

KPW Service Association, Inc.

Dear Member,

In October 2022, our appliance repair cooperative faced a devastating blow. We discovered a massive theft of over \$650,000, leaving us with depleted funds and a shaken foundation. This betrayal meant we couldn't maintain our usual financial support for your appliance repair.

We faced:

- Loss of Quality Complete, jeopardizing our service.
- Board resignation, leaving us without leadership.
- Financial crisis, nearing insolvency.
- Embezzlement of over \$650,000, requiring staff layoffs.
- Destruction/shredding of records, hindering recovery efforts.

Yet, we had to maintain customer calls, prevent service disruptions and potential closure of the business.

Thanks to the dedication of our volunteers and the hard work of our new team, we've made significant progress. We've implemented new systems, hired qualified personnel, and even managed to recover some of the stolen funds. We are now in a much better business position and confident in our ability to continue serving you.

While the insurance claim provided significant relief, the embezzler's actions left a substantial gap. To ensure continued service and prevent future financial difficulties, we carefully considered all options and implemented necessary changes.

Below is a summary of changes to our Service Agreement. These changes reflect our desire to keep plans affordable while providing coverage for repairs and replacements. Please note payments for renewals are due on or before March 31<sup>st</sup>.

1. All plans will pay a part of the service call fee.
2. A/C checks will not be offered. Quality will offer this service to our members separately.
4. Replacements for air conditioners and water heaters will have a maximum payout by KPW. The limits have been set to cover anticipated costs, but supply costs may change over the plan year. The limits do not reflect increases in labor costs that may arise for special installations.
5. Garbage disposals will not be covered.
6. The new Bronze plan is an air conditioner repair only plan.
7. Inspections for new members will consider the age and overall condition of existing air conditioners and water heaters.
8. Senior Care Add-on Plan will be available to all members.

Please read the new Service Agreement thoroughly. There are other changes listed in the Agreement. The costs for the new plans are:

Bronze: \$450      Silver: \$520      Gold: \$620      Platinum: \$750  
Senior Care Add-on: \$300

Thank You,

KPW Service Association Board



**KPW Service Association, Inc. ("KPW")**  
**202 Cambridge Trail, Sun City Center, FL 33573**  
**(813)633-0061**

**ANNUAL SERVICE AGREEMENT**  
**March 1, 2024 through February 28, 2025**

**I. Definitions**

- A. KPW - KPW Service Association, Inc
- B. HVAC - Heating, Ventilation, and Air Conditioning
- C. Hybrid Water Heater - Specialized Water Heater using heat pump technology
- D. Insta Water Heater- A tankless water heating system

**II. Terms of Service:**

**As a member, you agree to all terms of this service agreement.**

A. KPW Services

- 1. KPW agrees to make all repairs and replace available parts as necessary to maintain the covered appliances operating during the above period, provided such service is necessary due to product failure with normal usage.
- 2. KPW agrees to repair and, if necessary, replace the primary HVAC system.
- 3. Damage from intervening outside cause is not covered and shall include but shall not be limited to, damages resulting from fire, water, windstorm, hail, lightning, flooding, pest infestation, rust, theft, misuse, abuse, or mold contamination.
- 4. KPW will not reimburse members for services from unauthorized service providers.

B. Member Responsibility

- 1. Members may not use any other service provider than the one contracted by KPW, except for a manufacturer warranty or vendor guarantee.
- 2. The member agrees to make the home and items accessible for repairs.
  - The KPW Service Contractor will not move personal belongings to gain access to HVAC unit, appliances, or plumbing.
  - The KPW Service Contractor will not cut down obstructing foliage to repair or replace an HVAC system.
  - The member must remove all such obstructing foliage before any repairs or replacement.
- 3. The member is responsible for obtaining any association approvals and must communicate with the association regarding those alterations if required.
- 4. The member is responsible for the adequate foundation of the condenser at all times, even if replacement is necessary.

**III. Appliance Repairs:**

- A. KPW will repair the appliances specified in each plan.
- B. KPW may have to determine that an appliance is beyond repair.
- C. The KPW decision shall be final as to when an appliance is beyond repair.
- D. Once deemed beyond repair, no other service will be performed for that appliance.
- E. To reinstate coverage, the member must supply KPW with a copy of the sales receipt evidencing the purchase of a new replacement appliance or pay a \$35 inspection fee.

**IV. Primary HVAC Systems:**

- A. All KPW plans include repairs to the HVAC unit for primary systems. Some KPW plans include replacement coverage with a maximum payout by KPW to the contractor. (See pricing sheet.)

- B. Secondary systems are not included.
- C. No items shall be replaced for the sole purpose of better efficiency, improper size, cosmetic damage, or for any other preference.
- D. Replacement is available only when necessary and will be done at the discretion of KPW.
- E. All replacements will be done with an equivalent unit and brand chosen by KPW.
  - 1. If an upgrade option is available at the time of replacement, the member may choose to pay the KPW Service Contractor for such an upgrade option.
- F. KPW will cover the cost of one county permit when required for each replacement under this agreement.
  - 1. The member must make the home accessible for the county inspector.
  - 2. Members will be responsible for any additional permit fees.
- G. Electrical work and electrical permits are not covered.
- H. KPW is not responsible for additional expenses that may be required to meet current building or zoning codes as imposed by city, county, state, federal, and utility regulations required by law.

**V. HVAC unit checks:**

- A. KPW does not cover these checks.
- B. Members who desire an annual check-up of their HVAC unit may obtain a discounted rate from the KPW Service Contractor.
- C. Any charges for such service are the responsibility of the member.
- D. Should an issue arise requiring a repair, that repair will be covered under the existing plan agreement if the repair is provided by the KPW Service Contractor.
- E. Services covered under the plan agreement may only be provided by the KPW Service Contractor.
- F. If the KPW Service Contractor is not utilized for repairs, this agreement shall be canceled.

**VI. Hot Water Heaters:**

- A. See individual plans for covered repairs.
- B. Some KPW plans include standard electric and gas water heater replacement coverage with a maximum payout by KPW to the KPW Service Contractor. (See pricing sheet.)
- C. No items shall be replaced for the sole purpose of better efficiency, improper size, cosmetic damage, or for any other preference.
- D. Replacement is available only when necessary and will be done at the discretion of KPW.
- E. All replacements will be done with an equivalent unit and brand chosen by KPW.
  - 1. If an upgrade option is available at the time of replacement, the member may choose to pay the KPW Service Contractor for such an upgrade option.
- F. KPW will cover the cost of one county permit when required for each replacement under this agreement.
  - 1. The member must make the home accessible for the county inspector.
  - 2. Members will be responsible for any additional permit fees.
- G. Electrical work and electrical permits are not covered.
- H. KPW is not responsible for additional expenses that may be required to meet current building or zoning codes as imposed by city, county, state, federal, and utility regulations required by law.
- I. No plans cover repairs to tankless or hybrid water heaters.
  - 1. Plans that include replacement water heater coverage will apply to tankless and hybrid systems but replacement will be for a standard water heater subject to maximum payouts. (See pricing sheet.)

**VII. Inspections: KPW Inspections are required for:**

- A. new membership
- B. upgrading membership plans
- C. reinstating lapsed memberships before the start of coverage.
- D. Real estate transfers (See pricing sheet.)
  - 1. The agreement is transferable to a new owner for a fee.
  - 2. Prorations of this agreement will be handled at closing and resolved by the parties involved.
- E. For new members, the KPW Service Contractor will inspect the HVAC, water heater, and appliances to determine their overall condition.
  - 1. HVAC units must be less than 12 years old and in good working condition.
  - 2. Water heaters must be less than 8 years old and in good working condition.

**VIII. Chargebacks (unnecessary service requests) include, but are not limited to:**

- A. Instructional services
- B. Misuse
- C. Power Outages
- D. Appliance system reboots
- E. Wifi reconnects
- F. Bad breakers
- G. Unplugged appliances
- H. Defective outlets
- I. Cancellation at the door
- J. The home is inaccessible during the scheduled service time.
- K. Parts are returned due to inability to gain access to complete the service call.
- L. Access to unoccupied units must be provided by the person on record as responsible for the unit.
- M. Entry keys will not be accepted.
- N. If a service call is deemed unnecessary or not covered, the member will be charged back for the entire cost to KPW for that service call.
- O. Failure to reimburse KPW within 30 days of invoice will result in suspension of service.
- P. Failure to pay within 60 days of invoice will result in the cancellation of this service agreement.

**IX. Service Hours:**

- A. All services will be rendered during normal business hours between 8:00 a.m. through 5:00 p.m. Monday through Friday.
- B. Service fees are due at the time of service and paid directly to the KPW Service Contractor.
- C. Emergency service after normal business hours, weekends, and holidays is available on a limited basis until 8:00 p.m.
  - 1. There are only three emergency services:
    - Severe water leaks.
    - HVAC is not working.
    - The primary refrigerator is not cooling.
  - 2. No other services are considered emergencies.
  - 3. Emergency calls received after 8:00 p.m. will be scheduled the following day.

**X. Gas Leaks**

- A. If you smell gas inside or outside your unit, call Tampa Electric immediately at (813)275-3700. They are available 24 hours a day, 7 days a week.

**XI. Loaner Refrigerators and Air Conditioners:**

- A. If necessary and if available, the KPW Service Contractor may supply a loaner for a fee.
- B. Members must make arrangements with the KPW Service Contractor to pick up the loaner no later than two weeks after it is delivered.
- C. Loaner appliances and portable air conditioners are used at your own risk.
- D. KPW and the KPW Service Contractor are not responsible for any loss or damage.
- E. Members must clean all loaner appliances before returning them.

**XII. General Liability:**

- A. Member absolves KPW of all liability for injury to person or persons or for property damage.
- B. Claims for such damage, if any, shall be asserted by the member directly against the KPW Service Contractor and handled through the contractor's insurance company.
- C. KPW and KPW Service Contractor will not be liable for:
  - 1. any loss, damage, or injury resulting from delay in service under this agreement
  - 2. Damage to roofs from walking on them
  - 3. Damage to the ceiling due to water leaks unless such damages are the direct result of KPW Service Contractor's negligence.

**XIII. Right to Refuse:**

- A. KPW reserves the right to refuse any application for unapproved appliances.
- B. KPW reserves the right to cancel and/or refuse membership due to non-compliance with contract terms.
- C. KPW reserves the right to cancel and/or refuse membership for unsafe or unsanitary conditions in the member's home.
- D. KPW reserves the right to cancel and/or refuse membership to anyone who has jeopardized or may jeopardize the day-to-day operations of KPW and its members.

**XIV. Cancellation**

- A. If you cancel your agreement, you will receive a prorated refund that deducts all costs to KPW (including any charges against the plan to date) and reflect an early termination fee of \$35.00.

**XV. New Members (New Member Fee applies):**

- A. KPW will prorate the cost of a new member's plan. No memberships are granted after October 31<sup>st</sup>.
- B. The inspection fee will not be prorated.
- C. All inspection results are valid for 15 days from the time of inspection and will determine which appliances and systems will be covered.
- D. KPW Service Contractor will only inspect items serviced under this agreement. (See pricing sheet.)

**XVI. Membership Upgrades and Renewals:**

- A. Renewals are due no later than March 1st of every year.
- B. Renewal payments received after March 1st but before April 1st will be subject to a \$15.00 late fee.
- C. As of April 1<sup>st</sup>, memberships will be considered lapsed.
- D. Inspection fees will be charged to the member. (See pricing sheet.)

**XVII. Non-refundable fees:**

- A. All fees for inspections
- B. Late fees
- C. Chargebacks
- D. Transfer fees

**XVIII. Contact Information:**

- A. All members should provide an active email address, if available.
- B. By supplying an email address and accepting this agreement, you grant permission to KPW to use email as a method of communication for business purposes and the distribution of newsletters.
- C. Your email address will not be sold.

**PLAN OPTIONS**

KPW offers four plan choices: Bronze, Silver, Gold, and Platinum. KPW Senior Care Plan can be added to any of these choices. All plans are subject to the KPW Exclusions List. All plans require service fees and all replacements are subject to maximum limits. See pricing sheet.

**I. Bronze Plan:** This plan covers repairs to the HVAC unit.

**II. Silver Plan:**

- A. The designated appliances covered by this agreement:
  - 1. primary HVAC unit
  - 2. water heater
  - 3. primary kitchen refrigerator
  - 4. range
  - 5. washer/dryer
  - 6. dishwasher
- B. Primary HVAC units are eligible for replacement.
- C. Water Heater service includes repairs to thermostats and heating elements only.
- D. Coverage for the water heater excludes tankless and hybrid water heaters.
- E. Any cost above the specified maximum limit must be paid directly to the KPW Service Contractor by the member. (See pricing sheet.)

**III. Gold Plan:**

- A. Designated appliances covered by this agreement:
  - 1. Primary HVAC unit
  - 2. Water heater
  - 3. Primary kitchen refrigerator
  - 4. Range
  - 5. Washer/dryer
  - 6. Dishwasher
  - 7. Built-in microwaves
- B. Primary HVAC units are eligible for replacement.

- C. Coverage for water heater includes replacement (see price list)
- D. Coverage for the water heater excludes repairs or replacement of tankless and hybrid water heaters
- E. Any cost above the specified maximum limit for any replacements must be paid directly to the KPW Service Contractor by the member.
- F. Repairs to microwaves are limited. (See pricing sheet.)

**IV. Platinum Plan:**

**The Platinum Plan expands on services of the Gold plan to include:**

- A. Interior faucet repairs. If a replacement faucet is necessary, KPW will pay labor costs to install the replacement. Member will bear the cost of the replacement faucet. KPW will pay for the replacement of supply lines if needed.
- B. Washer hot and cold water supply valve repairs and replacement of exposed supply lines if needed.
- C. Toilet repairs. If a toilet must be replaced, KPW will pay labor costs only, and members will pay for the toilet.
- D. Minor plumbing stoppage that can be cleared by a hand auger.
- E. Minor repair to all (exposed) drain and supply piping that is not in the floors, walls, attics, ceilings or underground.

**V. Senior Care Plan:**

- A. This plan can be added to any of the plans listed above and will require an inspection.
- B. KPW service fees do not apply to the Senior Care Plan. The plan provides:
  - 1. Supply and replace one kitchen refrigerator water filter per year. Additional filters must be paid for by the member. (OEM filters only. In-line and aftermarket filters are not included.)
  - 2. HVAC filters will be supplied and replaced every three months.
  - 3. Replace batteries for smoke and carbon monoxide detectors.
  - 4. Light Bulb changing during quarterly visit, provided the bulbs are supplied by the member.
- C. KPW and the KPW Service Contractor are not responsible for any damages that may occur while providing services under the Senior Care Plan.
- D. The member absolves KPW and the KPW Service Contractor of all liability for injury to person or persons or for loss or damage to property.
- E. The plan does not cover any electrical work, electrical permits, or electrical malfunctions.
- F. Members must contact KPW to schedule these services which will be provided during normal business hours only.

**EXCLUSIONS OF COVERAGE**

**The member agrees to the following exclusions:**

- 1. HVAC
  - a. Portable or window air conditioning units.
  - b. Filters. Senior Care Plan members are exempted from this exclusion.
  - c. Return grills, UV lights, ductwork, or zone systems.
- 2. Refrigerator
  - a. Sealed system failures/compressor failures in the primary refrigerator.



- b. Wine coolers or mini-refrigerators.
- 3. Appliances
  - a. Countertop microwaves or any other countertop appliance.
  - b. Racks, shelves, bins, wheels, lint screens, knobs, light bulbs, or mounting supports for any appliance.
  - c. Special accessories in any appliance such as Bluetooth, wi-fi, cameras, coffee makers, etc.
  - d. Appliance software updates, upgrades, resets, or reboots.
  - e. Soap, fabric softener, or bleach dispensers in any appliance or sink.
- 4. Range
  - a. Burner rings, pans, or grates. Burners are covered.
  - b. Glass tops on flat surface stoves or glass plates in microwaves.
- 5. Plumbing
  - a. Water softeners, RO systems, or any plumbing for those items. Whole house filters, under sink filters, or any add-on filters.
  - b. Re-pipes or partial re-pipes, supply mains, drains, or water supply in the ground, floor, or walls. Outside drain cleanouts.
  - c. Bidets, toilet seats, toilet lids, or toilet tank lids.
  - d. Insta Hot (Tankless) systems or Hybrid Water Heaters
  - e. KPW will not repair or replace any sink, tub, shower enclosure, tub/shower drains, tub/shower pans, or fixtures. Shower/tub operating handles, valves, shower heads (including handheld) walk-in tubs, specialty tubs, and specialty shower assemblies are completely excluded from any coverage.
- 6. Maintenance
  - a. Preventive maintenance or cosmetic repairs.
  - b. Cleaning of HVAC unit, appliances, vents, or ductwork.
  - c. Any gas line repair. Any gas line maintenance check.
- 7. Other
  - a. Contractor, builder, manufacturer defects, or any covered item subject to a class action lawsuit or recall.
  - b. Any structural material or structural changes required by the county or state code enforcement.
  - c. Repairs or replacement of any materials that are removed to perform covered services.
  - d. Electrical work or electrical permits required by the county.
  - e. Any solar-powered equipment.
  - f. Any repairs needed from remodeling.

**[Acceptance on page 8]**

