



The Home Warranty Specialists
 We've got you covered. . .
 Any time, any place!
 HMS is where you are!



MASTERPEACE™

“The Warranty of Choice”

Are you selling your home?

Improve your home's overall appeal. The added value of the HMS MasterPEACE™ Home Warranty will help your home sell faster.

8 out of 10 buyers prefer to buy a home protected by a warranty.

A home warranty program makes your home a safer investment by giving the buyer a measure of comfort that goes above and beyond what's expected.

A home warranty protects your sale proceeds by reducing the chance you'll be asked to reimburse the buyer for the breakdown of a covered item after closing.

In addition, unforeseen repairs may become necessary while your home is for sale. An HMS MasterPEACE™ Home Warranty helps avoid conflicts over malfunctioning items that could otherwise affect or delay the sale.

For a moment, think like a buyer. You've narrowed your search to two homes that are nearly identical - except that one has an HMS MasterPEACE™ Home Warranty and the other doesn't.

Which one would you choose?

Are you buying a home?

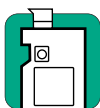


- With an HMS MasterPEACE™ Home Warranty you're covered for a full year beginning the day of homeownership. The warranty may be renewed so that you can enjoy the comfort of knowing your home is protected for as long as you own your home.
- A home warranty limits unplanned expenditures - you pay only a standard deductible per service call, per trade agent on the covered portion of the claim.
- The HMS MasterPEACE™ Home Warranty assures that a network of qualified contractors is only a phone call away 24 hours a day 365 days a year.
- Optional Coverages are available for additional protection.
- Toll-Free Claims telephone 1-800-432-1033 or file your claim online at www.hmsnet.com.

Here's what your HMS Warranty covers:



Air Conditioning*



Heat*



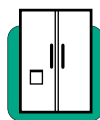
Dishwasher (Built-in)



Washer/Dryer



Trash Compactor (Built-in)



Refrigerator



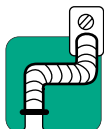
Door Bell Chime



Hot Water Heater



Garbage Disposal



Central Vacuum



Electrical System



Paddle Fans



Garage Door Opener



Faucets



Plumbing System



Oven / Range



Microwave (Built-in)



Water Softener

*Optional for Seller-Included for Buyer

This brochure provides only a brief description of coverage. Upon purchase of a warranty you will receive a warranty agreement which includes the full and complete terms and conditions of the plan.

COVERAGE SUMMARY

The HMS Home Warranty is marketed through HMS National, Inc., and is issued by HomeSure Services, Inc., except in the following states, where it is issued by the identified entity: In Alabama, Florida, Illinois, Iowa, Mississippi, Nevada, New York, Ohio, South Carolina, Texas, Utah, Vermont, Washington, Wisconsin and Wyoming by HomeSure of America, Inc.; in California by HomeSure Protection of California, Inc.; in Arizona and Massachusetts by HomeSure of Arizona, Inc; and in New Hampshire by HomeSure of Virginia, Inc. The HMS Home Protection Plan is issued by HomeSure of Virginia, Inc.

This is not your Home Warranty Agreement. It is a summary of coverage available to you. Please review your Home Warranty Agreement and Agreement Coverage Summary which will be mailed to you upon receipt of this application by HMS National, Inc. You may receive a sample copy of the contract by calling 1-800-843-4663.

The Agreement is intended to provide protection against the cost of repairing certain types of breakdowns of specific items in your home. **Please read the Agreement carefully when you receive it. Coverage includes only certain mechanical breakdowns of the specific items listed as covered on your Agreement Coverage Summary and excludes all other breakdowns and/or items. The Agreement Coverage Summary will be attached to and made a part of the Agreement when you receive it.** Coverage is subject to the limitations and conditions specified in the Agreement.

TYPES OF WARRANTIES/EFFECTIVE DATES/TERM OF COVERAGE

Types of warranties and their respective effective dates are as follows:

Seller Home Warranty, is placed on the home by a prospective home seller at or near the time of listing, is effective immediately upon receipt and processing of the Seller Home Warranty application by us and continues for the remaining term of the listing agreement, not to exceed one hundred and eighty (180) days from the date of listing, unless sooner terminated by the sale of the dwelling (see Buyer Conversion Warranty below) or cancellation of the listing agreement. The Seller Home Warranty may be extended by us at our sole discretion.

Buyer Conversion Warranty is a Seller Home Warranty that has converted to benefit a home buyer after closing, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing. Term: One (1) year.

Buyer Direct Warranty is purchased by or on behalf of a home buyer at the time of closing, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing, unless otherwise agreed to by us in writing. Term: One (1) year.

New Home Warranty is purchased by or on behalf of a home buyer at the time of closing of a newly constructed single family home, is effective on the date of closing, provided required payment has been received by us within seven (7) business days of closing, unless otherwise agreed to by us in writing. Term: Three (3) years.

Open Direct Warranty is available to homeowners not immediately purchasing or selling their home (i.e., when the home is not listed for sale and/or it is more than seven (7) business days after closing), is effective thirty (30) days after required payment has been received by us, unless we otherwise agree in writing.

BASIS FOR COVERAGE

We agree to repair the items listed as covered on your Agreement Coverage Summary if they become inoperable during the term of the Agreement due to mechanical failure caused by routine wear and tear, subject to the terms and conditions of the Agreement. We reserve the right, at our option, to replace items rather than repair them. The definitions of the specific items that may be listed on your Agreement Coverage Summary as covered, as well as other limitations on coverage and other terms and conditions, are listed below.

The Agreement covers only 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. "Mechanical failure" occurs when a covered item becomes inoperable and unable to perform its designed function, subject to the limitations and conditions set forth herein. Mechanical failure is not covered if it is due to: conditions that existed prior to Agreement effective date; lack of routine care and maintenance; or misuse. Mechanical failure of kitchen/laundry appliances, air conditioning system, heating system, and/or pools/spas and their respective heaters, due to rust and corrosion, is not covered in the Seller Home Warranty, and, subject to the other terms and conditions of the Agreement is not covered unless such failure occurs more than 30 days after Agreement effective date of the Buyer Conversion, Buyer Direct or Open Direct Warranty. Mechanical failure of water softener due to rust and/or corrosion is not covered. "Domestic-grade" items are those that were manufactured and marketed solely for installation and use in a residential single family dwelling. The covered item will be deemed to have been in "proper operating condition" on the Agreement effective date if it was correctly located within the home, 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. Determination of the operating condition as of Agreement effective date, and the nature of any failure, will be made by us based upon the professional opinion of our direct employees, reflecting but not limited to, our authorized contractor's diagnosis.

PROPERTIES ELIGIBLE FOR COVERAGE

1. The Agreement covers a single family residence, including a condominium, townhouse or villa used solely for residential purposes. 2-unit multi-family property (duplex), owned and operated as residential income producing property, is also eligible for coverage. Multi-family residential income property of more than 2-units is not eligible for coverage, nor is any dwelling used in whole or in part for commercial purposes such as, but not limited to, a day care facility, group home (5 or more unrelated individuals cohabiting in same household), rest home, church or school will not be covered. Homes listed in any historical register are not covered. Whether or not this contract covers a condominium unit, mobile home, manufactured home, or multi-family property (duplex), any repairs and/or replacements will be 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 will be covered by the Agreement.

2. Multi-family properties (duplexes) are eligible for the Seller Home Warranty; however, coverage is restricted to the owner occupied unit only. Tenant occupied units are not covered under the Seller Home Warranty.

3. If coverage is provided on tenant occupied units under the Buyer Conversion Warranty, Buyer Direct Warranty, New Home Warranty, Open Direct Warranty and/or any subsequent renewal thereof, you (not the tenant) are responsible to report the claim and pay the deductible charge. Multi-family property is not eligible for the New Home Warranty.

Mobile homes constructed within ten (10) years of the effective date of the Agreement are eligible for coverage, provided they are permanently secured to the ground and that the land they are located on is owned by you. Mobile/manufactured homes that are located in a division operated similar to a condominium, where maintenance is provided, are also eligible for coverage.

DEFINITION OF ITEMS

The Agreement provides coverage only for those items specifically listed as being covered on your Agreement Coverage Summary. An additional fee may be required for certain coverages. Coverage of some items is not available under all plans or in every state.

The Agreement defines precisely what mechanical systems and appliances, and which of their parts and components, are covered; only those items specifically so described may be covered, subject to the limitations and conditions herein. The items listed in this section as "Examples of Items/Conditions Not Covered" are not meant to be all-inclusive and are provided for illustration. They do not limit our right to decline coverage for items not on the lists and should not in any way be deemed an expansion of items specified as Covered.

1. Kitchen/Laundry/Other Appliances

Description of Covered Items: Mechanical parts and components affecting the proper operation of one (1) of each of the following appliances located in the kitchen: refrigerator or combination refrigerator/freezer; built-in dishwasher; built-in microwave oven; range/oven/cook-top; self-contained range exhaust unit located above the range; and built-in trash compactor. Kitchen appliance coverage is only for primary units. Mechanical parts and components affecting the proper operating condition of one (1) of each of the following primary appliances are also covered: clothes washer and clothes dryer. Covered mechanical parts and components include only the following: automatic soap dispenser; belts; compressor; condensers; control timers (oven/range clock-timers are excluded unless failure prohibits normal cooking function); defrost heaters; latch assemblies; clothes dryer heating elements; clothes dryer drum rollers; electronic components; evaporators; fan motors; range/cooktop/heating elements/burners (sensi-temp elements/burners will be replaced only with standard elements/burners); gas valves; hinges; hoses; ignitor and pilot assemblies; internal wiring; motors; power cords; pumps; pulleys; ram assembly; switches and relays; solid state control boards; thermostats; touch pads; tracks; transmissions; wash arm assemblies (dishwasher only); and water valves (dishwasher and clothes washer only).

Examples of Items/Conditions Not Covered: Automatic deodorizers; ice and beverage dispensers; buckets; commercial units; damage to clothing; drawers; door seals; drip pans; drums; exhaust fan not solely for venting range/cooktop fumes; filters and screens; food spoilage; stand-alone freezers; ice maker; interior lining; internal shelves; knobs and handles; light bulbs and fixtures; lock and key assemblies; panels and/or cabinetry; racks; removable minitubs; rollers other than clothes dryer drum rollers; rooftop exhaust units; rotisseries and probes; secondary units; sensi-temp/sensi-heat burners, except as specified above; shelves; springs; structural components; timers and clocks; trays; tubs; venting; washing machine agitators; and water flow restrictions due to mineral deposits, such as but not limited to, lime.

2. Primary Central Air Conditioning/Cooling System

(Optional for Seller, included for Buyer)

Description of Covered Items: Mechanical parts and components of a centrally ducted air conditioning system and/or evaporative (swamp) cooler unit, as follows: accessible ductwork from the air conditioning unit to the point of attachment at registers/grills; air handler; blower fan motors; capacitors; compressors; condenser fan motors; condenser coils; condensers; evaporator coils; fan blades; freon gas lines interior to the unit; internal system controls; internal wiring; motors (excludes dampers); refrigerant (excludes reclamation); refrigerant filter dryer; refrigerant piping (excluding inter-connecting line sets and geo-thermal piping); relays; reversing valves; switches and controls; and thermostats (electronic set back units will be replaced only with standard units). We cover one (1) system with

maximum of five (5) ton capacity, and designed for residential application. If the primary cooling system in the home is comprised of wall units, all wall units located within the home will be covered.

Examples of Items/Conditions Not Covered: Primary/secondary condensate drain pans, pumps, and lines; filters (including electronic/electrostatic and de-ionizing filter systems); heat recovery unit; interconnecting freon lines (external of the equipment); panels and/or cabinetry; concrete encased or inaccessible ductwork; asbestos insulated ductwork or piping; recapture/reclaim of refrigerant; structural components; geothermal piping; water pumps and lines (external of the condenser unit); wall units (except as noted above); window units, and water cooling towers. Gas systems, including ammonia systems, and chilled water systems, are not covered.

3. Primary Central Heating System (Optional for Seller, included for Buyer)

Description of Covered Items: Mechanical parts and components of one system, either hot water and steam heating system or centrally ducted forced air/gas/electric heating system or electric baseboard units, if providing the primary source of heat in dwelling, as follows: accessible ductwork from covered heating unit to point of attachment to register/grill; blower fan motors; burners; controls; fan blades; heat/cool thermostats (electronic set back units will be replaced only with standard units); heat exchangers; heating elements; ignitor and pilot assemblies; internal system controls, wiring, and relays; motors (excludes dampers); and switches. Electric baseboard units are covered if they are the primary source of heating for the property.

Examples of Items/Conditions Not Covered: Chimneys, flues, and liners; cleaning and re-lighting of burners; concrete encased or inaccessible ductwork; asbestos insulated ductwork or piping; concrete encased steam or radiant heating coils or lines; electric baseboard heat unless primary heating system in home; filters (including electronic/electrostatic and de-ionizing filter systems); fireplaces; free-standing or portable heating units; fuel storage tanks, lines, and filters; gas log systems, including gas feed lines; humidifiers; individual space heaters; maintenance and cleaning; panels and/or cabinetry; radiant heating systems built into walls, floors or ceilings; pressure regulators; registers/grills; secondary units; solar heating devices and components; and structural components.

4. Plumbing System/Plumbing Pipes

Description of Covered Items: Mechanical parts and components of the following: garbage disposals; interior hose bibs; faucets; shower and tub valves; toilet tanks, bowls, and toilet mechanisms within the toilet tank. Leaks and breaks, except those caused by plumbing stoppages, of water, gas, drain, waste and vent lines within the perimeter of the main foundation are also covered. We cover up to three (3) toilets. Repair and finish of any walls, floors or ceilings where it is necessary to break through to effect repair is only covered under the Buyer Conversion, Buyer Direct, Open Direct, New Home or any subsequent renewal thereof, and only to the following extent: repair of walls to rough finish up to \$75 per claim. Rough finish is defined to include hanging of drywall, patching of drywall, stucco, lath. Repair to rough finish does not include supplies or labor for paint, sanding, wall texture, wallpaper and/or tile work.

Examples of Items/Conditions Not Covered: All plumbing in or under the ground, foundation or slab; all piping and plumbing outside of the perimeter of the foundation; bath tubs; bidets; caulking or grouting; color or purity of the water in the system; concrete encased plumbing; conditions of insufficient or excessive water pressure; conditions caused by plumbing stoppages; conditions of water flow restriction due to scale, rust, minerals and other deposits; exterior hose bibs; holding and pressure tanks; jet pumps; laundry tubs; lawn sprinkler systems; pressure regulating devices; septic tanks and systems in or outside of the home; sewage ejector pumps; sewer and water laterals; wells and well pumps; solar systems; shower enclosures and base pans; sinks; sump pumps; toilet tank lids and toilet seats; water damage; water filters; water purification systems; whirlpools, spas and their respective plumbing and mechanical components.

5. Water Heater

Description of Covered Items: Mechanical parts and components, including circulatory pumps and domestic hot-water coils attached to boilers, but excluding solar and heat recovery units.

Examples of Items/Conditions Not Covered: Color or purity of water; heat recovery units; insulation; noise; secondary holding/storage tanks; sediment build-up; and solar heaters, including all parts and components.

6. Water Softener

Description of Covered Items: Mechanical parts and components of basic single and twin water softener units, including central head assembly; piping to and from unit(s) and system tanks.

Examples of Items/Conditions Not Covered: Any and all treatment, purification, odor control, iron filtration components and systems; discharge drywells; failure due to excessive water pressure or freeze damage; failures due to mineral and/or sediment; resin bed replacement; and salt.

7. Electrical System

Description of Covered Items: Standard mechanical parts or components located within the perimeter of the outer load bearing walls consisting of: main breaker or fuse panel/box; interior standard light switches, receptacles and general line voltage wiring; ceiling fan motors and their controls; door bells and chimes.

Examples of Items/Conditions Not Covered: Attic, bathroom, and/or whole house exhaust fans; fire and smoke alarm systems and batteries; direct current (DC) wiring and systems; exterior wiring and components (except main panels mounted to exterior wall); exhaust fans; intercom or speaker systems; lighting fixtures; load control devices; low voltage systems including wiring and relays; telephone systems; timers; touch pad assemblies; utility meter base pans; and wall fans. Failures and con-

ditions caused by inadequate wiring capacity, circuit overload, power failure/shortage or surge, and corrosion caused by moisture are not covered.

8. Garage Door Opener

Description of Covered Items: Mechanical parts and components of a single primary unit as follows: motor; receiver board; relays; switches and sensors; and drive trains.

Examples of Items/Conditions Not Covered: Batteries; damage caused by door malfunctions; all door assemblies including door panels, tracks, rollers, hinges, cables and springs; frequency interference; lights; sending units; and transmitters.

9. Central Vacuum System

Description of Covered Items: Motor; switches; relay, wiring.

Examples of Items/Conditions Not Covered: secondary units, structural components, panels and/or cabinetry; handles; knobs; hoses; powerhead assemblies; attachments.

10. Well Pump System (Optional for Buyer)

Description of Covered Items: Mechanical components and parts of the submersible or above ground well pump utilized as the sole source of water supply only for the main dwelling, excluding irrigation system, as follows: motor; pump; impellers; seals; and controls. For units that also supply water for use outside the main dwelling, only the capacity required to supply water to the main dwelling, excluding irrigation system, is covered.

Examples of Items/Conditions Not Covered: Contamination or lack of water; excavation or other charges necessary to gain access to the pump; failure attributed to well impurity; joint wells; piping and electrical lines leading to and from the unit; pressure, holding or storage tank(s); re-drilling of wells; secondary/booster pumps; and well casings.

11. Swimming Pool (Optional for Buyer)

Description of Covered Items: Mechanical parts and components as follows: Above ground accessible piping lines leading to and from the unit; filters (housings, laterals, pressure gauges, back flush valves); gaskets; primary circulator pump and motor; and relays and impellers.

Examples of Items/Conditions Not Covered: Automatic feeders and chemicals; chlorinators; "creepy crawlers" and similar cleaning units; electrical lines; filter elements or media (i.e., cartridges, grids and sand); lighting; pop up heads and turbo valves; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment; skimmers; solar heaters and related components; structure, liner or shell of the pool; timer systems; and underground and/or concrete encased plumbing.

12. Heater for Swimming Pool and/or Spa (Optional for Buyer)

Description of Covered Items: Mechanical components and parts of gas, electric, oil, and heat pump units. In no event shall we be liable for claims in excess of \$1000 in the aggregate per covered property with respect to pool or spa heaters.

Example of Item Not Covered: Freon reclamation.

13. Spa (Optional for Buyer)

Description of Covered Items: Mechanical parts and components as follows: above ground accessible plumbing lines leading to and from unit; air pumps; blower motor; filters (free-standing housing body, laterals, pressure gauges, back flush valves); gaskets; impellers; internal spa pack heater; internal switches; primary circulator pump and motor; and relays.

Examples of Items/Conditions Not Covered: Automatic feeders and chemicals; chlorinators; "creepy crawlers" and similar cleaning units; electrical lines; filter elements or media (i.e., cartridges, grids and sand); lighting; pop up heads and turbo valves; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment, skimmers; solar heaters and related components; structure, liner or shell of the pool; timer systems; and underground and/or concrete encased plumbing.

14. Combination (shared equipment) Swimming Pool and Spa (Optional for Buyer)

Description of Covered Items: Mechanical parts and components as follows: above ground accessible plumbing lines leading to and from unit; air pumps; blower motor; filters (free-standing housing body, laterals, pressure gauges, back flush valves); gaskets; impellers; internal spa pack heater; internal switches; primary circulator pump and motor; and relays.

Examples of Items/Conditions Not Covered: Automatic feeders and chemicals; chlorinators; "creepy crawlers" and similar cleaning units; electrical lines; filter elements or media (i.e., cartridges, grids and sand); lighting; pop up heads and turbo valves; secondary/auxiliary cleaning equipment and accessories including built-in or detachable cleaning equipment, skimmers; solar heaters and related components; structure, liner or shell of the pool; timer systems; and underground and/or concrete encased plumbing.

15. Jetted Bathtub (Optional for Buyer)

Description of Covered Items: Mechanical parts and components as follows: accessible electrical controls; accessible plumbing lines; air pumps; drains; gaskets; and primary circulation pump and motor.

Examples of Items/Conditions Not Covered: Bathtub shell; caulking and grout; failures due to dry operation of equipment; gaining access to piping, electrical and component parts; tiles and marble; and tub enclosure.

4 Easy Ways to Order:

FAX: 1-800-546-APPS (546-2777)

PHONE: 1-888-ASK-4-HMS

ONLINE: www.warrantyofchoice.com

MAIL: 8300 ARLINGTON BLVD., (275-4467), SUITE B-2, FAIRFAX, VA 22031

Effective Date

The seller warranty plan becomes effective upon receipt by HMS and, therefore, should be forwarded to HMS immediately upon listing. The buyer warranty plan becomes effective as of the date of closing.

Deductible/Service Fee

Coverage is subject to a standard deductible/service fee of \$100 (or the actual amount, if less) per service call, per trade agent on the covered portion of the claim.

Base Price

Pre-Owned Single Family Homes including Townhomes and Condominiums: \$370

Additional Component Pricing

The Home Warranty Agreement price is based on coverage for a specified number of named systems, appliances, components. If the property has more than the number indicated below, please add the additional cost to the total amount due.

If	Add per unit
More than 1 heating unit	\$ 100
More than 1 central A/C unit	\$ 75
More than 1 Water Heater	\$ 50
More than 1 Refrigerator	\$ 25
More than 3 Toilets	\$ 50

Seller Optional Coverage

Air Conditioning and Heating Coverage during the listing period \$ 60

Buyer Optional Coverage (One year coverage)

Well Pump System	\$ 60
Jetted Bathtub	\$ 70
Swimming Pool	\$210
Spa	\$210
Swimming Pool with Spa (shared equipment)	\$210

Important Items

- This contract does not include upgrading or improvement of systems or appliances due to lack of capacity or failure to meet building code(s) or zoning requirements. This includes any upgrades required by city, county, federal and utility regulations.
- This contract does not cover existing defects. All covered items must be in good working order on the effective date of coverage.
- Please do not call a contractor yourself. You will not be reimbursed for work performed without prior company approval.
- Contract holder will be responsible for the costs of permits when necessary and the cost of handling of asbestos or other toxic materials including freon, as well as costs relating to disposal of existing systems, where necessary.

HMS MasterPEACE™ Application

Order Confirmation Number: _____

COVERAGE FOR: _____

SELLER _____ BUYER

Full Name _____

Property Address _____

City _____ State _____ Zip _____

Mailing Address if Different _____

Phone (_____) _____

Email Address: _____

Seller Length of Listing: From _____ To _____

Buyer Closing Date _____

HMS MEMBER # _____

Firm Name _____

Address _____

City _____ State _____ Zip _____

Phone (_____) _____

Real Estate Agent _____

Agent Email _____

Base Price:

- Single-Family Home \$370 \$ _____
- Duplex \$495 \$ _____
- New Single-Family Construction (3 year) \$495 \$ _____

Add'l Components (List) \$ _____

_____ \$ _____

_____ \$ _____

Seller Options:

Seller Heat and Air \$60 \$ _____

Buyer Options:

Jetted bathtub \$70/ea \$ _____

Pool Spa Pool w/Spa \$210/ea \$ _____

Well Pump \$60/ea \$ _____

Total Amount Due at closing \$ _____

Disclosure: The price of the HMS Home Warranty Plan includes the full amount of all fees due and payable, excluding sales taxes, if applicable, as well as the costs of processing and administration for the issuing company and its agents, e.g., Real Estate Broker or Title Agent.

Acceptance of Coverage: Applicant acknowledges that he/she understands the terms and conditions of coverage and authorizes closing agent to pay the required fees upon closing.

Waiver of Coverage: I hereby decline the warranty plan that has been presented to me. I agree to hold that real estate broker and agent harmless in the event of a subsequent mechanical failure that otherwise would have been covered under the warranty plan.

Signature: _____ Date _____