contract. Contract holder's first payment for the next contract will be construed as authorization for another 12-month contract.

3. This contract is transferable if the covered property is sold during the term of this contract. The contract owner must notify OneGuard, in writing, of the change in ownership

and submit the name of the new owner to transfer coverage.

J. CANCELLATION

1. This contract shall be cancellable by the contract holder at any time. This contract shall be non-cancellable or voided by OneGuard for pre-existing conditions or any other reason except for:
 - a. Nonpayment of plan fees,
 - b. Fraud or misrepresentation of facts material to the issuance of this contract,
 - c. Upon mutual agreement between contract holder and OneGuard,
 - d. When the contract is for seller's coverage and close of escrow does not occur within 180 days from the effective date, or
 - e. If contract holder harms or threatens the safety or well-being of any employee of OneGuard, a OneGuard service provider or any property of OneGuard or of the service provider.
2. In the event that a First Year contract is cancelled within 30 days of the effective date, the contract holder shall be entitled to a full refund of the paid contract fees less any unpaid service fees. In the event that such contract is cancelled after 30th day from the effective date, the contract holder shall be entitled to a pro-rata refund of the paid plan fee for the unexpired term less any unpaid service fees and equal to or the lesser of a \$50.00 administration fee or 10% of the paid plan fees. Cancellation of this warranty must be in writing.
3. In the event of cancellation of Renewal Customer contract any time after the effective date, the contract holder shall be entitled to a pro-rata refund of the paid contract fee for the unexpired term less any unpaid service fees and equal to or lesser of a \$50.00 administration fee or 10% of the paid plan fees.

K. MANDATORY ARBITRATION

OneGuard and the contract holder will attempt in good faith to resolve any controversy or dispute arising out of or relating to this contract through direct discussions. If these discussions are unsuccessful, all disputes or claims between the parties arising out of the contract or the parties' relationship shall be resolved by final and binding arbitration administered through the American Arbitration Association ("AAA") under the AAA Commercial Arbitration Rules. Copies of the AAA Rules and forms can be obtained at www.adr.org. The arbitrator's decision shall be final, binding, and non-appealable. The

parties expressly agree that this Agreement and this arbitration provision involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. 1, et seq.) to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule. By entering into this Agreement the parties acknowledge that they are giving up the right to a jury trial, and the right to participate in any class action, private attorney general action or other representative or consolidated action, including any class arbitration or consolidated arbitration proceeding.

L. MISCELLANEOUS

This contract is issued pursuant to a permit granted by the Arizona Department of Insurance ("ADOI"), and complaints in connection with this contract may be directed to the ADOI by

phone at 602-364-2499, online at www.id.state.az.us, or by mail at 100 N. 15th Ave., Suite 261, Phoenix, AZ 85007.