

JOHN DEERE POWERGARD PROTECTION PLAN RESIDENTIAL

This form describes the protection You will have in return for payment by You.

1. DEFINITIONS FOR POWERGARD PROTECTION PLAN RESIDENTIAL:

- A. "Obligor", "We", "Us" and "Our" mean the company obligated under this Agreement, **National Product Care Company, [175 West Jackson Blvd, Chicago, Illinois, 60604]**, except in Arizona, Florida and Oklahoma, where it is **Service Saver, Incorporated, [175 West Jackson Blvd, Chicago, Illinois, 60604]**; in Florida, the license number is: 80173; or in Texas, where it is **National Product Care Company dba Texas National Product Care Company, Inc., [175 West Jackson Blvd, Chicago, Illinois, 60604]**, or in Washington where it is **ServicePlan, Inc., [175 W. Jackson, 11th Floor, Chicago, IL. 60604, (800) 209-6206]**
- B. "You" and "Your" mean the purchaser of the Covered Product(s) and any authorized transferee/assignee of the purchaser.
- C. "Servicing Dealer" means the entity selling the Covered Product or responsible for completing Your authorized repairs.
- D. "Administrator" means John Deere Agriculture and Turf Division, One John Deere Place, Moline, Illinois 61265, (800) 537-8233.
- E. "Covered Product" means the consumer item(s) which is covered by this Agreement.
- F. "Customer Service" means the entity responsible for answering Your questions about the *PowerGard Protection Plan Residential*; TWG Innovative Solutions, Inc. (TWGIS), P.O. Box 87639, Chicago, IL, 60680-0639, (800) 377-3931, www.theserviceport.com.
- G. "Maximum Hours" means the number of hours of product usage before coverage expires that is printed on the face page.
- H. "Agreement" means the terms, conditions, limitations and exclusions of the *PowerGard Protection Plan Residential*, including the face page.

2. POWERGARD PROTECTION PLAN RESIDENTIAL:

In return for payment by You, as indicated on the face page of this Agreement, You have the *PowerGard Protection Plan Residential*.

- A. **COVERAGE:** Subject to the terms and conditions of the *PowerGard Protection Plan Residential*, we will repair or replace, at our option, **Covered Components (as defined below)** of Covered Equipment described in the **face page** that are defective in material or workmanship. For the *PowerGard Protection Plan Residential* to apply, the repair or replacement of Covered Components must be performed by an authorized John Deere dealer using genuine John Deere parts. Such repair or replacement will be made without charge to you except as described in paragraph G. **DEDUCTIBLE.**

The *PowerGard Protection Plan Residential* is only available through an authorized seller of the plan or Servicing Dealer. The *PowerGard Protection Plan Residential* term and coverage under this Agreement begin on the date of Agreement purchase and continue for the period indicated on the face page of this Agreement or until Maximum Hours have been reached on the Covered Product, whichever occurs first. If You Purchase a new Mechanical Repair Plan during the term of Your Agreement, the period of liability begins upon the expiration of Your current Agreement and is extended under the new Mechanical Repair Plan for the term listed or until the Maximum Hours have been reached on the Covered Product, whichever comes first.

In the event Your Covered Product is being serviced by the Servicing Dealer when this Agreement expires, the term of the Agreement will be extended until the covered repair has been completed.

- B. **COVERED COMPONENTS:** The *PowerGard Protection Plan Residential* only applies to covered engine and powertrain components of Covered Equipment. Covered Components will include factory installed or genuine John Deere replacements listed below as well as related components that perform a similar function:
 - 1. **Engine Components** include the cylinder block, head, rocker arm cover, oil pan, timing gear covers and all parts contained inside any one of these components. Covered engine components will also include the fuel injection pump and injectors (except dosing pumps & injectors), electronic fuel injection controller, electronic unit injectors, turbo charger, flywheel, water pump, intake and exhaust manifolds attached to the cylinder head, oil coolers mounted directly to the engine, crankshaft torsional damper, ECUs/BCUs and starter.
 - 2. **Powertrain Components** include the transmission case; clutch, differential, ring gear, pinion, and axle housings; final drive housings (inboard and outboard); mechanical front wheel drive

clutch housing; pump drive, power take off clutch, and powertrain housings; and all parts contained inside any one of these components, (except dry clutch parts and steering cylinders). Covered powertrain components also include input and output shafts, transmission control valves (including solenoid shift valves), electronic transmission controllers (Powershift, Central, Reverser, Powerquad Electronic, and Autopower/IVT Control Units), drivelines and U-joints, transmission charge and lubrication pumps, and driveline torsional damper and tuner. For track driven tractors, Covered Components also include the steering pump and motor, steering planetaries, outboard planetary final drives, and electronic track steering controllers.

- C. **COMPONENTS NOT COVERED:** Covered engine and powertrain components shall **not** include the following:
 - 1. **Engine Components Not Covered** include external pipes and hoses (such as, but not limited to, turbo charger, oil line, injector pump lines, and air intake hoses and clamps), variable speed fan drive, viscous fan drive, or fan and accessory drive belts, accessory mounting brackets, accessories, inter-coolers/after-coolers, fuel transfer pumps, and normal wear parts such as seals. Other electronic controls (such as but not limited to hand and foot throttle, internal cab controllers, etc.) are also not covered.
 - 2. **Powertrain Components Not Covered** include seals, dry clutch parts, steering cylinders, external linkages, pipes and hoses; rims, tires, and tubes; and components mounted to but not functionally part of the drive train, including but not limited to rockshaft parts, mounting brackets, gudgeon and hinge components, and cylinders. Non-covered powertrain components also include the main hydraulic pump, reverser lever, three point hitch controller, and suspension components and systems, such as, but not limited to systems for axles, cabs and tracks. For track driven tractors, components not covered also include rubber tracks; front idlers, mid rollers, and drive wheels; and track tensioning parts.
- D. **WHEN COVERAGE APPLIES:** The *PowerGard Protection Plan Residential* will apply during the Coverage Term indicated in the face page for the coverage selected unless one of the events described in paragraph E. below occurs, in which case, plan coverage will terminate immediately.

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E. TERMINATION OF COVERAGE: The *PowerGard Protection Plan Residential* will terminate immediately when any of the following occur: **(1)** The time or engine hour coverage option indicated in the **face page** has expired; **(2)** The Covered Equipment's engine hour meter stops working or has been tampered with, or is otherwise rendered inaccurate or inoperative (we may waive this provision, in writing, upon repair or replacement of the engine hour meter if actual hours can be verified); **(3)** The Covered Equipment is modified or altered in ways not approved by us or not in accordance or compliance with John Deere factory specifications; **(4)** Service or repair, other than normal maintenance and/or replacement of service items, is performed by someone other than an authorized John Deere dealer; **(5)** The Covered Equipment is moved to a location outside the United States or Canada; or **(6)** the John Deere Basic Warranty is terminated or voided prior to the original expiration date for any reason.

F. MAXIMUM RECOVERY: Our cumulative liability over the Coverage Term for covered repairs or replacements of Covered Components shall not exceed the manufacturer's suggested list price of the Covered Equipment (for new units), excluding any transportation charges, license fees, taxes, the cost of the *PowerGard Protection Plan Residential*, the cost of options not covered by the *PowerGard Protection Plan Residential*, and insurance premiums.

G. DEDUCTIBLE: For each covered repair event under the *PowerGard Protection Plan Residential*, you must first pay the Deductible, indicated on the **face page** for the parts and labor charges for that repair. Once a deductible has been paid for a covered repair event, subsequent work, performed under the *PowerGard Protection Plan Residential*, and required due to failure of the original repair, will not be subject to additional deductibles. A covered repair event will include all covered parts and labor charges included under a single work order.

H. MAINTENANCE OF COVERED EQUIPMENT AND RECORDS: You must properly maintain the Covered Equipment and, at your expense, perform scheduled maintenance in accordance with the Operators Manual for the Covered Equipment. You must maintain records of all scheduled maintenance, repair, or service work completed and must present these records to us, upon our request, to verify compliance with this condition.

I. What to do when a Covered Component fails to Operate:
To obtain service on the Covered Product, contact Your local Servicing Dealer or call the Administrator's 24-hour toll-free number at [(800) 537-8233].

You must authorize the Servicing Dealer to perform necessary diagnostic work and provide "teardown authorization" so that the Servicing Dealer can provide an accurate diagnosis and estimate of repairs. **IMPORTANT: MECHANICAL REPAIR COVERAGE DOES NOT PAY FOR DIAGNOSIS CHARGES FOR REPAIRS NOT COVERED UNDER THIS AGREEMENT.** You must consent to all repairs made under this Agreement. You must also provide "teardown authorization" so that the Servicing Dealer can perform necessary diagnostic work and provide an accurate diagnosis and estimate of repairs. Either You or the Servicing Dealer may be asked to provide proof of such consent at time of claim. Please Note: We will not pay for any mechanical repairs or diagnostic work on any failure not covered under this Agreement. You will be responsible for any charges related to failures not covered by this Agreement, or repair work that is unrelated to the covered failure.

All repairs must be authorized by the Administrator prior to performance of work. Claims must be submitted by Servicing Dealer within thirty (30) days of repair. Claims on unauthorized repairs may be denied. Many oversights, which are not covered under this Agreement, can be due to simple circumstances such as the Covered Product not being switched on.

J. CHANGES: The *PowerGard Protection Plan Residential* contains all of your rights and responsibilities for coverage to apply. **NO JOHN DEERE DEALER OR ANY OTHER PERSON MAY AMEND OR CHANGE THE TERMS, CONDITIONS, OR LIMITATIONS OF THIS POWERGARD PROTECTION PLAN RESIDENTIAL IN ANY WAY.**

3. WHAT IS NOT COVERED:

- A. PRODUCTS NOT ORIGINALLY COVERED BY A MANUFACTURER'S WARRANTY;
- B. ITEMS THAT ARE STILL COVERED BY THE MANUFACTURER'S WARRANTY, REGARDLESS OF WHETHER THE MANUFACTURER HONORS SUCH WARRANTY;
- C. FAILURES COVERED UNDER ANY OTHER WARRANTY, PRODUCT IMPROVEMENT PROGRAM OR PRODUCT RECALL, OTHER SERVICE AGREEMENT, OR INSURANCE;
- D. OVERTIME LABOR CHARGED IN EXCESS OF THE DEALER'S NORMAL LABOR RATE;
- E. CHARGES FOR SERVICE CALLS OR FOR TRANSPORTATION OR STORAGE OF THE COVERED EQUIPMENT; DEPRECIATION, DAMAGE OR FAILURE CAUSED BY NORMAL WEAR, LACK OF REASONABLE AND PROPER MAINTENANCE, FAILURE TO FOLLOW OPERATING INSTRUCTIONS, MISUSE, OR LACK OF PROPER PROTECTION DURING STORAGE. PERIODIC CHECKUPS AND/OR PREVENTATIVE MAINTENANCE AS DIRECTED BY THE MANUFACTURER;

- F. INHERENT PRODUCT DEFECTS THAT ARE THE RESPONSIBILITY OF THE MANUFACTURER OR PARTS FAILURE DUE TO A MANUFACTURER'S RECALL;
- G. ANY AND ALL PRE-EXISTING CONDITIONS THAT OCCUR PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT;
- H. ANY COSTS TO REPAIR ANY PRODUCT SOLD "AS-IS" INCLUDING BUT NOT LIMITED TO FLOOR MODELS, DEMONSTRATION MODELS, ETC.;
- I. PARTS OR REPAIRS DUE TO NORMAL WEAR AND TEAR AND ITEMS NORMALLY DESIGNED TO BE PERIODICALLY REPLACED BY THE PURCHASER DURING THE COVERED PRODUCT'S LIFE, INCLUDING BUT NOT LIMITED TO BATTERIES, CLEANING OR REPLACEMENT OF PARTICULATE FILTERS, BREAK, CLUTCH COMPONENTS, BEARINGS, LIGHT BULBS, FILTERS, FLUIDS, BLADES, BELTS, HOSES, SPARK PLUGS, SEATS, CV BOOTS, CONSUMABLES ETC.;
- J. DAMAGE FROM ACCIDENT, ABUSE, MISUSE, MISHANDLING, INTRODUCTION OF FOREIGN OBJECTS INTO THE COVERED PRODUCT, UNAUTHORIZED MODIFICATIONS OR

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- K. ALTERATIONS TO A COVERED PRODUCT, FAILURE TO FOLLOW THE MANUFACTURER'S INSTRUCTIONS;
- L. EXTERNAL CAUSES INCLUDING THIRD PARTY ACTIONS, FIRE, THEFT, INSECTS, ANIMALS, EXPOSURE TO WEATHER CONDITIONS, LIGHTNING, POWER SURGE, WINDSTORM, SAND, DIRT, HAIL, EARTHQUAKE, FLOOD, WATER, ACTS OF GOD OR CONSEQUENTIAL LOSS OF ANY NATURE;
- M. LOSS OR DAMAGE CAUSED BY THEFT, VANDALISM OR RIOT, THE ELEMENTS, FIRE, EXPLOSION, CHEMICALS OR SALT, COLLISION OR OTHER ACCIDENTS, WAR, INVASION OR ACT OF FOREIGN ENEMY, HOSTILITIES, CIVIL WAR, REBELLION, RIOT, STRIKE, LABOR DISTURBANCE, LOCKOUT, OR CIVIL COMMOTION;
- N. ANY DEFECT IN A NON-COVERED COMPONENT OR DAMAGE TO OR FAILURE OF A COVERED COMPONENT CAUSED BY A DEFECT IN A NON-COVERED COMPONENT.
- O. EXPENSES ASSOCIATED WITH ANY REPAIR REQUIRED OR PROVIDED FOR BY ANY REGULATION OR ORDER OF A COURT OR REGULATORY AGENCY, OR BY CONSENT DECREE OR SETTLEMENT;
- P. INCIDENTAL, CONSEQUENTIAL OR SECONDARY DAMAGES OR DELAY IN RENDERING SERVICE UNDER THIS AGREEMENT, INJURIES INCLUDING BUT NOT LIMITED TO LOSS OF CROPS OR PROFITS, RENTAL CHARGES FOR SUBSTITUTE EQUIPMENT, OR OTHER LOSS OF INCOME, OR LOSS OF USE DURING THE PERIOD THAT THE COVERED PRODUCT IS AT THE SERVICING DEALER FOR REPAIR SERVICE OR OTHERWISE AWAITING PARTS;
- Q. DAMAGE TO OTHER PROPERTY OR INJURY TO ANY PERSON;
- R. ANY PRODUCT CURRENTLY OR PREVIOUSLY USED IN A COMMERCIAL SETTING OR RENTAL BASIS;
- S. FAILURES THAT OCCUR OUTSIDE OF THE 50 STATES OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA;
- T. NONFUNCTIONAL OR AESTHETIC PARTS INCLUDING BUT NOT LIMITED TO PLASTIC PARTS, KNOBS, ROLLERS, BASKETS, SCRATCHES, PEELING AND DENTS;
- T. UNAUTHORIZED REPAIRS AND/OR PARTS;
- U. COST OF INSTALLATION, SET-UP, DIAGNOSTIC CHARGES, REMOVAL OR REINSTALLATION OF THE COVERED PRODUCT, EXCEPT AS PROVIDED HEREIN;
- V. ACCESSORIES USED IN CONJUNCTION WITH A COVERED PRODUCT;
- W. ANY LOSS OTHER THAN A COVERED BREAKDOWN OF THE COVERED PRODUCT;
- X. SERVICE WHERE NO PROBLEM CAN BE FOUND;
- Y. BREAKDOWNS WHICH ARE NOT REPORTED WITHIN THE TERM OF THIS AGREEMENT.
- Z. BATTERY LEAKAGE;
- AA. FAILURE AS A RESULT FROM RUST OR CORROSION ON ANY COVERED PRODUCT OR PART;
- BB. FEES OR CHARGES RELATED TO DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS, INCLUDING BUT NOT LIMITED TO, REFRIGERANT RECOVERY AND / OR REPLACEMENT, DISPOSAL OF CONTAMINATED REFRIGERANTS AND / OR OILS, AND RELATED MATERIALS AND ENVIRONMENTAL FEES;
- CC. COSTS INCURRED FOR DISCRETIONARY RETROFITTING OF CURRENT DESIGN COMPONENTS ON OLDER COVERED EQUIPMENT OR RECONDITIONING OF THE COVERED EQUIPMENT OR ITS COMPONENTS;
- DD. DAMAGE TO MOWING DECKS CAUSED BY SAND ABRASION OR VIBRATION RELATED TO AN UNBALANCED BLADE; AND MODIFICATIONS TO MEET CHANGES IN FEDERAL, STATE, OR LOCAL CODES AND REGULATIONS.
- EE. FAILURE OF THE COVERED EQUIPMENT TO MEET ANY FEDERAL, STATE, PROVINCIAL, OR LOCAL EMISSION REQUIREMENTS UNLESS THIS FAILURE IS THE RESULT OF THE FAILURE OF A COVERED COMPONENT;
- FF. THE COST OF CLEANUP OR DAMAGES FOR ANY LIABILITY RESULTING FROM THE ESCAPE, RELEASE, OR DISCHARGE OF ANY POLLUTANTS OR WASTE.

4. CONDITIONS:

A. Renewal:

This Plan is not renewable.

B. Transferability:

This Agreement is transferable by the original purchaser for the balance of the *PowerGard Protection Plan Residential* period. The *PowerGard Protection Plan Residential* will apply only to the Covered Equipment described in the face page of the *PowerGard Protection Plan Residential*. If you sell the Covered Equipment to a new owner, any remaining coverage under the *PowerGard Protection Plan Residential* will apply to the subsequent purchaser. The *PowerGard Protection Plan Residential* for the Covered Product may be transferred by mailing information to Customer Service, including the Agreement reference number, the date of new ownership, and the new owner's name, complete address, and telephone number. Please include a check payable to TWGIS for twenty-five dollars (\$25.00) to cover processing. Coverage is effective when TWGIS receives Your written notice and check.

C. Territorial Limitation:

The agreement territory is limited to the United States of America, including the District of Columbia, only. It does not include any Canadian or U.S. Territories including Guam, Puerto Rico, or U.S. Virgin Islands.

D. Subrogation:

If We pay for a loss, We may require You to assign Us Your rights of recovery against others. We will not pay for a loss if You impair these rights to recover. Your rights to recover from others may not be waived.

E. Arbitration:

This Agreement requires binding arbitration if there is an unresolved dispute between You and Us concerning this Agreement (including the cost of, lack of or actual repair or replacement arising from a breakdown). Under this Arbitration provision, You give up your right to resolve any dispute arising from this Agreement by a judge and/or a jury. You also agree not to participate as a class representative or class member in any class action litigation, any class arbitration or any consolidation of individual arbitrations. In arbitration, a group of three arbitrators (each of whom is an independent, neutral third party) will give a decision after hearing Your and Our positions. The decision of a majority of the arbitrators will determine the outcome of the arbitration and the decision of the arbitrators shall be final and binding and cannot be reviewed or changed by, or appealed to, a court of law.

To start arbitration, either You or We must make a written demand to the other party for arbitration. This demand must be made within one (1) year of the earlier of the date the breakdown occurred or the dispute arose. You and We will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an "umpire." Each party will each pay the expense of the arbitrator selected by that party. The expense of the umpire will be shared equally by You and Us. Unless otherwise agreed to by You and Us, the arbitration will take place in the county and state in which You live. The arbitration shall be governed by the Federal Arbitration Act (9 U.S.C.A. § 1 et. seq.) and not by any state law concerning arbitration. The rules of the American Arbitration Association (www.adr.org) will apply to any arbitration under this Agreement. The laws of the state of Illinois (without giving effect to its conflict of law principles) govern all matters arising out of or relating to

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this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement.

return premium is based upon one-hundred percent (100%) of the unearned pro-rata premium.

F. Cancellation:

You may cancel this Agreement for any reason at any time. If You purchased this Agreement from the Servicing Dealer and You wish to cancel Your Agreement within sixty (60) days of receipt of Your Agreement, You can return to the Servicing Dealer for a full refund. If You did not purchase Your Agreement from the Servicing Dealer or if You cancel after sixty (60) days of receipt of Your Agreement, please contact Customer Service in writing to receive a pro-rata refund based on the time expired less a twenty-five dollar (\$25.00) cancellation fee, or ten percent (10%) of the purchase price (whichever is less), less the cost of claims paid. We may not cancel this Agreement except for fraud, material misrepresentation or non-payment by You. Notice of such cancellation will be in writing and given at least thirty (30) days prior to cancellation. If We cancel, the

G. ENTIRE AGREEMENT:

This is not a contract of insurance. This is the entire Agreement between You and the Obligor, and no representation, promise or condition not contained herein shall modify these items. The Obligor under this Agreement is insured by a policy of insurance issued by Virginia Surety Company, Inc., [175 West Jackson Blvd, Chicago, Illinois 60604, (800) 209-6206.] If the Administrator does not pay a claim within sixty (60) days of submitting the claim, the claim can be submitted to the insurer at the above address.

5. STATE VARIATIONS:

State Variations: The following state variations will control if inconsistent with any other provisions:

- (1) **In Arizona:** In section 3 "WHAT IS NOT COVERED," exclusion (E) is removed and the following statement is added: We shall not provide coverage only for those specifically listed items in the "WHAT IS NOT COVERED" section 3. The following statement is added to Section 4.E "Arbitration": Arbitration does not preclude the Arizona consumer's right to file a complaint with the Arizona Department of Insurance, Consumer Affairs Division 800-325-2548. The following statement is added to section 4.F "Cancellation" of this Agreement: No claim incurred or paid will be deducted from the amount to be returned in the event of cancellation. The following is added to this Agreement: The Obligor is Service Saver Incorporated, 175 West Jackson Blvd, Chicago, Illinois, 60604, (800) 209-6206;
- (2) **In Arkansas:** The following statement is added to Section 4.G "Entire Agreement": If the Administrator does not pay a claim within sixty (60) days of submitting the claim, the claim can be submitted to the insurer at the above address. A claim submitted to the insurer may include a claim of the unearned premium in the event of a cancellation. The following is added to this Agreement: This Agreement does not exclude pre-existing conditions.
- (3) **In California:** The following statement is added to Section 4.E "Arbitration": This arbitration provision does not prohibit a California resident from following the process to resolve complaints as outlined by the California Bureau of Electronic and Appliance Repair (BEAR). To learn more about this process, You may contact BEAR at 1-800-952-5210, or You may write to Department of Consumer Affairs, 3485 Orange Grove Avenue, North Highlands, California, 95660, or You may visit their website at www.bear.ca.gov. 4.F "Cancellation" is amended as follows: In the event You cancel this Agreement within sixty (60) days of receipt of this Agreement, You shall receive a full refund of any payments made by You under this Agreement. In the event You cancel this Agreement after sixty (60) days of receipt of this Agreement, you shall receive a pro-rata refund of any amount paid based upon elapsed time less an administrative fee not to exceed ten percent (10%) of the price of this Agreement or twenty-five dollars (\$25.00), whichever is less, and less any claims that have been paid or repairs that have been made.
- (4) **In Colorado:** The following is added to this Agreement: The use of non-original manufacturer's parts is permitted. See also (23) Below
- (5) **In Connecticut:** The following statement is added to Section 4.E "Arbitration": The State of Connecticut has established an arbitration process to settle disputes arising from service Agreements. If You purchased this Agreement in Connecticut, You may pursue arbitration to settle disputes between You and the provider of this Agreement. A written complaint may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, Connecticut 06142-0816, Attention: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase price of the Covered Product,

the cost of repair and a copy of this Agreement. The following statement is added to section 4.F "Cancellation" of this Agreement: You may cancel this Agreement if You return the Covered Product, or if the Covered Product is sold, lost, stolen or destroyed. The following statement is added to Section 4.G "Entire Agreement": The term of this Agreement will be automatically extended for the period during which the Product is in the custody of a service center for repair.

- (6) **In Florida:** Section 4.E "Arbitration" is removed. Section 4.F "Cancellation" is amended as follows: If You cancel this Agreement, You will receive a pro-rata refund based upon ninety percent (90%) of the unearned pro-rata premium less the cost of any claims paid or repairs made on Your behalf. If We cancel this Agreement, return of premium shall be based upon one hundred percent (100%) of unearned pro-rata premium. The rate charged for this service contract is not subject to regulation by the Florida Office of Insurance Regulation.
- (7) **In Georgia:** In Section 3 "WHAT IS NOT COVERED", exclusion (E) is removed and replaced with: "Any and all pre-existing conditions known by You that occur prior to the effective date of this Agreement." Section 4.E "Arbitration" is removed. Section 4.F "Cancellation" is amended as follows: If You cancel after thirty (30) days of receipt of Your Agreement, You will receive a pro-rata refund of the Agreement price. We may not cancel this Agreement except for fraud, material misrepresentation, or nonpayment by You. If we cancel this Agreement, notice of such cancellation will be in writing and given at least thirty (30) days prior to cancellation. Cancellation will comply with Section 33-24-44 of the Code of Georgia. Claims paid and cancellation fees shall not be deducted from any refund owed as a result of cancellation. This Agreement will be interpreted and enforced according to the laws of the state of Georgia.
- (8) **In Michigan:** The following statement is added to Sections 2A "Term": If performance under this Agreement is interrupted because of a strike or work stoppage at Our place of business, the effective period of the Agreement shall be extended for the period of the strike or work stoppage.
- (9) **In Missouri:** The following statement is added to Section 4.G "Entire Agreement": A claim submitted to Virginia Surety Company, Inc. may include a claim for return of the unearned premium in the event of cancellation. See also (23) below
- (10) **In Nevada:** The following section 4.E "Arbitration" is removed. Section 4.F "Cancellation" is replaced with the following: No claim incurred or paid will be deducted from the amount to be returned in the event of cancellation. You may cancel this Agreement at any time by following the procedures for cancellation set forth in this Agreement. If You cancel this Agreement within twenty (20) days after Your receipt of this Agreement and You have not made a claim under this Agreement, You are entitled to a full refund of the Total Price as specified on the schedule for this Agreement. If You cancel this Agreement any time after twenty (20) days after Your receipt of this Agreement or if You cancel this Agreement and have made a claim at any time under this Agreement,

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You are entitled to a refund of the unearned premium calculated on a pro rata basis, minus a cancellation fee of 10% of the Total Price as specified on the schedule for this Agreement. We may cancel this Agreement for any reason within seventy (70) days after Your receipt of this Agreement. We may cancel this Agreement thereafter only if:

- You fail to pay an amount when due;
- You are convicted of a crime that results in additional service under this Agreement;
- It is discovered that You committed fraud or made a material misrepresentation in obtaining this Agreement or submitting a claim;
- It is discovered that You engaged in an act or omission, or violated a condition of this Agreement, after the date of this Agreement which substantially and materially increases the service due under this Agreement; or
- A material change occurs to the nature or scope of the service that causes it to be substantially and materially increased beyond that contemplated as of the date of this Agreement.

If We cancel this Agreement as provided above, We will send You written notice at the address indicated in Our records. The notice will include the effective date of the cancellation, which will not be less than fifteen (15) days after the date We send You the notice of cancellation. In addition, You will be entitled to a refund of the unearned premium calculated on a pro rata basis. If We fail to deliver to You within forty-five (45) days any unearned premium to which You are entitled as provided above, You will be entitled to an additional amount equal to ten percent (10%) of the Total Price as specified on the schedule for this Agreement for every thirty (30) days such refund is delayed beyond the forty-five (45) days period.

- (11) In New Hampshire:** The following statement is added to Section 4.G "Entire Agreement": In the event You do not receive satisfaction under this Agreement, You may contact the New Hampshire Insurance Department, 21 South Fruit Street, Concord, New Hampshire, 03021, (603) 271-2261.
- (12) In New Jersey:** The following is added to this Agreement: The use of refurbished, reconditioned, or non-original manufacturer's parts is permitted. See also (23) Below.
- (13) In New Mexico:** Section 4.F "Cancellation" is amended as follows: If this Agreement has been in force for a period of seventy (70) days, We may not cancel before the expiration of the Agreement term or one (1) year, whichever occurs first, unless: 1) You fail to pay any amount due; 2) You are convicted of a crime which results in an increase in the service required under the Agreement; 3) You engage in fraud or material misrepresentation in obtaining this Agreement; or 4) You commit any act, omission, or violation of any terms of this Agreement after the effective date of this Agreement which substantially and materially increase the service required under this Agreement. The following statement is added to Section 4.F "Cancellation": If you cancel your agreement and do not receive a refund or credit within 60 days of receipt of the returned service Agreement, a ten percent penalty per month shall be applied to the refund.
- (14) In North Carolina:** The following statement is added to Section 4.F "Cancellation": We may not cancel this Agreement except for non-payment by You or for violation of any of the terms and conditions of this Agreement. The following statement is added to Section 4.G "Entire Agreement": You understand that the purchase of this Agreement is not required to purchase or to obtain financing for the Covered Product.
- (15) In Oklahoma:** The following statement is removed from Section 4.E "Arbitration": The laws of the state of Illinois (without giving effect to its conflict of law principles) govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement. Section 4.F "Cancellation", is deleted and replaced with the following: You may cancel this Agreement for any reason at any time. To cancel, contact the Administrator in writing. If You cancel within the first thirty (30) days of receipt of Your Agreement, You will receive a full refund. If You cancel after thirty (30) days, You will receive a pro-rata refund based on one-hundred percent (100%) of the unearned pro-rata premium, less ten percent (10%) of the unearned pro-rata premium or twenty-five dollars

(\$25.00), whichever is less. No claim incurred or paid nor any repair made, will be deducted from the amount to be returned in event of cancellation. We may not cancel this Agreement except for fraud, material misrepresentation or non-payment by You. Notice of such cancellation will be mailed to You at least thirty (30) days prior to cancellation. If We cancel, the return premium is based on one-hundred percent (100%) of the unearned pro-rata premium. The following statement is added to Section 4.G "Entire Agreement": NOTICE: This service warranty is not issued by the manufacturer or wholesale company marketing the product. This service warranty will not be honored by such manufacturer or wholesale company. Coverage afforded under this contract is not guaranteed by the Oklahoma Insurance Guaranty Association. Obligations of the Obligor under this Agreement are insured by a policy of insurance issued by Virginia Surety Company, Inc., 175 West Jackson Blvd., Chicago, Illinois, 60604, (800) 209-6206. Oklahoma service warranty Statutes do not apply to commercial use references in service warranty contracts. In the "Arbitration" section of this Agreement, any reference to "Illinois" is replaced with "Oklahoma".

(16) In Oregon: Section 4.E "Arbitration" is removed.

(17) In South Carolina: The following statement is added to Section 4.G "Entire Agreement": If You purchased this Agreement in South Carolina, complaints or questions about this Agreement may be directed to the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina 29202-3105, telephone number (803) 737-6180. See also (23) below.

(18) In Texas: The following statement is added to Section 4.F "Cancellation": If You cancel Your Agreement within sixty (60) days of receipt of Your Agreement, Your Agreement will be voided. If Your Agreement is voided and You do not receive a refund or credit within thirty (30) days of receipt of the returned service Agreement, You may request a refund from Virginia Surety Company, Inc., 175 West Jackson Blvd, Chicago, Illinois, 60604. See also (23) below. The following statement is added to Section 4.G "Entire Agreement": If You purchased this Agreement in Texas, unresolved complaints or questions concerning the regulations of service contracts may be addressed to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, telephone number (512) 463-2906 or (800) 803-9202. See also (23) below.

(19) In Utah: Section 4.E "Arbitration" is deleted in its entirety and replaced with the following: Any matter in dispute between You and Us may be subject to arbitration as an alternative to court action pursuant to the rules of The American Arbitration Association or other recognized arbitrator, a copy of which is available on request from Us. Any decision reached by arbitration shall be binding upon both You and Us. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction. The laws of the state of Utah (without giving effect to its conflict of law principles) govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement. Section 4.F "Cancellation" is amended as follows: We can cancel this Agreement during the first (60) sixty days of the initial annual term by mailing You a notice of cancellation at least thirty (30) days prior to the effective date of cancellation except that We can also cancel this Agreement during such time period for non-payment of premium by mailing You a notice of cancellation at least ten (10) days prior to the effective date of cancellation. After sixty (60) days have elapsed, We may cancel this Agreement by mailing a cancellation notice to You at least ten (10) days prior to the cancellation date for cancellations due to non-payment of premium, and thirty (30) days prior to the cancellation date for any of the following reasons: (a) material misrepresentation, (b) substantial change in the risk assumed, unless We should reasonably have foreseen the change or contemplated the risk when entering into the Agreement, (c) substantial breaches of contractual duties, conditions or warranties. The notice of cancellation must be in writing to You at Your last known address and contain all of the following: (1) the

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Agreement number, (2) the date of notice, (3) the effective date of cancellation, and (4) a detailed explanation of the reason for cancellation. The following statement is added to Section 4.G "Entire Agreement": Coverage afforded under this Agreement is not guaranteed by the Utah Property and Casualty Guaranty Association. Proof of loss should be furnished by You to the Administrator as soon as reasonably possible. Failure to furnish such notice or proof within the time required by this Agreement does not invalidate or reduce a claim. This Agreement is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

- (20) **In Washington:** "Entire Agreement" Section 4.G is deleted in its entirety and replaced with the following: "In Washington this is not a contract of insurance. This is the entire Agreement between You and the Obligor, and no representation, promise or condition not contained herein shall modify these items. The Selling Retailer is not a party to this Agreement. The Obligations of the Obligor under this Agreement are backed by the full faith and credit of the Obligor." The following statement is added to "Dispute Resolution - Arbitration" Section 4.E: "In Washington any binding arbitration will be held at a location closest to Your permanent residence." See also (24) below.
- (21) **In Wisconsin: THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** In Section 3 "What Is Not Covered", exclusion (O) is removed. The following statement is added to Section 4.E "Arbitration": No mandatory arbitration is allowed. Both parties must agree to participate. If one party disagrees to participate, the arbitration provision becomes null and void. The laws of the state of Wisconsin govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement. Section 4.F "Cancellation" is amended as follows: An Agreement may be cancelled by a Provider only for nonpayment of the Provider fee, material misrepresentation by the Agreement holder to the Provider or administrator, or substantial breach of duties by the Agreement holder relating to the Covered Product or its use. You may, within twenty (20) calendar days of the delivery of this Agreement, reject and return this Agreement for a full refund if no claim has been made. If We fail to credit a refund within forty-five (45) days after return of the Agreement, a ten percent (10%) penalty per month applies to any refund not paid or credited. We will not deny Your claim solely because You did not obtain preauthorization if we are not prejudiced by Your failure to notify us. The Provider shall mail a written notice to the Agreement holder at the last-known address of the Agreement holder contained in the records of the Provider at least 5 days prior to cancellation by the Provider, (a) shall state the effective date of the cancellation and the reason for the cancellation, (b), The notice under par. (c), If a Agreement is cancelled by the Provider for a reason other than nonpayment of the Provider fee, the Provider shall refund to the Agreement holder hundred percent (100%) of the unearned pro rata Provider fee, less any claims paid. Subsequent to the period for voiding this Agreement or if a claim has been made under the Agreement, You may cancel this Agreement and the Provider shall refund to the Agreement holder hundred percent (100%) of the unearned pro rata Provider fee, less any claims paid. The Provider may charge a reasonable administrative fee for the cancellation, which may not exceed ten percent (10%) of the Provider fee. Section 4.D "Subrogation" does not apply to Wisconsin residents. The following statement is added to Section 4.G "Entire Agreement": **THIS AGREEMENT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** The laws of the state of Wisconsin govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement. Proof of loss should be furnished by You to the Administrator as soon as reasonably possible and within one (1) year after the time required by this Agreement. Failure to furnish such notice or proof within the time required by this Agreement does not invalidate or reduce a claim.
- (22) **In Wyoming:** The following statement is added to Section 4.E "Arbitration": In the state of Wyoming, arbitration can only be final and

binding if agreed to by the parties involved and in a separate written Agreement. See also (23) below.

- (23) **In Alabama, Colorado, Hawaii, Massachusetts, Maine, Maryland, Minnesota, Missouri, New Jersey, South Carolina, Texas, Wyoming** : The following statement is added to Section 4.F "Cancellation": If you cancel your Agreement and do not receive a refund or credit within 45 days of receipt of the returned service Agreement, a ten (10%) percent penalty per month shall be applied to the refund.
- (24) **In Iowa, New York and Washington:** The following statement is added to Section 4.F "Cancellation": If you cancel your Agreement and do not receive a refund or credit within 30 days of receipt of the returned service Agreement, a ten (10%) percent penalty per month shall be applied to the refund.