

Protection Plus Vehicle Service Contract

Terms and Conditions

DEFINITIONS

Administrator – Tier One Warranty, LLC, PO Box 680144, Houston, TX 77268-0144 is the **Administrator** of this **Contract**.

Breakdown – The failure of any **Covered Part** to perform the function for which it was intended. Gradual reduction in operating performance due to the natural and inherent wear characteristics of automotive parts, where no failure has occurred, will not be considered a **Breakdown**.

Contract – refers to this vehicle service **Contract** which **You** purchased to protect **Your Vehicle**.

Covered Component – Any part or component listed in the Coverage section of this **Contract**. The listed parts must be the original equipment on **Your Vehicle** or like replacement parts meeting the manufacturer's specifications. Any **Covered Components** which have been repaired or replaced prior to the **Effective Date** of this **Contract** must have been repaired or replaced by a state licensed mechanic.

Covered Repair – means a repair to a **Covered Component** as approved by the **Administrator**.

Deductible – refers to the **Deductible You** must pay, as shown on the Declaration Page of this **Contract**, for each **Covered Repair** visit.

Effective Date – either sixty (60) days or ninety (90) days from the Purchase Date as chosen by the **Registered Owner** and indicated on the Declaration Page of this **Contract**.

Effective Odometer Reading – The odometer reading indicated on the Declaration Page of this **Contract** plus one thousand, five hundred (1,500) for sixty (60) days to **Effective Date** – or – the odometer reading indicated on the Declaration Page of this **Contract** plus five hundred (500) miles for ninety (90) days to **Effective Date**.

Expiration Date – The five year anniversary of the **Effective Date**, or upon cancellation by **You**. In the event **You** cancel this **Contract** prior to the **Expiration Date**, the cancellation will be effective the date the cancellation was requested by **You**. Upon cancellation, **You** will no longer be eligible for benefits under this **Contract**.

Vehicle – The **Vehicle** described on the Declaration Page of this **Contract** which, upon acceptance by the **Administrator**, is covered by this **Contract**.

We, Us or Our – Refers to the **Obligor** of this **Contract** which is Tier One Warranty, LLC.

You, Your, or Registered Owner – Refers to the person listed as the **Registered Owner** on this **Contract**.

GENERAL TERMS

The following represents the Coverages, Benefits, Cancellations, What to do in the Event of a **Failure** and Exclusions of **Your Vehicle Service Contract**. This document is an Application for the Vehicle Service **Contract** and does not constitute a **Contract** until accepted by **Administrator**.

1. CONTRACT PERIOD: This **Contract** begins on the **Effective Date** and **Effective Odometer Reading** and will expire according to the time/mileage selected, whichever occurs first, as shown on the Declaration Page of this **Contract**. Failure of a **Covered Component** occurring prior to the **Effective Date** and **Effective Odometer Reading** will not be covered.

2. FAILURE OF COVERED COMPONENTS: **We** will pay or reimburse **You** for reasonable costs to repair or replace a **Covered Component** in the event of a **Breakdown**. Replacement parts may be new, remanufactured or replacement parts of like kind and quality.

3. TERRITORY: This **Contract** is limited to **Breakdowns** which occur, and **Covered Repairs** that are made within the United States of America and Canada.

4. LIMITS OF LIABILITY: In case of a failure within the lubricated parts of the engine and/or transmission of the **Vehicle**, **Our** obligation is limited to repairing or replacing defective parts with parts of like kind and quality and may be new, remanufactured or replacement parts. The limit of liability is \$3,000.00 per engine (aggregate), \$2,000.00 per transmission (aggregate), \$1,500.00 per transfer case (aggregate), \$500.00 per Electrical (aggregate), and \$ 500.00 per Air Conditioning (aggregate). **Our** maximum cumulative liability for the **Vehicle** shall be either the actual cash value of the **Vehicle** as determined by the then-current NADA price guide for a **Vehicle** in average condition – or – \$5,500 whichever is less. If a single claim or cumulative claims and benefits exceed the actual cash value of the **Vehicle**, as determined by the then-current NADA average trade in value, and **We** elect to pay up to the actual cash value of the **Vehicle** or \$5,500, this

Contract will become fully earned and no further claims can be made against **Us**. Once the maximum limit of liability has been reached, this **Contract**, its transfer and cancellation rights, terminate.

5. OUR RIGHT TO RECOVERY: If **We** pay anything under this **Contract** and **You** have a right to recover from another party, **Your** rights will become **Our** rights up to the amount **We** paid. **You** will do whatever is necessary to enable **Us** to enforce these rights.

6. TRANSFER RIGHTS: This **Contract** is for the benefit of the **Registered Owner** and is transferable subject to a transfer fee providing:

- a) Proof of transfer of the remaining manufacturer's warranty is provided, if applicable.
- b) This **Contract** is being transferred to a subsequent private purchaser of **Your Vehicle**. (Transfer rights are voided when **Vehicle** is either traded sold or put on consignment to an individual or entity engaged in the wholesale or retail sale, leasing or rental of **Vehicles**.)

You must submit the following:

- a) Transfer application (available from **Administrator**).
- b) Bill of sale showing sale date and mileage at time of sale.
- c) \$50.00 Transfer fee made payable to the **Administrator** within thirty (30) days of the transfer of **Vehicle** ownership.

7. MAINTENANCE REQUIREMENTS: You must:

- a) Change the engine oil and filter within sixty (60) days after the purchase date of this **Contract**.
- b) Have the engine oil and filter changed by a commercial service facility every four (4) months or four thousand miles thereafter whichever comes first. Proper documented and verifiable receipts for oil and engine filter changes will be required in the event of a claim. Hand written receipts will not be accepted. Receipts must be on licensed repair facility letterhead and include **Vehicle** identification number, date and mileage at time of service.
- c) Maintain **Your Vehicle** according to the manufacturer's recommendations as outlined in the owner's manual. **NOTE: Your** owner's manual has separate required maintenance schedules for "normal" and "more severe" operating conditions. **You** are required to follow the maintenance schedule that applies to **Your** conditions.
- d) Be sure only the proper grade of lubricants and coolants, as recommended by the manufacturer, are used in **Your Vehicle**.
- e) Retain verifiable receipts for all parts and materials necessary to perform the required maintenance.

8. DEDUCTIBLE: In the event of a **Breakdown**, **You** are required to pay a **Deductible**. No **Deductible** is required with respect to coverages listed in the Additional Benefits section of this **Contract**. The **Deductible** amount **You** must pay is shown on the Declaration Page of this **Contract** for **Covered Repairs** on a per visit basis. If a **Breakdown** requires more than one visit to repair, only one **Deductible** will apply to that **Breakdown**.

9. ARBITRATION: If **We** and **You** do not agree on the settlement of any claim, either party may make a written request for arbitration. In this event, each party shall select an arbitrator. The two arbitrators shall select a third. If they cannot agree on a third within thirty (30) days, either may request that the selection be made by a judge of a court having jurisdiction. Each party shall pay the expenses they incur, and bear the expenses of the third party arbitrator equally. A decision agreed to by any two of the arbitrators shall be binding on both parties.

COVERAGE

This Contract covers ONLY the components/parts listed below:

ENGINE – All internally lubricated parts of engine, including pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and rod bearings, camshaft and camshaft bearings, timing chain and timing gears, intake and exhaust valves, valve springs, oil pump, push rods, rocker arms, hydraulic lifters, rocker arm shafts. The engine block and cylinder heads are only covered if damaged by the failure of any of the above-listed parts.

TRANSMISSION – All internally lubricated parts of manual or automatic transmissions, including torque converter case if damaged by the failure of an internally lubricated **Covered Part**, oil pump, drums, planetaries, sun gear and shell, shaft(s), bearings, shift rail, forks, and synchronizers.

TRANSFER CASE – All internally lubricated parts.

COOLING – Water pump.

AIR CONDITIONING – Compressor motor, clutch & clutch coil, condenser, evaporator.

ELECTRICAL – Starter motor, alternator, power window motors, heater fan and front and rear wiper motors.

DEDUCTIBLE – **You** are responsible for a fifty (\$50) dollar **Deductible** per **Covered Repair** visit.

ADDITIONAL BENEFITS

RENTAL REIMBURSEMENT - We will provide reimbursement for a rental vehicle from a licensed agency in the event of a **Breakdown**. We will pay up to thirty five (\$35) dollars for every four (4) hours or portion thereof of approved labor time to complete the **Covered Repair** (maximum 3 days). The first 4 hours of labor time for any **Covered Repair** does not qualify for rental reimbursement. **You** must submit receipts to the **Administrator** for reimbursement. This coverage does not apply to service or parts delays or other time delays beyond **Our** control or that of the repair facility.

24-Hour Emergency Roadside Assistance

This **Contract** includes membership in the Nation Motor Club 24-Hour Emergency Roadside Assistance program. Club products and services are provided by Nation Motor Club, Inc. d/b/a Nation Safe Drivers with corporate offices located at 800 Yamato Road – STE 100, Boca Raton, FL 33431.

Roadside Coverage – 24-Hour roadside assistance services are available all days of the year throughout the US/Canada and Puerto Rico.

Towing / Road Service / Lockout

In the event **Your Vehicle** is disabled, **We** will dispatch a service vehicle to **Your** location to assist **You**. In the event **Your Vehicle** is unable to continue under its own power **Your Vehicle** may be towed to a location of **Your** choosing. **You** will receive 25 miles of towing at no cost, any additional mileage will be **Your** responsibility and payment will be expected at the time service is rendered. When calling for towing or road service **You** must call **866-330-0760**. **You** will be required to give the representative assisting **You** the following information: Producer Code – 89908, **Your Contract** number (located on the front right corner of this application) and **Your** plan letter which is U.

COVERAGE: **You** are entitled to one (1) service per 72-hours. Services available to **You** at no cost are: a tow up to 25 miles; battery jumpstart; flat tire change; fuel delivery (**You** are responsible for the actual cost of the delivered materials); locksmith.

REIMBURSEMENT: In the event **Your Vehicle** is disabled and **You** contracted for any of the above covered services on **Your** own, **You** will be able to submit **Your** original receipted road service expenses for reimbursement consideration. **Your** reimbursement for towing is \$50. Reimbursement for any other roadside service including locksmith services is \$50. **You** must send your original receipted roadside bills along with a completed claim form to: Nation Safe Drivers, 800 Yamato Rd STE 100, Boca Raton, Florida, 33076. **Attn:** Claims. Claim forms are available online at www.nsdclaims.com or by calling toll free 1-800-338-2680.

866-330-0760

WHAT TO DO IN THE EVENT OF A FAILURE

1. Prevent Further Damage - **You** should use all reasonable means and precautions to protect **Your Vehicle** from further damage. This **Contract** will not cover damage caused by not securing a timely repair of the failed component.
2. Take **Your Vehicle** to a Licensed Repair Facility - (**You** may contact **Administrator** for assistance in locating a repair facility).
3. Instruct the repair facility that they must obtain an authorization number from the **Administrator** prior to proceeding with repairs. The amount so authorized is the maximum that will be paid. Any additional amounts need prior approval.
4. In some cases, **You** may be required to authorize the repair facility to inspect or tear down **Your Vehicle** to determine the cause and cost of the repair. **You** will be responsible for these charges if the failure is not covered by this **Contract**. **We** reserve the right to require an inspection of **Your Vehicle** prior to any repair being performed.
5. After the **Administrator** has been contacted, **We** recommend that **You** review with the repair facility the components that will be covered for this claim.
6. **Administrator** will pay the repair facility directly or reimburse **You** for the cost of authorized repairs performed on **Your Vehicle**, less any applicable **Deductible**. All repair orders and necessary documentation must be submitted to **Administrator** within thirty (30) days to qualify for payment.

REPAIR FACILITY GUIDELINES FOR CLAIMS HANDLING

Follow these steps when handling a claim:

1. Advise **Registered Owner** that evaluation of a failure does not mean that the repair is covered under this **Contract**. All **Covered Repairs** must receive prior authorization by **Administrator**.
2. Have **Registered Owner** authorize inspection/tear down of the **Vehicle** to determine cause of the failure and cost to repair. Save all components, including fluids and filters, should **Administrator** require outside inspection. Notify **Registered Owner** that cost of tear down will not be paid if it is determined that the failure is not covered under this **Contract**.
3. Determine the cause of failure, correction required and cost of the repairs.
4. Contact **Administrator's** Claims Department at **800-682-9761** to get authorization to proceed with the claim. Be prepared with the following when placing the call:
 - a. **Registered Owner's** name and **Contract** number.
 - b. Cause of failure and recommended correction.
 - c. Cost of repair.
5. A Claims Advisor will verify coverage and do one of the following:
 - a. Approve Claim - If approved, **You** will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b. Require additional evaluation, inspection or tear down - **Administrator** may require an inspection prior to repair being completed. If a tear down is required to determine cause of failure, **Registered Owner** must authorize the tear down. Notify **Registered Owner** that if the repair is not covered, then **Registered Owner** will be responsible for cost of the tear down. Repair facility should save all components requiring inspection, including fluids and filters. The Claims Advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the Claims Advisor.
 - c. Deny the claim and provide the reason for the denial.
6. Review **Administrator's** findings with **Registered Owner** as well as what will be covered by this **Contract** and what portion of the repairs, if any, will not be covered.
7. Obtain **Registered Owner's** authorization to complete repairs. All repair orders must have **Registered Owner's** signature to qualify for payment.
8. Submit repair order(s), which must contain **Contract** number, authorization number and authorized amount to **Administrator** within thirty (30) days at the following address: **Tier One Warranty, LLC, P.O. Box 680144, Houston, TX 77268, 800-682-9761**.

CANCELLATION OF VEHICLE SERVICE CONTRACT

1. **You** may cancel this **Contract** by notifying **Us** in writing. A cancellation form indicating the odometer reading on the date of cancellation will be required. **You** may request this form from the **Administrator**.
2. **We** may cancel this **Contract** for non-payment of the **Contract** charge, or for intentional misrepresentation in obtaining this **Contract** or in submitting a claim.
3. If **Your Vehicle** and/or this **Contract** have been financed, the lienholder may cancel this **Contract** for non-payment, or if **Your Vehicle** has been declared a total loss or has been repossessed. The rights under this **Contract** are transferred to the lienholder and the lienholder is also entitled to any resulting refund.
4. If this **Contract** is canceled within the first thirty (30) days and no claim has been filed, the entire **Contract** charge paid will be refunded. After thirty (30) days, or if a claim has been filed, an amount of the unearned **Contract** charge will be refunded according to the pro-rata method reflecting the greater of the days in force or the mileage driven based on the term of **Contract** and the date or miles when **Coverage** began.
5. The greater of a \$50 service charge or the total of all authorized claims will be deducted from all refunds after thirty (30) days.
6. In the event of cancellation, the lienholder, if any, will be named on the cancellation refund check.

EXCLUSIONS

This Vehicle Service Contract Provides NO Coverage or Benefits for any of the following:

- A. FAILURE OF A COVERED COMPONENT OCCURRING PRIOR TO THE EFFECTIVE DATE OR EFFECTIVE ODOMETER READING.
- B. OIL CONSUMPTION, WORN OUT PARTS, AND DIMINISHED PERFORMANCE INCLUDING THAT RESULTING FROM A GRADUAL REDUCTION IN OPERATING PERFORMANCE DUE TO NORMAL

WEAR AND TEAR INCLUDING BUT NOT LIMITED TO GUIDES, VALVES, RINGS, AND TRANSMISSION CLUTCH PACK, DISCS AND BANDS.

- C. DIESEL ENGINES MANUFACTURED PRIOR TO 1990, ROTARY ENGINES, 4100 GM ENGINES OR ENGINES USED IN COMMERCIAL VEHICLES.
- D. SHOP SUPPLY CHARGES; EPA DISPOSAL FEES; SPECIAL ORDER PARTS SHIPPING COST; PARTS LOCATOR RESEARCH FEE; STORAGE FEES; FILTERS, LUBRICANTS, COOLANTS, FLUIDS AND REFRIGERANTS EXCEPT WHEN REPLACEMENT IS REQUIRED DUE TO A COVERED FAILURE.
- E. ANY COMPONENT NOT COVERED BY THE **VEHICLE** MANUFACTURER FOR THE FULL TERM OF THE **VEHICLE** WARRANTY.
- F. ANY FAILURE RESULTING FROM COLLISION; INTERNAL OR EXTERNAL FIRE; THEFT; VANDALISM; RIOT; EXPLOSION; LIGHTNING; EARTHQUAKE; FREEZING; RUST OR CORROSION; WINDSTORM; HAIL; WATER OR FLOOD; ACTS OF GOD; ACTS OF WAR; ACTS OF TERRORISM; SALT; ENVIRONMENTAL DAMAGE; CONTAMINATION OR LOSS OF FLUIDS, FUELS, COOLANTS OR LUBRICANTS; ABUSE; NEGLIGENCE; LACK OF NORMAL MAINTENANCE REQUIRED BY THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR **YOUR VEHICLE**; IMPROPER SERVICING AFTER THE **EFFECTIVE DATE** OF THIS **CONTRACT**; SLUDGE BUILD-UP OR FAILURE TO MAINTAIN PROPER LEVELS OF LUBRICANTS AND/OR COOLANTS; NOT PROTECTING THE **VEHICLE** FROM FURTHER DAMAGE WHEN A FAILURE HAS OCCURRED.
- G. ANY REPAIR OR REPLACEMENT OF A **COVERED COMPONENT** IF NO FAILURE HAS OCCURRED REGARDLESS OF REPAIR FACILITY RECOMMENDATIONS; OR IF THE WEAR ON THAT PART HAS NOT EXCEEDED THE FIELD TOLERANCES PERMITTED BY THE MANUFACTURER; ANY REPAIR NOT SPECIFICALLY AUTHORIZED BY **US**.
- H. IF ANY ALTERATIONS HAVE BEEN MADE TO **YOUR VEHICLE** OR IF **YOU** USE **YOUR VEHICLE** IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER. INCLUDING THE FAILURE OF ANY CUSTOM OR ADD-ON/AFTERMARKET PART REGARDLESS IF SUPPLIED BY A FRANCHISE DEALER OR NOT; ANY FRAME OR SUSPENSION MODIFICATIONS; LIFT KITS; OVERSIZED/UNDERSIZED TIRES OR WHEELS; TRAILER HITCHES; OR MODIFICATIONS TO ANY OF **YOUR VEHICLE'S** SYSTEMS.
- I. IF **YOUR** ODOMETER HAS CEASED TO WORK AND REPAIRS HAVE NOT BEEN IMMEDIATELY MADE; THE ODOMETER HAS BEEN ALTERED IN ANY WAY SUBSEQUENT TO PURCHASE; OR IF **VEHICLE'S** TRUE MILEAGE CANNOT BE DETERMINED.
- J. LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY OR DEATH OF ANY PERSONS ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF **YOUR VEHICLE**, WHETHER OR NOT RELATED TO THE PARTS COVERED. LOSS OF TIME, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS THAT RESULTS FROM A FAILURE (EXCEPT AS PROVIDED UNDER THE BENEFITS OR COVERAGES HEREIN.)
- K. REPAIRS TO SEIZED OR DAMAGED ENGINES DUE TO CONTINUED OPERATION REGARDLESS OF CAUSE OR WITHOUT SUFFICIENT LUBRICANTS OR COOLANT. **YOU** ARE RESPONSIBLE FOR MAKING CERTAIN THAT THE OIL AND TEMPERATURE WARNING LIGHTS/GAUGES ARE FUNCTIONING PROPERLY. **YOU** MUST PULL OFF THE ROAD IMMEDIATELY AND DISCONTINUE **VEHICLE** OPERATION WHEN ANY OF **YOUR VEHICLE'S** LIGHTS/GAUGES INDICATES INADEQUATE PROTECTION OR PERFORMANCE OR IF OVERHEATING OCCURS.
- L. SALVAGED TITLE VEHICLES; WHEN RESPONSIBILITY FOR A REPAIR IS COVERED BY AN INSURANCE POLICY; WARRANTY FROM THE MANUFACTURER INCLUDING EXTENDED DRIVE TRAIN, MAJOR COMPONENT OR FULL COVERAGE WARRANTIES; A REPAIRER'S GUARANTEE OR WARRANTY; OR FAILURES FOR WHICH THE MANUFACTURER HAS ANNOUNCED RESPONSIBILITY THROUGH ANY MEANS, INCLUDING RECALL CAMPAIGNS AND FACTORY SERVICE BULLETINS.
- M. IF **YOUR VEHICLE** IS USED FOR TOWING A TRAILER OR OTHER OBJECT OR VEHICLE WITHOUT BEING EQUIPPED WITH A FACTORY INSTALLED OR AUTHORIZED TOW PACKAGE; OR IS USED FOR COMMERCIAL PURPOSES, INCLUDING, BUT NOT LIMITED TO, RENTAL, TAXI, LIMOUSINE, LIVERY OR SHUTTLE, TOWING OR ROAD REPAIR, CONSTRUCTION, FARMING OR AGRICULTURAL PURPOSES, JOB SITE ACTIVITIES, HAULING, POLICE OR EMERGENCY SERVICES, PRINCIPAL OFF ROAD USE, RACING, COMPETITIVE DRIVING, SNOW REMOVAL, ROUTE-WORK, SERVICE & REPAIR.
- N. ANY FAILURE OCCURRING PRIOR TO THE PURCHASE DATE OF THIS **CONTRACT**, OR IF INFORMATION PROVIDED BY **YOU** OR A REPAIR FACILITY CANNOT BE VERIFIED AS ACCURATE OR IS FOUND TO BE DECEPTIVELY INACCURATE.
- O. ANY FAILURE OCCURRING OUTSIDE OF THE UNITED STATES OF AMERICA OR CANADA.
- P. DAMAGE CAUSED BY PRE-IGNITION DETONATION, PINGING, IMPROPER/CONTAMINATED FUEL OR IMPROPER ENGINE ADJUSTMENTS.

SPECIAL STATE REQUIREMENTS/DISCLOSURES

1. Terms of Contract Conformed to Statute - Terms of this Contract which are in conflict with the statutes of the state in which this Contract was purchased are hereby amended to conform to the minimum standards of those statutes.
2. THIS SERVICE CONTRACT IS ONLY SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.
3. The following special state requirements and/or disclosures apply if this Contract was purchased in one of the following states:

ALABAMA

Our obligations under this service Contract are guaranteed under a Contractual Liability Insurance Policy. Consequential damages and preexisting conditions are not covered under this service Contract. **CANCELLATION OF SERVICE CONTRACT SECTION:** Item 5 is deleted and replaced with the following:
5. A twenty-five dollar (\$25) service charge will be deducted from all refunds that you request after thirty (30) days or if a claim has been filed. A request for a refund upon Us pursuant to the cancellation provision is payable within 45 days of receipt and any such refund which is not timely paid is subject to a 10% penalty.

ALASKA

Dealerships in Alaska are now required to disclose specific information about the service Contracts they sell to each Contract purchaser at the time of sale. The state of Alaska has passed legislation requiring the following disclosures to be made to a service Contract purchaser before the dealer delivers the vehicle for which the service Contract is sold:

1. The difference between a service Contract and a warranty;
2. The identity of the obligor on the service Contract and the relationship between the dealer and the obligor;
3. A statement that the dealer may not disclaim any implied warranties that may be in addition to the obligations included in the service Contract.

EXCLUSION SECTION: Item J. is amended by adding the following:

This Contract will provide Coverage if Your Unit is used for snow removal, provided Your Unit is properly equipped for such use and is not used commercially.

ARIZONA

In the State of Arizona "We, Us, Our" refers to Tier One Warranty Services.

TERMS AND CONDITIONS SECTION: 9. ARBITRATION IS DELETED AND REPLACED WITH THE FOLLOWING: ARBITRATION: Any controversy or claim arising out of or relating to this Contract, or the breach thereof, may be settled by binding arbitration in accordance with the statutes of Arizona. Either party may make a written request for arbitration to the American Arbitration Association. If binding arbitration is agreed upon by both parties, a decision by the Arbitrator shall be binding upon the parties. Exclusion P. is deleted.

CONNECTICUT

Connecticut General Statute Annotated Title 42 Chapter 743F sect 42-221 or (C.S.G.A. sect. 42-221) requires an automobile dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with a sale price of \$3,000 but less than \$5,000

Provides Coverage for 30 days or 1,500 miles, whichever occurs first.

Used Vehicles with a sale price of \$5,000 or more

Provides Coverage for 60 days or 3,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for

this Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, Coverages and exclusions stated in this Contract apply only to this Contract and are not the terms of the required Dealer warranty.

You may pursue arbitration to settle disputes between You and the Administrator. A written complaint containing a description of the dispute, the purchase or lease price of the Vehicle, the cost of repair of the Vehicle and a copy of Your Agreement may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attention: Consumer Affairs Division.

GEORGIA

Our obligations to You are guaranteed under a Contractual Liability Insurance Policy.

CANCELLATION OF VEHICLE SERVICE CONTRACT complies with G.S. 33-24-44.

If this Contract is canceled within the first thirty (30) days and no claims have been filed, We will refund the entire Contract charge paid. If this Contract is canceled after the first thirty (30) days or a claim has been filed, We will refund an amount of the Contract charge according to the pro-rata method reflecting the greater of the days in force or the miles driven based on the term of the plan selected and the date Coverage begins. An administration fee of 10% of the pro-rata refund amount will be applied if this Contract is canceled by You. In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check as their interest may appear. If You have canceled this Contract and have not received the refund from Us or the Administrator within (60) days of such cancellation We must include a 25% penalty of the amount of the return and interest at 18% per anum, with penalties and interest limited to 50% of the refund.

Arbitration- refer to Terms & Conditions #9. Arbitration will not be binding on the parties for contracts sold in Georgia.

HAWAII

DEFINITIONS SECTION: The definition of Breakdown is deleted and replaced with the following:

Breakdown - Means the Failure of a covered part under normal service due to defects in material and workmanship. A covered part has failed when it can no longer perform the function for which it was designed solely because of its condition and not because of the action or inaction of any non-covered parts.

Hawaii Revised Statutes require an automobile dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with less than 25,000 miles at the time of sale

Provides Coverage for 90 days or 5,000 miles, whichever occurs first.

Used Vehicles with 25,000 miles or more but less than 50,000 miles at time of sale

Provides Coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with 50,000 miles or more but not more than 75,000 miles at the time of sale

Provides Coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, Coverages and exclusions stated in this Contract apply only to this Contract and are not the terms of the required Dealer warranty.

IDAHO

Notice - Coverage afforded under this Contract is guaranteed by the Idaho Insurance Guarantee Association.

ILLINOIS

CANCELLATION OF SERVICE CONTRACT SECTION: Item 5 is deleted and replaced with the following:

5. A cancellation fee not to exceed the lesser of 10% of the Service Contract cost or fifty dollars (\$50) will be deducted from all refunds after thirty (30) days or if a claim has been filed.

ADDITIONAL CANCELLATION LANGUAGE - The obligor is the party responsible for honoring cancellation requests. The selling dealer, however, can handle your request for cancellation on behalf of the obligor.

NOTICE - You are reminded that this Contract is not an insurance policy. Our obligation to perform under this Contract is insured separately by a Contractual Liability Insurance Policy.

INDIANA

Your proof of payment to the Issuing Dealer for this Contract shall be considered proof of payment to the Insurance Company which guarantees Our obligations to You, providing such insurance was in effect at the time You purchased this Contract.

IOWA

The obligations of the service company under this service Contract are guaranteed separately under a Contractual Liability Insurance Policy. If the service company fails to pay or provide service on a claim within sixty days after proof of loss has been filed with the service company, You are entitled to make a claim directly against the Contractual Liability Insurance Policy. Please contact the Obligor at P.O. Box 680144 Houston, TX 77268-0144 for more information. Iowa residents may also contact the Iowa Insurance Commissioner at the Iowa Insurance Department, 330 Maple Street, Des Moines, Iowa 50319.

Cancellation of Service Contract: A request for a refund upon Us pursuant to the cancellation provision is payable within 30 days of receipt and any such refund which is not timely paid is subject to a 10% penalty.

MASSACHUSETTS

NOTICE TO CUSTOMER: PURCHASE OF THIS CONTRACT IS NOT REQUIRED IN ORDER TO REGISTER OR FINANCE A VEHICLE. THE BENEFITS PROVIDED MAY DUPLICATE EXPRESS MANUFACTURER'S OR SELLER'S WARRANTIES THAT COME AUTOMATICALLY WITH EVERY SALE. THE SELLER OF THIS COVERAGE IS REQUIRED TO INFORM YOU OF ANY WARRANTIES AVAILABLE TO YOU WITHOUT THIS CONTRACT.

Chapter 90, Section 7N ¼ of Massachusetts General Laws requires an automobile dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with less than 40,000 miles at the time of sale

Provides Coverage for 90 days or 3,750 miles, whichever occurs first.

Used Vehicles with 40,000 miles or more but less than 80,000 miles at the time of sale

Provides Coverage for 60 days or 2,500 miles, whichever occurs first.

Used Vehicles with 80,000 miles or more but less than 125,000 miles at the time of sale

Provides Coverage for 30 days or 1,250 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Contract. The required warranty is provided free of charge. Furthermore, the definitions, coverages and exclusions stated in this Contract apply only to this Contract and are not the terms of the required Dealer warranty.

MINNESOTA

Our obligations under this service contract are guaranteed under a Contractual Liability Insurance Policy.

The Coverage listed below is provided to You by the Dealer at no charge as required by Minnesota Statute 325F.662. The term of the required warranty is based on the mileage at the time of sale as follows:

Used Vehicles with less than 36,000 miles at the time of sale

Provides Coverage for 60 days or 2,500 miles, whichever occurs first.

Used Vehicles with 36,000 miles or more but less than 75,000 miles at the time of sale

Provides Coverage for 30 days or 1,000 miles, whichever occurs first.

For used vehicle coverage, routine maintenance must be performed every three months or three thousand (3,000) miles.

The dealer express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

- (2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or the manual transmission case, and the internal parts;
- (3) with respect to the drive axle, the axle housings and internal parts, axle shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;
- (4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers;
- (5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, piston;
- (6) the water pump
- (7) the externally-mounted mechanical fuel pump;

Note: The following parts are covered only on Vehicles with less than 36,000 miles: the radiator; alternator, generator and starter; the steering rack.

The above Coverages are excluded from this Contract during the applicable warranty period, unless Dealer becomes unable to meet its obligations. Your rights and obligations are fully explained in the Dealer issued used Vehicle limited warranty document.

Failures caused by rust or corrosion will not be excluded (refer to exclusions section).

NEBRASKA

Our obligations under this contract are guaranteed by a Contractual Liability Insurance Policy issued to Tier One Warranty, LLC.

NEVADA

NRS 690C.270 Grounds for cancellation; date cancellation effective.

1. No Service Contract that has been in effect for at least 70 days may be canceled by the provider before the expiration of the agreed term or 1 year after the effective date of the Service Contract, whichever occurs first, except on any of the following grounds:

- (a) Failure by the holder to pay an amount when due;
- (b) Conviction of the holder of a crime which results in an increase in the service required under the service Contract;
- (c) Discovery of fraud or material misrepresentation by the holder in obtaining the Service Contract, or in presenting a claim for service thereunder;
- (d) Discovery of:
 - (1) An act or omission by the holder; or
 - (2) A violation by the holder of any condition of the Service Contract which occurred after the effective date of the Service Contract and which substantially and materially increases the service required under the Service Contract; or
- (e) A material change in the nature or extent of the required service or repair which occurs after the effective date of the Service Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that the service contract was issued or sold.

2. No cancellation of a Service Contract may become effective until at least 15 days after the notice of cancellation is mailed to the holder.

CANCELLATION OF VEHICLE SERVICE CONTRACT SECTION:

If the Administrator cancels the Contract, the Contract Holder will receive the refund amount of the unearned Contract charge less any outstanding balance on the account from the amount of the purchase price.

If the Administrator cancels the Contract a cancellation fee will not be imposed.

If the Contract is cancelled by the Contract Holder in writing after thirty (30) days, We will refund the amount of the unearned Contract charge less a \$50.00 cancellation fee.

NEW YORK

Section 198b of New York General Business Law requires an automobile dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with 36,000 miles or less at the time of sale

Provides Coverage for 90 days or 4,000 miles, whichever occurs first.

Used Vehicles with more than 36,000 miles but less than 80,000 miles at time of sale

Provides Coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with 80,000 miles or more but not more than 100,000 miles at time of sale

Provides Coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Contract: In addition to the Dealer warranty required by this law. You have elected to purchase this Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, coverages and exclusions stated in this Contract apply only to this Contract and are not the terms of the required Dealer warranty.

New York State Consolidated Law, Article 79 Section 7905: Paragraph (c) "Obligations of the provider under this service Contract are backed by the full faith and credit of the provider".

NORTH CAROLINA

CANCELLATION OF VEHICLE SERVICE CONTRACT SECTION:

If this Contract is canceled within the first thirty (30) days and no claims have been filed, We will refund the entire Contract charge paid. If this Contract is canceled after the first thirty (30) days or a claim has been filed, We will refund an amount of the Contract charge according to the pro-rata method reflecting the greater of the days in force or the miles driven based on the term of the plan selected and the date Coverage begins, less an administration fee of \$35 or 10% of the pro-rata refund amount, whichever is less. In the event of cancellation, the lienholder, if any, will be named on a cancellation refund check as their interest may appear.

OKLAHOMA

The following language is to be substituted for language in the Terms and Conditions as follows:

DEFINITIONS SECTION:

Administrator..... refers to Tier One Warranty, LLC. P.O. Box 680144, Houston, TX 77268-0144.

We, Us, Our..... refers to Tier One Warranty, LLC. P.O. Box 680144, Houston, TX 77268-0144.

DISCLOSURE STATEMENT: This service warranty is not issued by the manufacturer or wholesale company marketing the product. This warranty will not be honored by such manufacturer or wholesale company.

CANCELLATION OF VEHICLE SERVICE CONTRACT SECTION: Sections 1-6 are replaced by A, B, C

- a. You may cancel this contract by notifying Us. A cancellation form indicating the odometer reading on the date of the request will be required. If the Contract is cancelled by You within thirty (30) days and no claims have been filed, We will refund the entire Contract charge paid. If this Contract is cancelled after the first thirty (30) days or a claim has been filed, We will refund 90% of the amount of the Contract charge according to the pro-rata method reflecting the greater of the days in force or the miles driven based on the term of the plan selected and the date coverage begins.
- b. We may cancel this contract for non-payment of the Contract charge, or for intentional misrepresentation in obtaining this contract or submitting a claim. In the event the contract is cancelled by Us, return of the premium shall be based upon 100% of the unearned prorated premium, less any outstanding balance on the account from the amount of the purchase price.
- c. If Your Vehicle and this Contract has been financed, the lien holder may cancel this Contract for non-payment, or if Your Vehicle has been declared a total loss or has been repossessed. The rights under this Contract are transferred to the lien holder and the lien holder is also entitled to any resulting refund. In the event of cancellation, the lien holder, if any, will be named on the cancellation refund check.

RHODE ISLAND

Section 31-5.4 of Rhode Island General Business Law requires an automobile Dealer to provide a warranty covering certain classes of used motor Vehicles as follows:

Used Vehicles with 36,000 miles or less at the time of sale

Provides Coverage for 60 days or 3,000 miles, whichever occurs first.

Used Vehicles with more than 36,000 miles but less than 100,000 miles at the time of sale

Provides Coverage for 30 days or 1,000 miles, whichever occurs first.

The Vehicle You have purchased may be covered by this law. If so, the following is added to this Contract: In addition to the Dealer warranty required by this law, You have elected to purchase this Contract, which may provide You with additional protection during the Dealer warranty period and provides protection after the Dealer warranty has expired. You have been charged separately only for this Contract. The required Dealer warranty is provided free of charge. Furthermore, the definitions, coverages and exclusions stated in this Contract apply only to this Contract and are not the terms of the required Dealer warranty.

TEXAS

Unresolved complaints or questions concerning the regulation of service contract providers may be addressed to: Texas Department of Licensing and Regulation, E.O. Thompson Office Building, 920 Colorado, Austin, Texas 78701, (800) 803-9202.

UTAH

Note: Coverage afforded under this Contract is not guaranteed by the Property and Casualty Guarantee Association.

VERMONT

In the State of Vermont "We, Us, Our" refers to Tier One Warranty Services, LLC.

WASHINGTON

Our Obligations to You under this service contract are insured under a Contractual Liability Insurance Policy. If We fail to pay an authorized claim within sixty (60) days after proof of loss has been filed, You are entitled to make a direct claim against the Contractual Liability Insurance Policy. Please contact Tier One Warranty, LLC at P.O. Box 680144 Houston, TX 77276-0144.

1. The components, work and parts covered under this Contract are listed under the section entitled "COVERED COMPONENTS" for the level of Coverage indicated on the Application Page and Identification Card.
2. To file a claim in the event of a Failure, follow the instructions listed under the section entitled "WHAT TO DO IN THE EVENT OF A FAILURE."
3. In order to maintain Coverage under this Contract, Vehicle must be serviced as indicated in the section entitled "MAINTENANCE REQUIREMENTS" in the Contract Terms and Conditions.
4. This Contract can be canceled and a refund received as indicated under the section entitled "CANCELLATION OF VEHICLE SERVICE CONTRACT." After ten (10) days the cancellation fee for motor vehicle service contracts is \$25.00. Upon Our receipt of a refund request, a refund will be issued in a timely manner. A 10% penalty per pro rata refund will be added if refund is not paid within 30 days of receipt.
5. This Contract does not cover a number of exclusions which are listed under the section entitled "EXCLUSIONS."
6. Consequential damages and pre-existing conditions are excluded under this Contract.
7. The implied warranty of merchantability is not waived if this Contract is purchased within ninety (90) days of the purchase date of the Vehicle.

WISCONSIN

The following language is to be substituted for language in the Terms and Conditions as follows:

THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.

WHAT TO DO IN THE EVENT OF A FAILURE SECTION: Item 3 is deleted and replaced with the following:

Obtain Authorization from Administrator. Prior to any repair being made, instruct the Service Manager at the repair facility to contact Administrator to obtain authorization for the claim. Failure to obtain authorization prior to having repairs made may jeopardize Coverage under this Contract. The amount authorized by Administrator is the amount that will be paid for repairs covered under the terms of this Contract. Any additional amount must receive prior approval.

Section 631.81 (1), Wis. Stat., states that notice of loss should be made as soon as reasonably possible and within one year of the time required by the Contract. Failure to submit repair orders and/or documentation within 30 days does not invalidate or reduce the claim unless the company is prejudiced by the failure to submit.

OUR RIGHT TO RECOVERY SECTION:

Section is deleted.

WYOMING

In the state of Wyoming "We, Us, Our" refers to Tier One Warranty, LLC.

TERMS AND CONDITIONS SECTION: 9. Arbitration is replaced with the following: Any controversy or claim arising out of or relating to this Contract, or the breach thereof, may be settled by binding arbitration in accordance with the Wyoming Uniform Arbitration Act. Either party may make a written request for arbitration to the American Arbitration Association. If binding arbitration is agreed upon by both parties, a decision by the Arbitrator shall be binding upon the parties.

CANCELLATION OF VEHICLE SERVICE CONTRACT: 3. is replaced with the following: 3. If Your Vehicle and this Contract has been financed, the Contract may be cancelled if Your Vehicle has been declared a total loss or has been repossessed. If so, the lienholder is entitled to any resulting refund.

TIER ONE WARRANTY, LLC.

P.O. Box 680144
Houston, TX 77268-0144
800-682-9761