ServiceSmart™ PROTECTION AGREEMENT
Retain this document as proof of ownership.

This is not a contract of insurance.

In this ServiceSmart™ Protection Agreement (hereinafter referred to as the “Agreement”), the terms “we,” “us,” “our” and “Obligor” refer to Sears, Roebuck and Co. (“Sears”) or Sears Roebuck de Puerto Rico, Inc. (“Sears PR”), a wholly-owned subsidiary of Sears, in Puerto Rico. The Obligor of this Agreement shall be determined by the ultimate location of the product(s) covered by this Agreement at the time of the first service call. The terms ‘you’ and ‘your’ refer to the purchaser of this Agreement. Obligations under this Agreement are backed only by the full faith and credit of the Obligor. ALSO SEE SPECIAL STATE EXCLUSIONS BELOW.

1. COVERAGE AND TERM. Subject to the terms and conditions of this SSA, and during the Term (as that term is hereinafter defined) we will directly pay on your behalf the cost of parts and services performed by a qualified repair provider that we shall designate (“Sears Repair”) necessary to maintain the proper operating condition of the product(s) as to which you specifically purchased this SSA to protect (the “Covered Product”) as set forth on the reverse side, including repairs necessary due to normal wear and tear of such Covered Product(s). Any parts and service necessitated by a Sears Repair on Covered Product(s) which is then subject to any manufacturer’s warranty or manufacturer’s recall will be performed by Sears in accordance with the procedures and dictates of such manufacturer’s warranty or manufacturer’s recall. Parts used to repair out of warranty product(s) may be either new or rebuilt or non-original manufacturer's parts, at our option. Products including those within the original manufacturer’s warranty period may be repaired or replaced with a comparable product (which may have a lower selling price than the Covered Product(s)) from a Sears or Sears affiliated store, or, at our discretion, we will issue a credit for the replacement value of the Non-Repairable Covered Product(s), which value could be substantially less than the price paid for the Covered Product(s).

The term of this SSA (“Term”) begins on the date coverage was purchased on the Covered Product(s) and expires on the date set forth on the reverse side.

Any manufacturer’s warranty period on the Covered Product(s) may run simultaneously with the Term or a portion of the Term, however at no time will the Total Price (as that term is defined in Section 10 of this SSA) you paid for this SSA include the scope of coverage within such coverage time period that is specifically set forth in such manufacturer’s warranty as any manufacturer’s warranty on the Covered Product(s) is separate and distinct from the coverage being provided to you under this SSA.

THERE ARE CERTAIN LIMITATIONS TO COVERAGE UNDER THIS SSA WHICH ARE SET FORTH IN SECTIONS 2, 3, 8, 9 AND 11 BELOW.

2. ELIGIBILITY FOR COVERAGE. You represent that the product(s) listed on the reverse side and the information related to "Date Purchased" is correct. This Agreement does not apply for products over ten (10) years old, calculated from the date of manufacture. Covered Product(s) must have a legible model and serial number. Covered Product(s) without the proper identification or product(s) exceeding age limit will not be eligible for any service under this Agreement and this Agreement will be cancelled. We reserve the right to inspect the product(s) listed on the reverse side to determine eligibility for coverage. Coverage applies only to product(s) which are located at one (1) address within a single dwelling.

3. COVERAGE ON INITIAL REPAIR VS. SUBSEQUENT REPAIRS. As long as the product(s) covered under this Agreement complies with Section 2, is not in a disassembled state, is not subject to cancellation (see Section 10) or is not located outside of the United States, Puerto Rico or Guam, all service requests identified in the initial repair are covered by this Agreement. Food Loss Reimbursement and Limitations of Coverage (Sections 9a, 9b and 9e-i) are only applicable to subsequent repairs.

4. TRANSFERABILITY. This Agreement is transferable to any subsequent owner of the Covered Product(s), subject to the terms and conditions of this Agreement.

5. FOOD LOSS REIMBURSEMENT FOR REFRIGERATORS AND FREEZERS. We will reimburse you up to $200 within any continuous twelve (12) month period during the Term of this SSA for any food loss occurring after the initial repair that is the result of a mechanical failure of the Covered Product, excluding any food loss which was incurred prior to the initial repair. The food loss must be verified by us. If the Covered Product is still under a manufacturer’s warranty, any reimbursement under this Agreement is in addition to any reimbursement under such manufacturer’s warranty. In no case shall the total reimbursement under the manufacturer’s warranty and this Agreement, in the aggregate, exceed the value of the food loss.

6. UNREPAIRABLE PRODUCTS. If we determine that a Covered Product(s) is unrepairable (a “Non-Repairable Covered Product”) or if the regular retail price for a repair exceeds $500 (including parts and labor), you are entitled, at your option, to either (1) a comparable product replacement based solely on the replacement value of such Non-Repairable Covered Product as...
determined by us, with a replacement value not to exceed $500 from a Sears or Sears affiliated store; or (2) up to $500 in credit towards a replacement item if the price of the comparable replacement product exceeds $500, or (3) you may apply $500 towards the price of the repair. If none of the three options in the immediately preceding sentence is selected by you, then we may cancel this Agreement and refund the Total Price of your current SSA coverage for the Non-Repairable Covered Product. You have up to ninety (90) days from the date of authorization by us to select your replacement product. To secure authorization, call 1-800-927-7836. Replacement products may be new or rebuilt to meet the manufacturer’s specifications of the original product. We shall not be responsible for reconfiguring space to accommodate replacement product(s) when a product of identical dimensions is not available. TECHNOLOGICAL ADVANCES AND REPLACEMENT PRODUCT AVAILABILITY MAY RESULT IN A REPLACEMENT PRODUCT WITH A LOWER SELLING PRICE THAN THE ORIGINAL PRODUCT (BEING THE NON-REPAIRABLE COVERED PRODUCT). IN ALL CASES, PRODUCT COMPATIBILITY FOR A REPLACEMENT PRODUCT WILL BE DETERMINED BY US AT OUR SOLE DISCRETION.

7. TIME OF SERVICE. Service will be performed during the Sears Repair provider’s normal business hours. If, due to the loss of the use of your product, your health or safety is endangered or if damage to or loss of your property is threatened, we will make commercially reasonable efforts to expedite service. To arrange for service where your product is located, call 1-800-4-MY-HOME® at any time. On some products, telephone support by a technician will be available and you will be required to check some basic operational functions and be given possible solutions before a technician is dispatched to your home. If the reverse side of this certificate indicates Shop Service, you must bring the Covered Product(s) to a Sears Repair location and pick it up following completed service. In some cases, you will be provided packaging and you must ship the Covered Product to our service provider, at our expense, for repair. For select types of merchandise, we may transfer Covered Product from your home to a specialized facility in order to complete the repair, at our expense if the product is covered by an in-home Agreement.

8. SAFETY AND ACCESSIBILITY. In the event that Sears Repair determines that it cannot service your Covered Product(s) due to poor accessibility or unsafe working conditions or that it cannot restore your Covered Product(s) to safe, working conditions due to reasons beyond the scope of this Agreement, such as, but not limited to, code violations, improper storage, installation, use or movement of the equipment, including the failure to place the equipment in an area that complies with the manufacturer's published space or environmental requirements, Sears Repair shall not be required to proceed with the covered repair(s) until you remedy the applicable cause.

9. LIMITATIONS OF COVERAGE THIS Agreement DOES NOT COVER:
   a. normal maintenance, such as periodic tune-ups and oil changes.
   b. accessories or attachments, nonfunctional parts (such as trim) and cosmetic defects.
   c. any product located outside the United States, Puerto Rico and Guam.
   d. any product used for business or commercial purposes. A product is "used for business or commercial purposes" if it is used for any purpose other than single family household purposes.
   e. repair of any product which is damaged or malfunctioning due to causes beyond our control including, but not limited to, repairs necessitated by operator or owner negligence (such as the failure to maintain the product according to the owner's manual instructions), improper installation, CRT-based or Plasma television burn-in, accidental damage, abuse, misuse, vandalism, theft, rust, corrosion; animal or insect infestation, damage caused by lightning, and acts of nature.
   f. service required as a result of any alteration of the equipment or repairs made during the Agreement term which are not authorized by us, or are made by parties not specifically authorized by us, such as, but not limited to, product(s) that are in a disassembled state.
   g. expendable items, including, but not limited to: any filters, bulbs (micro display lamps are covered), batteries, vacuum cleaner bags, blades, spark plugs, fluids (gasoline, oil, etc.), sewing machine needles, saw blades, tines, and other operating supplies and consumable items.
   h. the following products, parts, and services: installation (other than re-installation required to complete a covered repair, or replacement required under Section 6 of this Agreement), antenna systems, bent crankshafts, pulling and re-installing of deep well jets or submersible well pumps, and changing or assembling attachments for tractors or riding mowers.
   i. telephone, water, gas, electrical or other lines, drains, or ductwork connecting to the equipment. Upgrades to your Covered Product(s), permits or any additional expenses incurred in order to comply with local, state or federal building codes or other laws and regulations are your responsibility.
   j. coverage to your Covered Product(s) if poor accessibility or unsafe working conditions exist.

10. CANCELLATION AND REFUNDS. You may cancel this SSA at any time for any reason by calling 1-800-4-MY-HOME® or by mailing written notice of cancellation to: Cancellation Services, P.O. Box 2570, High Point, NC 27263. We may cancel this Agreement if you fail to pay, make a material misrepresentation or substantially breach your duties under this Agreement, or if Sears Repair or its representatives determines that it cannot service your Covered Product(s). We may also cancel this Agreement if the Covered Product to be serviced is over ten (10) years old, calculated from the date of manufacture or if the Covered Product does not have a legible model and serial number. We will notify you of any cancellation being made by us for the reasons set forth above in accordance with applicable law and the terms and conditions of this SSA. If this Agreement is
cancelled by you or us, as the case may be, within first sixty (60) days of the Term we will refund 100% of the total price you paid for this SSA (the “Total Price”). If this Agreement is cancelled thereafter, we will refund the Total Price allocable to the remainder of the Term of this Agreement, prorated on a monthly basis. Any refund will be made in the same form as the original payment of this SSA. If any service has been performed under this Agreement (including the initial service call set at the time of the sale of this Agreement), the regular retail price will be deducted from your refund amount. The regular retail service charge may be deducted from any refund if it is determined at the time of the service call that the Covered Product is over the ten (10) year age limit.

11. LIMITATION OF LIABILITY. EXCEPT AS STATED IN SECTION 5 WE AND OUR AGENTS, CONTRACTORS OR LICENSEES ARE NOT LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, PROPERTY DAMAGE, LOST TIME, LOSS OF USE OF COVERED PRODUCT (S) OR ANY OTHER DAMAGES RESULTING FROM THE BREAKDOWN OR FAILURE OF COVERED PRODUCT (S), DELAYS IN SERVICING OR THE INABILITY TO SERVICE ANY COVERED PRODUCT (S) EXCEPT AS MAY OTHERWISE BE REQUIRED BY LAW.

UNDER NO CIRCUMSTANCES WHATSOEVER SHALL THE OBLIGATIONS OF OBLIGOR UNDER THIS SSA TO YOU FOR MONETARY RECOVERY EXCEED THE TOTAL PRICE PAID FOR THE COVERED PRODUCT(S) UNDER THIS SSA.

12. RENEWAL. No party is obligated to renew this Agreement beyond the expiration date. Prices may change upon renewal. By purchasing this Agreement, you agree that you may be called to notify you of renewals and upgrade plans.

13. PUERTO RICO, CALIFORNIA, NEW MEXICO, WYOMING AND NEW YORK CUSTOMERS. A 10% penalty per month shall be added to any refund that we fail to make within thirty (30) days of your cancellation of this Agreement and request for a refund.

14. UTAH CUSTOMERS. Coverage under this Agreement is not guaranteed by the Property and Casualty Guaranty Association. In the event of cancellation of this Agreement by Obligor in accordance with the "Cancellation and Refunds" provisions above, Utah residents will receive thirty (30) day prior written notice of cancellation. There is no deductible applied for the performance of this Agreement.

15. KENTUCKY AND VIRGINIA CUSTOMERS. If we fail to pay any valid claim within sixty (60) days of proof of loss, you may make a claim directly against Safeco Insurance Company of America, Safeco Plaza, Seattle, WA 98185.

16. INDIANA AND WEST VIRGINIA CUSTOMERS. This Agreement is not an insurance policy and is not regulated by the Departments of Insurance for the states of Indiana and West Virginia.

17. IOWA CUSTOMERS. Obligor is subject to regulation by the insurance division of the Iowa Department of Commerce. Complaints that are not settled by us may be sent to the insurance division.

18. TEXAS CUSTOMERS. Any questions concerning the regulation of us under this Agreement or any unresolved complaints may be directed to the Texas Department of Licensing and Regulations - P.O. Box 12157 Austin, Texas 78711 or (512) 463-6599.

19. SOUTH CAROLINA CUSTOMERS. Any questions concerning the regulation of us under this Agreement or any unresolved complaints (within sixty (60) days of proof of loss) may be directed to the South Carolina Department of Insurance – P.O. Box 100105 Columbia, South Carolina 29202-3105 or (800) 758-3467. A 10% penalty per month shall be added to any refund that we fail to make within forty-five (45) days after the return of the Agreement to the provider.

20. NORTH CAROLINA CUSTOMERS. Upon cancellation a reasonable administrative fee not to exceed 10% of the pro rata refund may be charged. Obligor must notify the consumer before the purchase of this Agreement that its purchase is not necessary in order to purchase or obtain financing of the Covered Product.

21. ALABAMA CUSTOMERS. A 10% penalty per month shall be added to any refund that we fail to make within forty-five (45) days of your cancellation of this Agreement and request for a refund. This Agreement will not charge a deductible for services rendered.

22. GEORGIA CUSTOMERS. Notwithstanding the CANCELLATION AND REFUNDS section, we will only cancel this Agreement for fraud, material misrepresentation or nonpayment of amounts due under this Agreement. We will mail to you a written notice at least ten (10) days prior to the date of cancellation for nonpayment, or at least thirty (30) days prior to the date of cancellation for fraud or material misrepresentation. Obligor will not provide services under this Agreement if poor
accessibility or unsafe working conditions exist, but these conditions are not grounds for cancellation. Nothing contained in any provision elsewhere in this Agreement shall affect your right to make a claim directly against Safeco Insurance Company of America if we fail to pay any valid claim within sixty (60) days. The claim should be sent to Safeco Insurance Company of America, Safeco Plaza, Seattle WA 98185.

23. MINNESOTA CUSTOMERS. In the event of cancellation of this Agreement by us in accordance with the "Cancellation and Refunds" provision above, Minnesota residents will receive five (5) days prior written notice of cancellation if for reason of nonpayment, material misrepresentation or substantial breach of duties, or at least fifteen (15) days for all other reasons. A 10% penalty per month shall be added to any refund that we fail to make within forty-five (45) days of your cancellation of this Agreement and request for a refund.

24. NEW HAMPSHIRE CUSTOMERS. In the event that you do not receive satisfaction under this Agreement, you may contact the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, NH 03301; telephone 1-800-852-3416; e-mail consumerinquiries@ins.nh.gov.

25. ARKANSAS CUSTOMERS: In the event of cancellation of this Agreement by us in accordance with the “Cancellation and Refunds” provision above, Arkansas residents will receive fifteen (15) days prior written notice of cancellation for reasons other than for nonpayment, material misrepresentation or substantial breach of duties. A 10% penalty per month shall be added to any refund that we fail to make within forty-five (45) days of your cancellation of this Agreement and request for a refund.

26. WASHINGTON CUSTOMERS: In the event of cancellation of this Agreement by us in accordance with the “Cancellation and Refunds” provision above, Washington residents will receive twenty-one (21) days prior written notice of cancellation for reasons other than for nonpayment, material misrepresentation or substantial breach of duties. A 10% penalty per month shall be added to any refund that we fail to make within forty-five (45) days of your cancellation of this Agreement and request for a refund.