

Service Contract Administrator: Service Contract Obligor:
X10 Wireless Technology, Inc.
620 Naches Ave SW
Renton, WA 98057
Telephone: (425) 203-3900

CONGRATULATIONS

You have just made a smart consumer decision to protect yourself from the future cost of repairing your new product by purchasing an X10 Replacement Plan (the "Plan"). This Plan is automatically activated; there is no need to visit our web site or call to activate.

This Plan is an agreement between X10 Wireless Technology, Inc. (X10), 620 Naches Ave SW, Renton, WA 98057 who is the obligor/provider, and you, the purchaser. Customers having questions regarding the receipt of services under this Plan should call X10 at 1-800-675-3044. This document sets forth the entire Plan and may not be modified except by X10.

PRODUCT ELIGIBILITY, COVERAGE AND TERM

This Plan covers products purchased as new and manufactured for use in the United States and Canada, which at the time of purchase included the manufacturer's original written warranty valid in the United States and Canada. In order to be eligible for a Plan, the manufacturer's original written warranty must provide at least 90 days parts and labor coverage. This Plan covers all mechanical and electrical defects that would normally be covered by the original manufacturer's written warranty, unless otherwise stated in the Exclusions from Coverage section of this document. Coverage under this Plan shall commence immediately upon the expiration of the manufacturer's original parts and labor written warranty and is based upon the term of coverage, product description, and retail price limitations shown on the customer's online order confirmation receipt. If the manufacturer's warranty has a split-warranty coverage (a split-warranty exists when there is uneven coverage for parts and labor), this Plan shall commence at the time the shortest portion of the manufacturer's warranty expires. During the manufacturer's warranty period, any parts and labor covered by that warranty are the sole responsibility of the manufacturer. This Plan is for carry-in service only. In the event your product suffers a mechanical or electrical defect in the covered year(s) following the expiration of the shortest portion of your manufacturer's warranty, this Plan will replace your original product with a product of equal or similar features and functionality. A replacement part or product may be new or reconditioned and may cost less than the original product purchased. No charges or refunds will be made based on the replacement product cost difference. For instructions on how to obtain a replacement product, please call 1-800-675-3044. This Plan is limited to one replacement during the lifetime of the Plan. Technological advances may result in a replacement product with a lower selling price than the original product. The most we will pay on any single replacement is the price you paid for the product. If we replace the product in its entirety, our maximum liability has been met under this contract and there will no longer be coverage under the terms of this contract. Replacement products will include a manufacturer's warranty and the retailer has the option to offer an additional extended service contract on the replaced product. If a replacement product is not available, we will refund to you the product purchase price and this contract will be invalid and all obligations satisfied. In no event shall the obligation to administer claims extend beyond the expiration date for the coverage term provided. **You may be required to ship or deliver the defective product prior to receiving reimbursement or a replacement product.**

IMPORTANT CONSUMER INFORMATION

This Plan is deemed a service contract under federal law. If the covered product is deemed non-repairable or repair parts become unavailable during the coverage period of this Plan, the X10 will

replace the product with a product of equal or similar features and functionality, though not necessarily the same brand. Replacement products may be new or rebuilt products. In no event shall X10 be liable for any damages as a result of the unavailability of repair parts. X10 owns all parts removed from repaired products and any complete units replaced in their entirety.

If you transfer ownership of your product, this Plan may be transferred by sending to X10, at the address above, the name and address of the new owner within 10 days of the transfer along with a \$10.00 transfer fee. The cancellation provisions of the service contract apply only to the original purchaser of the service contract. Customers having questions regarding the receipt of services under this Plan should call the X10 at 1-800-675-3044. This document sets forth the entire Plan and may not be modified except by the X10.

EXCLUSIONS FROM COVERAGE

This Service Contract does not cover any loss or damage resulting from: pre-existing conditions (means a condition that within all reasonable mechanical probability relates to the mechanical fitness of your covered merchandise prior to contract issuance); improper installation of components or peripherals; unauthorized repairs or modifications; improper use of electrical/power supply; loss of power; power surge or overload unless otherwise stated under Program Coverages; dropped product; collision with another object; any result of a malfunction or damage of an operating part from failure to provide manufacturer's recommended maintenance; transportation damage; damage to outside casing; attachments; theft, abuse, misuse, neglect, or vandalism; accidents, collapse, or explosion; battery leakage; bending or dropping; water or other liquids, spillage of any kind; animal or insect damage, or environmental conditions including but not limited to fire, floods, smoke, corrosion, sand, dirt, lightning, moisture or water damage, freezes, storms, wind or windstorm, hail, earthquake, or exposure to weather conditions; intentional or accidental damage by third parties; software and software related problems; losses on any component(s) never covered by a manufacturer's warranty; any damage to recording media including any program, data or setup resident on any mass storage devices such as hard drives, CD-ROM devices, floppy diskettes, tape drives or tape backups as a result of the malfunctioning or damage of an operating part; reception and transmission problems resulting from external causes.

Other exclusions include but are not limited to: any repair covered by a manufacturer's warranty; recall or rework, regardless of the manufacturer's ability to pay for such repairs; damage resulting from computer viruses; television or personal computer monitor imperfections including burned-in phosphor in CRTs or for any other reason; neglect, misuse, abuse of any component including adjustments, manipulation or modifications made by anyone other than an authorized service technician; covered products with removed or altered serial numbers; consumer replacement items such as bulbs, tubes, filters, batteries, toner, ribbons, drums, developer, ink or ink cartridges or any other parts or materials which are designed to be consumed during the life of the product; disposal cost of any component; removal and reinstallation of an internal component not performed by a factory authorized service center; damage caused by any repair personnel or any owner, employee or third party; design deficiency; cosmetic or structural items; cables, cords, wiring, keypads, switches and connectors; damage, warping or rusting of any kind in the housing, case or frame of the covered product or any non-operating part, including plastic or decorative parts such as hinges, knobs, etc.; loss of data or for loss of use during the period the covered product is at a repair facility or otherwise awaiting parts; any costs associated with repairs or maintenance resulting from the product's inability to correctly recognize, distinguish, interpret or accept dates in the Year 2000 and beyond; components and products used for commercial purposes; products provided for public use or rental. Coverage is not available in settings such as bars, schools, churches and other places where the equipment is used by a number of people. This Plan does not cover labor or materials to obtain access to covered components if removal or repair is required.

You are responsible for backing up all software prior to commencement of any repair. This Plan does not cover restoration of software to your covered product. If your covered product experiences a defect or damage that is excluded from coverage under this section or in the event that no covered defect or damage is found, then you are responsible for all repair costs and the cost of on-site service.

DISCLAIMER OF CERTAIN LIABILITIES

Under no circumstances shall X10 be liable for indirect, consequential, or incidental damages (including damages for lost profits, business interruption, loss of data, and the like), even if any party has been advised of the possibility of such damages. This Plan will not cover any defects that are subject to a manufacturer's program of reimbursement. This Plan is not a warranty or insurance policy; it is a Service Contract. This Service Contract is not intended to create or limit any implied warranties concerning your product, which may or may not exist under applicable law.

CANCELLATION

You may cancel your service contract by informing X10 of your cancellation request in writing within 30 days of receiving the service contract. The service contract is non-cancelable after 30 days from the date of purchase. For those states that do not permit non-cancellation of your service contract, the law of that state shall apply to residents requesting cancellation.

If we cancel this service contract, we must provide you with a written notice at least 15 days prior to cancellation at your last known address, with the effective date for the cancellation and the reason for cancellation. Return of the premium is based upon 100% of the unearned pro-rata premium.

SPECIAL STATE REQUIREMENTS

State amendments to specific provisions of the terms of cancellation are as follows:

Alabama only: If your cancellation request is made more than 30 days from the date of purchase, we will refund the unearned portion of its full purchase price. However, we will retain an administrative fee equal to the purchase price or \$25.00, whichever is less. Any refund may be credited to any outstanding balance of your account and the excess, if any, returned to you. A 10% penalty per month will be added to a refund that is not paid or credited within 45 days after return of the service contract to us. In the event we cancel this service contract, we will mail a written notice to you at your last known address at least 5 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. But, we are not required to mail you written notice if the reason for cancellation is nonpayment of the Provider fee or a material misrepresentation by you to the Provider relating to the covered property or its use.

Arizona only: CANCELLATION - You may cancel this service contract at anytime prior to the expiration date by sending written notice to X10 Wireless Technology, Inc. (X10), 620 Naches Ave SW, Renton, WA 98057 You will receive a pro-rata refund, less a \$25.00 administrative fee for cancellation of the service contract. However, no claims incurred or paid will be subtracted from this refund. **EXCLUSIONS** - We shall not provide coverage only for those specifically listed items in the Exclusions section. "Pre-existing conditions" is further defined as conditions that were caused by you or known by you prior to purchasing this service contract.

California only: If you purchase your contract in California you may cancel the contract

according to the following terms. If you inform the X10 of your request for cancellation in writing after 30 days from the date of receiving the service contract, you will receive a pro-rata refund of the service contract purchase price, less the cost of repairs made (if any), and less an administrative fee of 10% of the service contract price up to \$25.00.

Connecticut only: In the event of a dispute with X10, you may contact The State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the product, the cost of repair of the product and a copy of the warranty contract.

Georgia only: You may cancel this service contract at anytime by notifying X10 in writing whereupon the X10 will refund the unearned pro-rata purchase price. X10 may not cancel this agreement except for fraud, material misrepresentation, or nonpayment by you or if required to do so by any regulatory authority. Notice of such cancellation will be in writing and given at least 30 days prior to cancellation. This contract will be interpreted and enforced according to the laws of the state of Georgia.

Illinois only: Covered items must be in place and in good operating condition on the effective date of coverage and become inoperative due to normal wear and tear after the effective date of this contract. The service contract holder is allowed to cancel the service contract. If the service contract holder elects cancellation, the service contract Provider may retain a cancellation fee not to exceed the lesser of 10% of the service contract price or \$50.00. The service contract may be cancelled within 30 days after its purchase if no service has been provided and a full refund of the service contract purchase price, less the cancellation fee, will be paid to the service contract holder. The service contract may be cancelled at any other time and a pro-rata refund of the service contract purchase price for the unexpired term of the service contract, as measured by the number of days still remaining on the service contract, less the value of any service received and any cancellation fee stated in the service contract will be paid to the service contract holder.

Nebraska only: If we cancel this service contract, we must provide you with a written notice at least 30 days prior to cancellation at your last known address, with the effective date for the cancellation and the reason for cancellation.

New Mexico only: You may return this service contract within 20 days of the date this service contract was mailed to you, or within 10 days if the service contract was delivered to you at the time of sale. If you made no claim, the service contract is void and the full purchase price will be refunded to you. A 10% penalty per month will be added to a refund that is not made within 60 days of your return of the service contract. These provisions apply only to the original purchaser of the service contract. In the event we cancel this service contract, we will mail a written notice to you at your last known address at least 15 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. The Provider of this service contract may cancel this contract within 70 days from the date of purchase for any reason. After 70 days, the Provider may only cancel this service contract for fraud, material misrepresentation, nonpayment by you or a substantial breach of duties by you relating to the covered property or its use.

Nevada only: The following amends the **CANCELLATION** and **IMPORTANT CONSUMER INFORMATION** sections of this contract. This contract is renewable. These provisions apply only to the original purchaser of the service contract. You may cancel this service contract at anytime by notifying the Administrator in writing. If you have made no claim and your request for cancellation is within 30 days, the full price you paid for the service contract will be refunded and no administrative fee will be deducted. If you have made a claim under the contract, or if your request is beyond the first 30 days, you will be entitled to a prorated refund of the unearned

contract fee, less a \$25.00 administrative fee. If your contract was financed, the outstanding balance will be deducted from any refund, however, you will not be charged for claims paid or repair service fees. If you cancel this contract and the refund is not processed within 45 days, a 10% penalty will be added to the refund for every 30 days the refund is not paid. The Provider of this service contract may cancel this contract within 70 days from the date of purchase for any reason. After 70 days, the Provider may only cancel this service contract for fraud, material misrepresentation, nonpayment by you or a substantial breach of duties by you relating to the covered property or its use. If the Provider cancels your contract you will be entitled to a pro-rata refund of the unearned contract fee, no administrative fee will be deducted. In the event we cancel this service contract, written notice will be sent to your last known address at least 15 days prior to cancellation with the effective date. **Emergency Service** for covered products that provide heating or cooling of your dwelling. If the covered product you purchased provides heating or cooling for your dwelling, and you sustain a failure of such product that renders your dwelling uninhabitable, repairs will commence within 24 hours after you report the failure. Please call 800-675-3044 to report such a loss.

New York, South Carolina, Texas and Wyoming only: You may return this service contract within 20 days of the date this service contract was mailed to you, or within 10 days if the service contract was delivered to you at the time of sale. If you made no claim, the service contract is void and the full purchase price will be refunded to you. A 10% penalty per month will be added to a refund that is not made within 45 days of your return of the service contract. These provisions apply only to the original purchaser of the service contract. In the event we cancel this service contract, we will mail a written notice to you at your last known address at least 21 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. But, we are not required to mail you written notice if the reason for cancellation is non-payment of the Provider fee, a material misrepresentation, or a substantial breach of duties by you relating to the covered property or its use.

North Carolina only: The purchase of a service contract is not required in order to obtain financing for the product. You may cancel this service contract at any time after purchase. You will receive a pro-rata refund of the service contract purchase price less the cost of repairs made and less an administrative fee of 10% of the service contract purchase price up to \$25.00. We may cancel this service contract only for non-payment of the purchase price of the service contract or a direct violation of the service contract by you.

Oklahoma only: In the event you, the customer, cancel the service contract, return of premium will be based upon 90% of the unearned pro-rata premium. In the event we cancel the service contract, return of the premium is based upon 100% of the unearned pro-rata premium.

South Carolina only: If you have any questions regarding this Contract, or a complaint against the Obligor, You may contact the South Carolina Department of Insurance at 300 Arbor Lake Drive, Columbia, South Carolina 29223, (803) 737-6180.

Texas only: If you have any questions regarding the regulation of service contract Provider or a complaint against the Obligor, you may contact the Texas Department of Licensing & Regulation, 920 Colorado, P.O. Box 12157, Austin, Texas 78711, (800) 803-9202.

Utah only: Coverage afforded under this contract is not guaranteed by the Property and Casualty Guaranty Association. If we cancel this service contract, we must provide you with a written notice at least 15 days prior to cancellation at your last known address, with the effective date for the cancellation and the reason for cancellation. We may cancel this service contract for nonpayment of the contract charge. Such cancellation will be effective 10 days after the mailing of notice. We may cancel the service contract for misrepresentation of a claim. Such cancellation will be effective 30 days after mailing of notice. **Washington only:** You may return this service contract within 20 days of the date this service contract was mailed to you, or within 10 days if the service contract was delivered to you at the time of sale. If you made no claim, the service

contract is void and the full purchase price will be refunded to you. A 10% penalty per month will be added to a refund that is not made within 30 days of your return of the service contract. These provisions apply only to the original purchaser of the service contract. In the event we cancel this service contract, we will mail a written notice to you at your last known address at least 21 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. Exclusions from coverage are limited to those expressly stated under the "Exclusions from Coverage" section above.

Wisconsin only: THIS WARRANTY IS ONLY SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. The purchaser may cancel this service contract at any time. If you cancel this service contract within 30 days of the date of purchase, the Administrator shall return 100% of the purchase price less actual costs or charges needed to issue and service the service contract. If you cancel this service contract Plan after 30 days, you will receive a pro-rated refund less a cancellation fee of 10% of the purchase price up to \$25.00. Unauthorized repairs may not be covered.