

DEFINITIONS

- “Commercial Use” means a vehicle that is registered to a business and/or for business purposes. The following vehicles are not eligible for the “Commercial Use” option and are excluded from coverage under this service contract: tow trucks; snowplows; taxis; police vehicles; and vehicles that are used in excess of manufacturer’s g.v.w. or for excessive hauling and pulling.
- “Contract Holder” means the purchaser or holder of this service contract.
- “Covered Part” means any part of the vehicle not listed by this service contract in the section entitled “Non-Covered Parts” and that is not excluded from coverage under the section of this service contract entitled “Exclusions – What This Vehicle Service Contract Does Not Cover”
- “Mechanical Breakdown” means the event caused by the total breakage of any Covered Part that causes it to fail to work as it was designed to work in normal service. Please refer to the wording under Exclusions for a listing of conditions under which the failure of a Covered Part is not considered a Mechanical Breakdown.
- “Participating Lender” means any financial institution providing financing for the purchase of the vehicle and/or this service contract.
- “Repair Facility” means any automotive repair facility at which the Contract Holder seeks to have service performed under this service contract.
- “Administrator” or “ACSC” means Automobile Consumer Service Corporation, which will administer this service contract, process and pay claims.
- The Direct Marketer (Seller) should be contacted for cancellation procedures and other contract changes.

CONTRACT HOLDER OBLIGATIONS

- The Contract Holder hereby authorizes the Participating Lender to: (1) be listed as joint payee and receive any refund in the event this service contract is canceled, or (2) to cancel this service contract in the event the Contract Holder defaults in his/her obligations to such lender.
- In order for this service contract to remain in force, the Contract Holder is required to follow the vehicle manufacturer’s required maintenance schedule, including oil and filter changes, timing belt changes, transmission services, and any other manufacturer requirements. Failure to follow the vehicle manufacturer’s maintenance guidelines may result in denial of a claim. The Contract Holder must keep and make available if requested verifiable signed service/purchase receipts that show that the vehicle manufacturer’s required maintenance has been performed within the time and mileage limit requirements. Service Records prior to the inception of the contract may be requested if needed to prove a failure was not caused by lack of maintenance.
- The Contract Holder and the Repair Facility are required to obtain from ACSC an authorization number prior to beginning any repair covered by this service contract.
- The Contract Holder is responsible for paying a \$100 deductible for each visit to a Repair Facility for approved claims.
- The Contract Holder is responsible for authorizing and paying for any tear down or diagnosis time needed to determine if the vehicle has a covered Mechanical Breakdown. If it is determined that the repair is needed due to a covered Mechanical Breakdown, then the Provider will pay for such tear down or diagnosis. If it is determined that part of the vehicle requiring repair is not a Covered Part or that the failure of a Covered Part is not a covered Mechanical Breakdown, then the Contract Holder is responsible for payment of such tear down or diagnosis.
- The Contract Holder agrees not to modify the vehicle in a manner not recommended by the vehicle manufacturer.

NO CLAIMS WILL BE PAID WITHOUT PRIOR AUTHORIZATION
CLAIMS: 1-800-824-7059

PROVIDER OBLIGATIONS

- If a covered Mechanical Breakdown of the vehicle occurs during the term of this service contract and within the United States or Canada, the Provider will pay the Contract Holder or the Repair Facility for repair or replacement, as ACSC deems appropriate (including the negotiation of labor rates and parts prices), of the Covered Part(s) that caused the Mechanical Breakdown, but only if the Contract Holder has met his/her obligations as described in this service contract and if the Mechanical Breakdown is not excluded under the exclusions section of this service contract. **Replacement parts can be of like kind and quality. This may include the use of new, used or remanufactured parts, as determined by ACSC.**
- Provider will reimburse the Contract Holder for the cost of renting a replacement vehicle while covered repairs are being performed, subject to the following limitations: (1) the limit on reimbursement is \$35 per day for a maximum of six (6) days per Mechanical Breakdown or series of Mechanical Breakdowns related in time or cause; (2) rental reimbursement will not be authorized until the repairs have been authorized by ACSC; and (3) to receive rental reimbursement, the Contract Holder must supply ACSC with a receipt from a licensed rental agency. The number of days for which rental reimbursement is provided will be based on labor time charged to do the repair(s). One day rental will be authorized for parts delay, inspection of breakdown, and/or four (4) hours to do repairs. An additional day of rental will be authorized for every additional eight (8) hours of labor time charged to do the repairs.
- Provider will reimburse the Contract Holder for motel and restaurant expenses up to \$75 per day for a maximum of three (3) days in the event of a Mechanical Breakdown covered by this service contract that occurs more than 100 miles from your home and results in a Repair Facility keeping the vehicle overnight. The maximum benefit per occurrence is \$225. To receive motel and restaurant reimbursement, the Contract Holder must supply ACSC with his/her receipts from the providers of such services.

COVERED PARTS

The coverage provided by this service contract supplements the new vehicle warranty provided by the vehicle manufacturer to the original owner of the covered vehicle. After the expiration of the new vehicle warranty and before the expiration of this service contract, ACSC will, upon payment of the deductible amount per visit selected on the front of this service contract, make any necessary repairs to the vehicle, excepting any parts and Mechanical Breakdowns listed under the sections of this service contract entitled "What Is Not a Covered Part" and "Exclusions — What This Vehicle Service Contract Does Not Cover". **Use of non-original manufacturer's parts in covered repairs is allowed.**

WHAT IS NOT A COVERED PART

All parts not listed in the following section and not excluded by the section entitled "Exclusions-What this Vehicle Service Contract Does Not Cover" are covered. The following parts are **not covered** by this service contract: sway bar and sway bar components; paint and carpeting; manual/hydraulic clutch assembly; trim; hoses and rubber parts; canvas, vinyl, fabric or fiberglass tops; moldings; distributor cap/rotor; tires/wheels; air bag/supplemental restraint systems; lenses; battery and cables; all maintenance service and items, such as alignments, wheel balances, struts and shocks, engine tune-ups, EGR valve, oxygen sensors, window regulators, seat regulators, fuel regulators, spark/glow plugs, plug wires, brake pads, linings and shoes, filters, lubricants, coolants, thermostat, hoses and belts; bright metal; light bulbs and headlights; video; audio; exhaust system; weather stripping; body panels; brake rotor/drums; shop supplies and hazardous waste removal; blend motors and doors, buttons, handles and door hinges; glass; service adjustments, and cleaning.

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EXCLUSIONS – WHAT THIS VEHICLE SERVICE CONTRACT DOES NOT COVER

This Contract does excludes the following:

- (1) Repair or replacement of a covered component/part to correct conditions that may reasonably be assumed by ACSC to have existed at the inception date of the coverage provided by this contract (Pre-existing conditions);
- (2) A Breakdown caused by lack of manufacturer's specified maintenance (See Contract Holder's Obligations Bullet ;
- (3) A Breakdown caused by contamination of or lack of proper fuels, fluids, coolants or lubricants, including a Breakdown caused by a failure to replace seals or gaskets in a timely manner; Repair of any parts used, added or replaced during a covered repair which are not necessary to the completion of covered repair or were not damaged by the failure of a Covered Part (Such replacement is considered betterment and is not covered by this Contract);
- (4) Any cost covered by a repairer's or supplier's guarantee, or any cost which would normally be covered by a manufacturer's warranty;
- (5) Any or other benefits for which the manufacturer has announced its responsibility through any means including public recalls or factory service bulletins;
- (6) Cost or other damages caused by continued vehicle operation after the failure of a Covered Part or the failure to replace a worn part that has not failed;
- (7) Any liability, cost or damages the Contract Holder may incur to the benefit of any third parties other than ACSC approved repair or replacement of Covered Parts which caused a Mechanical Breakdown;
- (8) A Breakdown caused by overheating, rust or corrosion;
- (9) A Breakdown caused by collision, fire, electrical fire or meltdown, theft, freezing, vandalism, flood, or for any hazard insurable under standard physical damage insurance policies whether or not such insurance is in force with respect to the vehicle;
- (10) Loss of use, loss of time, loss profits or savings, inconvenience, commercial loss, or other incidental or consequential damages or loss that results from a Breakdown;
- (11) Liability for damage to property, or for injury to or death of any person arising out of the operation, maintenance or use of the vehicle, whether or not related to Breakdown;
- (12) Any part not covered by, or excluded by the original manufacturer's warranty;
- (13) Vehicles that have been modified in a manner that increases the likelihood of a breakdown;
- (14) Consequential damage of a covered component by a non-covered component is not covered, failure of a non-covered component caused by a covered component is not covered;
- (15) Damage caused by continued operation of an impaired vehicle is not covered;
- (16) A gradual reduction in operating performance due to normal wear and tear, such as but not limited to valve guides, valves, rings, and transmission clutch pack discs and bands;
- (17) Frame or structural separation;
- (18) Service adjustments and cleaning;
- (19) Any repairs to a vehicle with a title indication of salvage or junk or other designation indicating that the vehicle had been stolen, wrecked, destroyed, water damaged, or otherwise to the extent that it was considered to be uneconomical to repair, total mileage is unknown, or lemon law buyback;
- (20) Any repositioning, refitting, realignments, or body adjustments.

DEDUCTIBLE

The Contract Holder is responsible for paying a \$50 deductible for each visit to a Repair Facility on each approved claim, unless the \$100 or \$0 deductible option is selected.

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OPTION TO PURCHASE ANOTHER SERVICE CONTRACT WHEN CURRENT CONTRACT EXPIRES

The Contract Holder may request to purchase another service contract when this service contract expires if all of the following criteria are satisfied: (1) The purchase is made at least thirty (30) days and 1000 miles prior to the expiration of the current service contract; (2) The vehicle and all service records are made available for inspection at Provider's request; and (3) The vehicle must qualify for terms of the new service contract based on mileage and age of vehicle when the request for the new service contract is made. The cost for the new service contract will be based on then current rates. If you have any questions or wish to purchase a new service contract, contact the selling marketer or call 1-800-824-7059.

COMMERCIAL USE DEFINED

A Commercial Use vehicle is defined as a vehicle registered to a business and/or for business purposes. Vehicles that are used in excess of manufacturers g.v.w. or for excessive hauling and pulling are excluded from coverage hereunder. Tow trucks, snowplows, Taxis, and police vehicles are specifically excluded from coverage hereunder.

How This Contract May Be Canceled, Including Refunds and Charges

The Contract Holder may cancel this Contract by contacting the Direct Marketer (Seller) listed on the Declaration Page of this Contract by phone. Contract Holders failing to obtain cancellation service within 45 days should contact the Administrator at ACSC, P.O. Box 1231, Huntsville, AL 35805. The Contract Holder may cancel this Contract at any other time and receive a pro rata refund of the Total Contract Purchase Price based on the greater of the days in force or the miles driven compared to the total Contract Term, less the applicable cancellation fee and less claims if applicable in your state. The Term of this contract for cancellation purposes will be based on the date of purchase of the vehicle and the vehicle mileage on such date. ACSC is primarily liable to provide any refund under this Contract. If this Contract was purchased in Arizona, Georgia or North Carolina, the refund will be issued on the above-mentioned pro rata basis, whenever it is canceled. If this Contract was purchased in Alabama, Nevada, Texas or Wyoming, a ten percent penalty per month shall be added to a refund that is not made within forty-five (45) days of return of the Contract to ACSC; if this Contract was purchased in New York or Washington, said penalty shall be added to a refund not made within thirty (30) days of return of the Contract to VSIC, RRG. If this Contract was purchased in Colorado, the Contract Holder may not cancel this Contract at any time. The applicable cancellation fee shall be \$50.00, except: if this Contract was purchased in Alabama, the applicable cancellation fee shall be \$25.00 and will not be assessed if the Contract Holder is entitled to a full refund hereunder; if this Contract was purchased in Illinois, the applicable cancellation fee shall be the lesser of 10% of the service contract price or \$50.00; if this Contract was purchased in Georgia or Missouri, a cancellation fee shall not be assessed; if this Contract was purchased in Nevada and it is canceled within twenty (20) days after the Contract Purchase Date, there shall be no applicable cancellation fee; if this Contract was purchased in North Carolina, the applicable cancellation fee shall be 10% of the refund issued hereunder; if this Contract was purchased in Washington, the applicable cancellation fee shall be \$25.00 if the Contract is canceled ten (10) or more days after the Contract Purchase Date (if the Contract is canceled before that time, there shall be no applicable cancellation fee). Refunds issued hereunder shall be issued less the value of any services received by the Contract Holder (including claims paid), except: if this Contract was purchased in Alabama or Illinois, such subtraction of the value of any services received by the Contract Holder shall apply only to cancellations not fully refunded; if this Contract was purchased in Arizona, Nevada or Wisconsin, such subtraction of any services received by the Contract Holder shall never apply. If this contract was purchased in Iowa, the contract holder may cancel the contract within 30 days of the contract purchase date and receive a refund of the purchase price less a \$50.00 cancellation fee and less the total of claims paid, if you have any

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questions or problems regarding this contract, you may contact ACSC, (the Administrator), by mail at P.O. Box 1231, Huntsville, AL 35805, or phone 1-800-824-7059. Iowa residents only may contact The Iowa Securities Bureau at 1-515-281-4441, or write to 340 Maple Street, Des Moines, Iowa 50319-0066.

CANCELLATION (IF FINANCED)

- A. We may cancel this Contract for non-payment of the Contract Charge, or for misrepresentation in the submission of a claim. We may cancel this Contract if Your Vehicle is found to be modified in a manner not recommended by the manufacturer.
- B. In the event that your contract is cancelled for non-payment, no refund will be due.
- C. Returned Check Charge: A returned check charge of \$30.00 will be assessed each time you pay us with a check or pre-authorized check that is returned unpaid. The funding party will post the returned charge to your balance due. Unpaid late fees will be posted to your balance due.
- D. Refund Policy for Pre-Authorized Check Payments: If payment has been made by a pre-authorized check(s), you must submit all original cancelled pre-authorized check(s) to the funding party. For purposes of refund, photocopies of pre-authorized check(s) are not accepted. With receipt of your refund, your original pre-authorized check(s) will be returned to you.
- E. Reinstatement: If the Vehicle Service Contract is cancelled due to non-payment, we reserve the option to reinstate the Agreement. As a condition of reinstatement, any reinstatement request must be made within thirty (30) days of cancellation and the full amount of the Contract price must be paid at the time of reinstatement. We will not be responsible for any Mechanical Failure to your vehicle during the first thirty (30) days and 1,000 miles from the effective date of the Reinstatement Notice.

WHAT TO DO IF YOU HAVE A MECHANICAL BREAKDOWN

- (1) Use all reasonable means to protect the vehicle from further damage. This may require you to stop the vehicle, turn off the engine, and have the vehicle towed.
- (2) If the vehicle is inoperable and needs to be towed, call Roadside Assistance toll free at **1-866-827-9805**. Have your membership contract number ready before you call. Any payment of the costs of transporting the vehicle for service is provided under this service contract exclusively pursuant to the terms and conditions for emergency road service provided by Roadside Assistance.
- (3) In-home service is not provided under this service contract.
- (4) Present this service contract to the Repair Facility and call ACSC toll free at **1-800-824-7059** to obtain prior authorization for any repairs. No claims will be paid without prior authorization. Prior to proceeding with any repairs, the Repair Facility must call ACSC with an estimate of the cost of repairs and receive an authorization number from ACSC.
- (5) Fax or mail any maintenance receipts. ACSC can be reached via fax at **1-256-851-6828** or through the mail at P.O. Box 1231, Huntsville, AL 35805.
- (6) Emergency repairs occurring outside of normal business hours are eligible for cash reimbursement consideration. The Contract Holder should take the vehicle to a licensed repair facility and authorize the work themselves, after which, reimbursement consideration may be obtained by the Contract Holder only if he/she follows the above procedures on the first business day after such emergency repairs are performed.

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WHAT ACSC WILL DO WHEN YOU REPORT A CLAIM

The Claims Department of ACSC is responsible for the performance of Provider under this Contract. Upon the filing of a claim under this service contract, ACSC will verify the validity of the service contract (which includes determining that the person making the claim is the proper holder of this service contract, that the vehicle to which the claim relates is covered by this service contract, and that the service contract is still in force), verify the Mechanical Breakdown with the Repair Facility, verify coverage of the Mechanical Breakdown under this service contract, and authorize repair of Covered Parts (which includes providing the Repair Facility with an authorization code and confirming cost of repair). ACSC reserves the right to inspect the vehicle at the time of repair. Payment is provided through direct billing, credit card, or reimbursement of the Contract Holder.

HOW THIS CONTRACT MAY BE TRANSFERRED

The rights and duties of the Contract Holder under this service contract may be transferred in connection with the sale of the vehicle directly to another private party, but only if the Contract Holder: (1) Sends a completed transfer application to ACSC within thirty (30) days of the sale or transfer of the vehicle; and (2) encloses a \$50.00 transfer fee. Only the original Contract Holder may transfer this service contract. The Contract Holder may not transfer this service contract if the vehicle is traded or sold to or through any entity other than a private party. In the event the vehicle is a total loss or is repossessed, any rights and obligations under this service contract immediately transfer to the lien holder, if any. The Contract Holder must provide the new owner of the vehicle with copies of all receipts as listed under the section of this service contract entitled "Contract Holder Obligations."

TRANSFER APPLICATION

To transfer this service contract, complete the following and mail it along with a photocopy of the front of this service contract to **ACSC, P.O. Box 1231, Huntsville, AL 35805**.

Please transfer this service contract to the new owner of the vehicle as set forth below. I am transferring this service contract in accordance with the provisions stated in the service contract. In order to transfer I am enclosing with this Application a \$50.00 check or money order payable to ACSC

Date of Transfer _____
Name of New Owner _____
Address _____
City, ST, Zip _____
Odometer Mileage on Date of Transfer _____
Signature of Vehicle Purchaser _____
Signature of Vehicle Seller _____

Verification that the vehicle has been maintained as required by this service contract must be supplied by the vehicle seller to the vehicle purchaser. Transfer will be valid when the vehicle purchaser receives a confirmation letter from ACSC.

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PROVIDER'S RIGHT TO CANCEL THIS SERVICE CONTRACT

ACSC may cancel this service contract and/or deny any claims presented under this service contract if:

- The Contract Holder fails to pay any amount when due.
- ACSC discovers fraud or material misrepresentation by the Contract Holder in obtaining this service contract or in presenting a claim for service hereunder, including, but not limited to, whether the vehicle title indicates that the vehicle was salvaged or rebuilt.
- ACSC discovers an act or omission by the Contract Holder, or a violation by the Contract Holder of any condition of this service contract, that occurred after the effective date of this service contract and that substantially and materially increases the service required under this service contract, including but not limited to: failure of the odometer of the vehicle to record the actual mileage of the vehicle after the effective date of this service contract and/or the actual mileage of the vehicle cannot be established to a reasonable degree of certainty at the time of sale; if there is a lack of required maintenance; operation of the vehicle without coolant or lubricant; and use of the vehicle for commercial purposes (unless the Commercial Use option is purchased).

In the event this service agreement is canceled by the Provider, return of premium shall be based upon 100% of unearned pro rata purchase price. In the event that your contract is cancelled for non-payment, no refund will be due.

Returned Check Charge: A returned check charge of \$25.00 will be assessed each time you pay us with a check or pre-authorized check that is returned unpaid. The funding party will post the returned charge to your balance due. Unpaid late fees will be posted to your balance due.

Refund Policy for Pre-Authorized Check Payments: If payment has been made by a pre-authorized check(s), you must submit all original cancelled pre-authorized check(s) to the funding party. For purposes of refund, photocopies of pre-authorized check(s) are not accepted. With receipt of your refund, your original pre-authorized check(s) will be returned to you.

Reinstatement: If this service contract is cancelled due to non-payment, we reserve the option to reinstate the Agreement. As a condition of reinstatement, any reinstatement request must be made within thirty (30) days of cancellation and the full amount of the purchase price must be paid at the time of reinstatement. We will not be responsible for any Mechanical Breakdown to your vehicle during the first thirty (30) days and 1,000 miles from the effective date and miles at the time of reinstatement.

DISPUTES ABOUT THIS SERVICE CONTRACT

The Contract Holder agrees that any controversy or claim arising out of or related to this service contract, or the breach thereof, will be resolved by arbitration administered by the American Arbitration Association ("AAA"). Matters involving damages of less than \$10,000 will be resolved pursuant to the AAA's *Arbitration Rules for the Resolution of Consumer-Related Disputes* and matters involving damages of \$10,000 or more will be resolved by a single arbitrator pursuant to AAA's *Commercial Arbitration Rules*. For a copy of procedures to follow to file a claim or other information regarding arbitration, contact AAA, 335 Madison Ave., NY, NY 10017 or online at www.adr.org. All disputes regarding this service contract will be subject to the laws of the State of Alabama.

NOTICE OF ARBITRATION AGREEMENT: This agreement provides that all disputes between you and the Provider will be resolved by BINDING ARBITRATION.

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You thus GIVE UP YOUR RIGHT TO GO TO COURT to assert or defend your rights under this contract (EXCEPT for matters that may be taken to SMALL CLAIMS COURT).

Your rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. You are entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Arbitrator decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT.

FOR MORE DETAILS: Review "Disputes About This Service Contract"

OTHER IMPORTANT CONTRACT PROVISIONS

This service contract is not issued by the vehicle manufacturer or the wholesale company marketing your motor vehicle. This service contract will not be honored by the vehicle manufacturer or such wholesale company.

Purchase of this Contract is not required to purchase or obtain financing for the Vehicle.

The obligation of the Provider to perform under this Contract is insured by Vehicular Service Insurance Company Risk Retention Group, Norman Oklahoma. In the event the Provider fails to pay that which it is legally obligated to pay within 60 days after proof of loss has been filed with ACSC, the Contract Holder may file a claim under the insurance policy by mailing a copy of the adjudication to VSIC, RRG at their above address or toll-free at 1-800-824-7059. If this Service Contract was purchased in the State of Washington, such a claim may be made to ACSC, at any time.

This Contract contains the complete agreement between the parties and is not valid unless either signed by both the Contract Holder and an authorized representative of the Provider or agreed to and purchased over the telephone by the consumer.

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