



Vehicle Service Contracts

GAP

Dealer Management System

1-800-388-*PRCO* (7726)

Washington Dealers



STOP selling what you have, and START selling what your customers need!

You are unique and we know that.

Some dealers think ALL Service Contract and GAP companies are the same. What sets PRco apart is our ability to help you sell more cars, protect them with comprehensive Service Contract and GAP coverage and bring down the time it takes to book and sell a car.

• Vehicle Service Contracts •

We have updated our Vehicle Service Contract – it has been three years since our last update, and PRco has improved our industry leading coverage!! It is easier to use and therefore, easy for you to sell!! We expanded mileage for our plans and added coverage. Here are the highlights:

EXPANDED MILEAGE

Open Road Supreme “Exclusionary Coverage” 1-20 now available on vehicles up to 75,000 miles

Open Road Premium 1-19 is available up to 125,000 for:

- 36/36 up to 125,000 miles
- 36/50 up to 90,000 miles
- 36/72 up to 75,000 miles
- 36/100 up to 50,000 miles

Open Road Extra is now available for vehicles over 125,000 miles:

- 24/24 up to 150,000 miles
- 18/18 up to 160,000 miles
- 12/12 up to 170,000 miles

Overheating coverage up to 110,000 mileage

Commercial Use up to 110,000 mileage

Convenience Group up to 110,000 mileage

Lifted Vehicles up to 110,000 mileage

COVERAGE

For the ***Power Train Coverage, Seals & Gasket*** coverage is now available up to 125,000 miles.

For the ***Open Road Premium, Seals & Gaskets*** and the ***Technology Package*** is automatically included up to 125,000.

New ***Optional Coverage:***

- ***Consequential Damage*** (non-covered part breaking a covered part)
- ***Manual Transmission Clutch Assembly***

BENEFITS

- *Towing* up to \$125
- *Rental Car* up to \$250
- *Supplemental Rental Car* up to \$150
- *Rental Car* Benefit when PRco decides to inspect \$30 day or \$60 total, whether claim paid or not
- *Emergency Road Service* up to \$100

We added more parts to our already expansive coverage such as Hybrid specific parts, throttle body and intelligent cruise control along with broad coverage including Lifted Trucks and oversized tires. Please review the Contract for the complete coverage.

• GAP Waivers •

- Financial Protection when your customer's need it – their vehicle is accidentally Totaled or Stolen and not recovered within 30 days.
- Protection for the difference between the “Actual Cash Value” paid by the insurance company and the balance of your customer's loan.
- Protection for loan terms up to 84 months.
- Protection for vehicles valued up to \$50,000.00 at time of purchase.
- Deductible coverage up to \$1,000.00.

• PRcoPower Dealer Management System •

- Sales - LTV ratios with fully integrated valuation guides; deal structure, structural options and loan structure in one screen; Integrated Service Contract and Gap products; One click customer credit, vehicle registration, smog, and vehicle history details..
- Legal Compliance - Red Flag; OFAC; Credit Disclosures; Automated Legal Sales Disclosures; Plain paper laser forms for compliance and sales print needs; Tracking reports for audits; DMV & E-Titling.
- Craigslist Auto Poster - Fully integrated into PRP; Post to multiple cities & handsfree posting after initial setup.
- Data Feeds – Automated data feeds for Auto Trader, Cars.com, ebaymotors.com and 10 other websites; ability for Dealer to do manual data feeds.
- BHPH - collection module; Repo tools; direct debit from BHPH's accounts & credit card payments; Statements and letters by email; Credit Bureau Reporting.
- Automatic Backup.
- Effective management reports including “Income by vehicle report, after deducting commissions, shows true profits.
- Complete Customer Training and Support.

PRco has the experience and products to keep you on top!

PRco's MOTOR VEHICLE SERVICE CONTRACT

This Motor Vehicle Service Contract provides coverage for Mechanical Breakdown. Read this entire Contract carefully to understand the procedures You must follow, responsibilities, rights and what is and is not covered.

The Service Contract Holder (hereinafter referred to as "You" and "Your") purchased this Motor Vehicle Service Contract (hereinafter referred to as "Contract") that provides coverage for "Mechanical Breakdown." This Contract is the full and complete agreement between You and the Service Contract Provider (hereinafter referred to as "PRco"). PRco is contractually obligated to You under the terms of this Contract. PRco is also responsible for the administration of this Contract.

PRco's address, telephone, fax, e-mail and license number are:

PRco, Inc.
3690 Mt. Diablo Blvd.
Lafayette, CA 94549
1-800-388-PRCO (7726) Fax: 925-284-5577
E-mail: info@PRcoUSA.com
Vehicle Service Contract Provider No.: 263828

The obligations of PRco under this Contract are insured, by a Washington authorized insurance company, under a Service Contract reimbursement insurance policy number PR 011674. The name and address of the insurance company are: Sutter Insurance Company, 1301 Redwood Way, Petaluma, CA 94954. You may file a claim with this insurance company by mailing Sutter a written claim.

A. What is Mechanical Breakdown Coverage? When and where are You covered?

1. You purchased a Contract that provides Mechanical Breakdown coverage for the specified duration stated in the Registration Page. Mechanical Breakdown means the operational or structural failure of a "covered part" due to a defect in materials or workmanship or normal wear and tear. This Contract provides for payment by PRco, in the event of a Mechanical Breakdown, for repair or replacement of a covered part. You are covered for the failure of a covered part existing on the Contract Sale Date.
2. **The implied warranty of merchantability on the motor vehicle is not waived if the Contract has been purchased within ninety days of the purchase date of the motor vehicle from PRco or the Service Contract Seller who also sold the motor vehicle covered by this Contract.**
3. You are covered in the United States and Canada only. The United States means the fifty (50) states and the District of Columbia and does not include Puerto Rico, Guam or other territories and possessions.
4. Coverage begins on the Contract Sale Date and Contract Sale Mileage stated on the Registration Page and coverage ends when the covered vehicle reaches the time or mileage limit of the Term selected on the Registration Page, whichever occurs first. The expiration date is determined by adding the months shown of the Term to the Contract Sale Date and the expiration mileage is determined by adding the mileage of the Term to the Contract Sale Mileage.

B. What should You do if there is a Mechanical Breakdown? What should You do for an Emergency repair?

You must call **1-800-388-PRCO (7726)** for instructions and please have the Contract number ready. A failure of a covered part must be reported to PRco by a licensed repair facility and authorized by PRco, prior to Contract expiration.

1. After receiving the instructions, You are responsible for:

- a. Protecting the covered vehicle including having it towed to a licensed repair facility to avoid further damage. **Failure to protect the covered vehicle will cause any additional cost to be paid by You.** If the failed part is covered, You will be reimbursed for actual towing expense or \$125.00, whichever is less. A valid licensed towing agency, auto dealer or repair facility's receipt is required for reimbursement. If the failed part is not covered, You must pay all towing charges.
- b. Authorizing a repair facility to diagnose the failed part and having the repair facility call PRco, before beginning repairs, so PRco can determine if the part is covered. **You will not be reimbursed for any repair, replacement or expense charges if repairs are started or completed without PRco's authorization number.** If the failed part is not covered, You must pay all charges.
- c. Authorizing any charges necessary including disassembly or tear down and diagnostic charges for the repair facility to show what part failed in order for PRco to determine if the failed part is covered. If the failed part is not covered, You must pay all charges.
- d. Any diagnostic, disassembly, tear down or labor times in excess of those listed in the current Mitchell Labor Estimating Guide. You must pay any non-covered charges and for parts or other services in excess of those authorized by PRco.
- e. Ensuring all repairs are satisfactory and cooperating with PRco and doing whatever is required under this Contract to allow PRco to determine if a failed part is covered. If You are seeking coverage under this Contract, You must comply with this section.
- f. Ensuring the repair facility will give You a minimum twelve (12) month or twelve (12) thousand mile, whichever comes first, parts and labor warranty and paying the Deductible shown on the Registration Page for a covered repair for each repair facility visit.

2. If PRco determines the failed part is covered, PRco is responsible for:

- a. Restoring the failed part to the same or like condition immediately prior to the mechanical breakdown. A covered part will be repaired or replaced with a part of like, kind and quality with mileage equal to or less than the mileage

on the covered vehicle at the time of the mechanical breakdown. The replacement part may be used or a part from any manufacturer, including parts not made by the Original Equipment Manufacturer (OEM) of the vehicle, at the sole option of PRco. For all covered failures, parts replacement cost will not exceed manufacturer's suggested retail price.

- b. Authorizing the payment amount for diagnostic charges, cost of disassembly or tear down (if any), repair or replacement of the covered part and labor to repair or replace the covered part as listed in the current Mitchell Labor Estimating Guide less Your deductible. An authorization number will confirm the authorized payment amount. The authorized payment amount is the maximum amount paid for covered repairs.
 - c. Paying the authorized payment amount to the repair facility or You. If You want PRco to reimburse the repair facility, they must fax or e-mail a repair order to 925-284-5577 or info@PRcoUSA.com after the repairs are finished. The repair order must state the repair facility's part and labor warranty given to You, authorization number and it must be signed by You. If You want PRco to reimburse You, please submit the repair order and it must contain the same information as stated above.
3. PRco, at its sole option, can remove the covered vehicle and authorize repairs or replacement of a covered part at an alternate repair facility. PRco reserves the right to inspect any covered vehicle, at PRco's cost, before authorizing repairs. **You will not be reimbursed for any repair, replacement or expense if You decline to have repairs of a covered part performed at an alternate repair facility or You decline to have the covered vehicle inspected.**
 4. If You have a failure that requires an **Emergency repair** performed outside of PRco's normal business hours, You are responsible for authorizing and paying for the repair. Prior to performing the **Emergency repair**, You must call 1-800-388-PRCO (7726) and leave the following information on voice mail: name, Contract number, telephone number with area code and a brief description of the required repair. After performing the repair, You must call PRco immediately during the next available normal business hours and PRco will determine if the failed part is covered according to the terms and provisions of this Contract. If it is covered, PRco will reimburse You according to the terms and provisions of this Contract. If the failed part is not covered, You will not be reimbursed for any charges.

C. What components and parts of Your Vehicle are covered in this Contract?

The coverage You purchased is stated on the Registration Page section of this Contract. All coverage is subject to the exclusions and conditions in Sections D, F and G.

• OPEN ROAD POWERTRAIN PLUS (1-6) PLAN •

If You purchased Open Road Powertrain Plus, Your coverage is for the Component Groups and Parts only listed below (1-6):

1. ENGINE:
 - a. All internally lubricated parts; cylinder block, heads and barrels; turbocharger and supercharger housing, pulley and their internal parts; waste gate and control valve; intercooler; timing belt, chain, gears, tensioner, idler and bolt; balance shaft, belt and bolt; all pulleys and their bolts; harmonic balancer and bolt; cam gear bolt; head bolts; intake and exhaust manifold; mounts; cushions; flex plate; single mass flywheel; ring-gears; timing and valve covers; internal variable valve camshaft adjuster; oil filter adapter; oil pan; OEM installed oil cooler, metal lines and fittings; dipstick and tube; expansion plugs; coolant, lubricant, filters, seals and gaskets required for a covered repair;
 - b. OVERHEATING – All of the parts in 1. a. above are covered as a result of overheating caused by the failure of a covered part or the cylinder head gasket, subject to Section D. 2. "What are the Coverage Limits in this Contract?" This coverage applies to You if the covered vehicle had less than 110,001 miles on Contract Sale Date, as stated on the Registration Page, and reported to the Department of Motor Vehicles, as "is the actual mileage." If the covered vehicle had more than 110,000 miles on Contract Sale Date or is not actual mileage, You do not have this coverage.
2. TRANSMISSION, TRANSAXLE AND TRANSFER CASE: Case and all internally lubricated parts; external electronic control unit; overdrive unit; torque converter; vacuum modulator; mounts; bell housing; oil pan; OEM installed oil cooler; metal cooler lines and fittings; dipstick and tube; slave cylinder and master cylinder of a manual transmission clutch assembly; four wheel drive actuator and motor; control module; viscous coupling; shift interlock solenoid; external solenoid; throttle valve cable; lubricant, filters, seals and gaskets required for covered repair.
3. DRIVE AXLE (Front and Rear): Drive axle case and all internally lubricated parts contained within the front or rear drive axle; thrust washers; drive shaft; "U" joints and yokes; mount; CV joint and bearings; tripod joints and bearings; stub shaft; axle shaft and bearings; propeller shaft; center support bearing; locking hubs, hub assembly, bearings and vacuum actuator; flex disc; differential cover; lubricant, seals and gaskets required for covered repair.
4. BASIC ELECTRICAL: Starter motor, relay, drive and solenoid; alternator, mounting bracket and pulley; voltage regulator.
5. BASIC COOLING: Water pump; radiator, shroud and bracket; coolant, seals and gaskets required for covered repair.
6. BASIC FUEL SYSTEM: Electric and mechanical fuel pump.

• SEALS AND GASKETS OPTIONAL COVERAGE PLAN •

If You purchased this Optional coverage Seals and Gaskets, You have coverage for those Seals and Gaskets designed to prevent the loss of necessary lubricants, fluids, coolants in the covered component groups and parts (1-6) above.

• OPEN ROAD EXTRA (1-14) PLAN •

If You purchased Open Road Extra, Your coverage is for the Component Groups and Parts only listed above (1-6) and the Component Groups and Parts only listed below (7-14):

7. STEERING (including four-wheel steering): Box, pump, housing and all internally lubricated parts within the box

- and pump housing; pump pulley, mounting bracket, external reservoir and cooler; valves; rack and pinion; steering main and intermediate shaft, pivot joint, couplings and bearings; yoke; knuckles; metal cooler lines; power steering hoses; power cylinder assembly; main bevel gear; lubricant, seals and gaskets required for covered repair.
8. BRAKES:
 - a. Master cylinder; power brake booster; vacuum pump; power assist booster and valve; hydroboost; calipers; wheel cylinders; combination valve; load distribution valve; power brake cylinder; parking brake assembly; brake pedal assembly and linkage; backing plates; metal lines and fittings; brake hoses; fluid required for covered repair;
 - b. ABS—Master cylinder; electronic control processor, booster, solenoids, wheel speed sensors and exciters, relays and computer module, hydraulic pump/motor assembly, pressure modulator valve, accumulator, proportioning valves and control valves; fluid required for covered repair.
 9. SUSPENSION: Upper and lower control arms, thrust arms, shafts and bushings; spindle and spindle support; upper and lower ball joints; wheel bearings; I-beams; leaf springs, shackles and bushings; coil springs; linkage; tie rods, ends, and adjusting sleeves; centering lock spring; pitman, idler arms and bushings; radius arm and bushings; torsion bar, stabilizer bar, track bar and their mounts and bushings; center/drag link and bushings; king pins and bushings; double wishbone assembly; electronic level control compressor, sensors, relay and limiter valve.
 10. AIR CONDITIONING AND HEATING: Compressor, mounting bracket and pulley; clutch and field coil; idler pulley, bearing and mounting bracket; serpentine belt, tensioner, bearing and pulley; condenser; evaporator; receiver-drier; accumulator; expansion and POA valve; high/low compressor cutoff switch; pressure cycling switch; orifice tube; blower motor, control switch, fan and resistor; heater core; heater control valve; ducts; filter, refrigerant, oil, evacuate, recharge required for covered repair.
 11. ENHANCED ELECTRICAL: Wiper motors, including internal circuit board, relay module and delay switch; wiper transmission; horn, actuator and relay; power door lock actuators and relay; power window motor, regulator and relays; convertible top motor; power antenna assembly/mast; sun roof motor; distributor pole piece, shaft, synchronizer and housing; emergency warning flasher; neutral safety switch, backup light switch; brake light switch; glove box light switch; power seat motor, relays and manual seat adjustment; door and trunk lock solenoid; all manually operated switches; head lamp relay; head lamp washer pump; temperature gauge sending unit; oil pressure sending unit and switch; rear window defogger or defroster; front and rear washer pumps; washer fluid exit ports; engine compartment wiring harness; engine oil level sensor; door-ajar switch; ignition switch, coil and lock cylinder; engine control module; body control module; powertrain control module; ignition lock and tumbler; hood and trunk release actuator.
 12. HYBRID VEHICLE: Inverter; generator(s); drive motor; electronic display monitor; power controller; hybrid transaxle; electronic transmission; cooling system blower; stator and rotor.
 13. ENHANCED COOLING: Thermostat; fan blades and clutch; electric fan motor and fan switch; coolant recovery tank; thermostat housing; flex fan; electric fan motor relay and resistor block; coolant level sensor; water pump housing; coolant required for covered repair; OEM engine block heater.
 14. ENHANCED FUEL SYSTEM: Fuel injectors, nozzles and pressure regulator; fuel injection pump; distribution rails; electric fuel pump strainer; distributor; pulsator; sending unit; tank, auxiliary switch over valve, filler neck, metal or plastic lines and fittings; accelerator pedal assembly; warm up regulator; pump relay; lift pump; OEM installed fuel shutoff control.

• OPEN ROAD PREMIUM (1-19) PLAN •

If You purchased Open Road Premium, Your coverage is for the Component Groups and Parts only listed above (1-14) and the Component Groups and Parts only listed below (15-19):

15. POWERTRAIN ADVANCED TECHNOLOGY: Electronic fuel injection sensors, including O2, speed, M.A.P., M.A.F., cam, crank, coolant, air temperature, flex fuel; idle air control motor; idle air control valve; cold start injector; thermo time switch; fuel accumulator; ignition pick up assembly and computer control module; T.F.I. module; spark control detonation sensors and controller; transmission/transaxle control module and sensors; coil pack; ballast resistor; variable valve timing computer control module and actuator; turbo boost computer control module; electronic stability control sensor and module; igniter; electronic module retard vacuum switch; throttle body, cable, linkage, TPS and computer control module.
16. INTERIOR AND EXTERIOR HARDWARE PACKAGE: Trunk and hood gas cylinders, latches, hinges, torsion bars and springs; ash tray assembly; glove box lock assembly; door handles, hinges and latches; shift module; manual seat track and adjuster springs; trunk lock, pull down motor, release switch and solenoid; tailgate motor and solenoids.
17. STEERING AND SUSPENSION ADVANCED TECHNOLOGY: Steering dampener; manual adjusting steering column/tilt wheel mechanism; memory steering wheel motors, switches, activators, sensors and control module; back up sensors and monitor; electronically controlled variable dampening suspension compressor, control module, actuator, solenoid, height sensor, and mode selector switch; pneumatic suspension pump and electronic level control computer; steering torque sensor.
18. INTERIOR ACCESSORIES: Electronic driver display and display module; analog gauges; electronic anti-theft device, vehicle security computer, sensors and remote entrance device; combination entry system; cruise control assembly, servo and controller; temperature control programmer; moisture control unit and sensors; vacuum selector assembly; power/vacuum module and relay; stability traction control module, solenoids, control processor and sensors; power seat transmission, computer, control processor and sensors; power mirror motor; power side door motors; retractable head lamp motors; head lamp wiper motor; power door lock and relays; defogger relay; power point accessory outlet; map lights and compartment lighting; automatic day/night mirror sensor; illuminated visor vanity; side view mirror defogger; wiring harnesses and connectors; heated seat element; instrument cluster and circuit board; daytime running light module; rain sensing wiper sensors; object avoidance transmitters and sensors;

- blend door motor and actuator; plenum doors;
19. **SEALS AND GASKETS:** Seals and gaskets designed to prevent the loss of necessary lubricants, fluids, coolants and refrigerants in the covered component groups and parts (1-18) above.
 20. **OPEN ROAD SUPREME (EXCLUSIONARY) COVERAGE:** In addition to items 1-19 above and **CONVENIENCE GROUP** coverage below, Open Road Supreme covers all other parts and components of the vehicle except for those parts and components listed under Section F. **“What is not covered in this Contract?”**

• OTHER COVERAGE •

Available ONLY with Purchase of OPEN ROAD PREMIUM (1-19) or SUPREME (1-20)

- A. If the Covered Vehicle has less than 110,001 miles on the Contract Sale Date, You can purchase the following Other Coverage:
 1. **CONVENIENCE GROUP** (Included with SUPREME coverage): If You purchased this coverage, You have coverage for the following OEM parts: AM/FM radio; cassette, CD and DVD player; navigation system; HUD projector and display module; intelligent cruise control transmitters and sensors; rear view camera; dash mounted graphic equalizer.
 2. **CONSEQUENTIAL LOSS:** If You purchased this coverage, You have coverage if a non-covered part listed in Section F. 2. a. **“This Contract does not cover the following parts”** causes the failure to a covered part, subject to Section D. 3. **“What are the Coverage Limits in this Contract?”** The covered part **only** will be repaired or replaced. You will be responsible for any repair, replacement or expense for the non-covered part that caused the failure.
 3. **COMMERCIAL USE:** If You purchased this coverage, this means the covered vehicle is registered to a business and/or used for the following business purpose only: business travel, pickup and delivery, route work, service or repair, or job site activities. The covered vehicle must be a passenger vehicle, light duty truck, or van driven by one person only and the usage must not exceed manufacturer’s gross vehicle weight ratings or limitations.
 4. **LIFTED VEHICLE AND OVERSIZED TIRES:** If You purchased this coverage, You have coverage for the Plan You purchased if the covered vehicle has been modified with a lift kit up to a maximum of 8 inches from the manufacturer’s specifications and has oversized tires with a total diameter of a maximum of ten percent (10%) larger than the manufacturer’s specifications. The height of the lift will be measured from the center of the axle to the top of the frame rail. The lift kit and tires are not covered.
- B. If the Covered Vehicle has less than 60,001 miles on the Contract Sale Date, You can purchase the following Other Coverage:

MANUAL TRANSMISSION CLUTCH ASSEMBLY: If You purchased this coverage, You have coverage for the: clutch disk, release bearing, pressure plate, pilot bushing or throw out bearing, replace or resurface the single mass flywheel, subject to Section D. 4. **“What are the Coverage Limits in this Contract?”**.

D. What are the Coverage Limits in this Contract?

1. **Aggregate Coverage Limit:** The amount authorized for all repair, replacement, towing, rental car and expense benefits shall not exceed \$15,000.00 or eighty (80%) percent of the covered vehicle’s purchase price, whichever is less.
2. **Overheating Coverage Limit** under Section C. 1. b. **“OVERHEATING”** Within the Aggregate Coverage Limit, the coverage for an overheating failure for repair or replacement (including diagnostic charges) of any number of covered parts, whether one or more than one, is limited to \$3,500.00 or the actual repair cost, whichever is less.
3. **Consequential Loss Limit** under Section C. **“Other Coverage”** Within the Aggregate Coverage Limit, the coverage for a repair or replacement as a result of a Consequential Loss (including diagnostic charges) of any number of covered parts, whether one or more than one, is limited to \$1,000.00 or the actual repair cost, whichever is less.
4. **Manual Transmission Clutch Assembly Limit** under Section C. **“Other Coverage”** Within the Aggregate Coverage Limit, the coverage for a Manual Transmission Clutch failure for repair or replacement (including diagnostic charges) of any number of covered parts, whether one or more than one, is limited to \$1,200.00 or the actual repair cost, whichever is less.
5. **Contract Terms less than twelve (12) months or twelve thousand (12,000) miles:** Within the Aggregate Coverage Limit, the coverage for the First Mechanical Breakdown for repair or replacement (including diagnostic charges) of any number of covered parts, whether one or more than one, is limited to \$2,500.00 or the actual repair cost, whichever is less.

E. When will You be reimbursed for Rental Car Expense and other benefits in this Contract?

1. Rental Car Benefits:

- a. If PRco determines the failure is covered, You will be reimbursed for Rental Car expense from a licensed Rental Car Agency if Your vehicle must stay in the repair facility overnight or You are unable to drive Your vehicle. The Rental Car Benefit starts on the date PRco gives the repair facility an authorization number for a covered repair up to the date the covered repair is completed. The maximum daily amount reimbursed is \$30.00 or actual expense, whichever is less; the maximum amount reimbursed for the duration of the covered repair is \$250.00 or actual expense, whichever is less. If the failure is not covered, You will not be reimbursed for any Rental Car Expense.
- b. **Rental Car Benefit for a failed part covered under a warranty, insurance policy, guarantee or other contract:** When the failure of a covered part in this Contract is covered by a warranty, insurance policy, guarantee or other contract, You must return the covered vehicle to the entity or individual providing the coverage. The entity or individual must confirm to PRco the covered vehicle will be repaired under their agreement with You. Upon receipt of that confirmation, You will be reimbursed for Rental Car expense from a licensed Rental Car

Agency starting from the date PRco received the confirmation up to the date the repair is completed. The maximum daily amount reimbursed is \$30.00 or actual expense, whichever is less; the maximum amount reimbursed for the duration of the repair is \$150.00 or actual expense, whichever is less.

- c. **Rental Car Benefit when PRco decides to inspect the Covered Vehicle:** If PRco decides to inspect the covered vehicle and, after the inspection, PRco determines the failure is covered, You will be reimbursed for Rental Car expense as stated in 1. a. above. If, after the inspection, PRco determines the failure is not covered, You will be reimbursed for Rental Car expense for the maximum daily amount of \$30.00 or actual expense, whichever is less; the maximum amount reimbursed for the duration of the inspection is \$60.00 or actual expense, whichever is less.
 - d. All Rental Car expense reimbursement above excludes any other charges including mileage charges, insurance and fuel charges.
2. **Overnight Travel Expense:** You will be reimbursed for Overnight Travel Expense when PRco determines a covered part failed and You are more than one hundred miles from home. The expense reimbursed is for food and lodging expense only. You must incur these expenses between the date the covered part failed and the date the covered repairs were completed. The daily amount reimbursed is actual expense or \$100.00, whichever is less; the maximum amount reimbursed for the duration of the repair is \$300.00 or actual expense, whichever is less. If the failed part is not covered, You will not be reimbursed for any Overnight Travel Expense.
 3. **Manufacturer's Warranty Deductible:** When a covered part is also covered under a warranty issued by the manufacturer of the covered vehicle, You will be reimbursed for the required deductible. The deductible reimbursed is the actual deductible or a maximum of \$100.00, whichever is less.
 4. **Emergency Road Service:** For the covered vehicle, You will be reimbursed for actual expense or a maximum of \$100.00, whichever is less, for: jump-start services for a discharged battery; the cost to deliver an emergency supply of gasoline, oil or water; an emergency replacement of a flat tire with the spare tire.
 5. You must submit legible receipts in Your name by fax 925-284-5577, email info@PRcoUSA.com or mail to the address on page 1.

F. What is not covered in this Contract?

1. This Contract does not provide coverage or benefits for:

- a. (1) any repairs that were started or completed without an authorization number; (2) a failure that is not reported to PRco by a licensed repair facility and not authorized by PRco prior to Contract expiration;
- b. a covered vehicle whose odometer, at any time, was stopped, altered, disconnected, misrepresented, or the actual mileage cannot be determined;
- c. any failure of a covered part: (1) for which the manufacturer has accepted responsibility through any means; (2) that is also covered by any warranty, insurance policy, guarantee or other contract;
- d. any failure caused by (1) not maintaining the manufacturer's stated fluid type and specified levels or capacity of fluids, lubricants or coolant; (2) lack of required maintenance as stated in this Contract; (3) faulty, improper or negligent repairs, improper servicing or installation of defective parts; (4) failing to provide verifiable maintenance and service receipts required by this Contract;
- e. collision, upset, misuse, abuse, physical damage, bent parts, negligence, fire, smoke, theft or attempted theft, larceny, earthquake, breakage of glass, vandalism, riot, malicious mischief, civil commotion, explosion, volcanic eruption, lightning, water, flood, salt, hail, windstorm, acts of God, road hazard, missile, falling objects, foreign objects, acid rain, fading, environmental damage, chemicals, rust, corrosion, oxidation, freezing, mold, rotting, nuclear incident, terrorism, acts of war;
- f. when an inspection determines the failure is attributed to: (1) any modifications or alterations of the Covered Vehicle that are not original OEM equipment; (2) lift kits and/or oversized/undersized tires (except as provided for under the OTHER COVERAGE – LIFTED VEHICLE AND OVERSIZED TIRES if purchased by You); (3) off road equipment or off road use; (4) towing, unless equipped with a manufacturer's tow package; (5) emissions equipment removal or modification;
- g. (1) not securing an immediate repair including failure to replace seals and gaskets or damage resulting from continued operation of the covered vehicle; (2) overheating for any reason unless the covered vehicle had less than 110,001 actual miles on the Contract Sale Date;
- h. when You decline to: (1) authorize tear down; (2) have the Covered Vehicle inspected; (3) have repairs performed at an alternate repair facility chosen by PRco; or, (4) cooperate with PRco or do whatever is required under this Contract to allow PRco to determine if a failed part is covered;
- i. any failure caused by: (1) sludge, electrolysis, missing parts, dust, dirt, water ingestion, foreign objects; (2) contamination of any kind; (3) a plugged or restricted radiator, heater core, fuel injector(s) or metal line(s);
- j. a covered vehicle used for competitive driving or racing;
- k. any vehicle that is or will be used, equipped or identified as: (1) flat or dump bed, commercial towing, auto transport, cherry picker, lifting or hoisting; (2) taxicab, security, limousine, shuttle, rental, snow removal or plowing, welding, agriculture, cable or line installation or removal, road repair operations, hauling for hire, construction, farming, forestry, mining, waste removal or hazardous material transportation; (3) government or emergency response vehicles, including but not limited to, fire, police or search and rescue; (4) fleet or pool vehicles; (5) step van, box body or over a gross vehicle weight rating of 13,500 pounds;
- l. any vehicle that is used for business rating, pickup and delivery, route work, service or repair, or job site activities unless COMMERCIAL USE under OTHER COVERAGE is purchased by You;

- m. any vehicle that does not have a valid manufacturer's VIN or has been: (1) issued a title that is branded including salvage, junk, rebuilt, totaled, not actual mileage exempt (applies to OPEN ROAD SUPREME only); (2) flood damaged or manufactured to non U.S. Specifications;
 - n. (1) repairing or replacing a covered component or part if a failure has not occurred; (2) diagnostic and tear down expenses if the mechanical breakdown is not covered; or (3) the replacement of any non-covered part;
 - o. a failure to or from a non-covered part (except as provided for under the OTHER COVERAGE – CONSEQUENTIAL LOSS if purchased by You);
 - p. any diagnostic, disassembly or tear down or labor times in excess of those listed in the current Mitchell Labor Estimating Guide or parts or other services in excess of those authorized by PRco;
 - q. a part or component that performs both covered and non-covered functions and the only failure is the non covered part or component;
 - r. parts that have not failed, as defined in this Contract, but a repair facility or manufacturer recommends or government regulations require the parts to be repaired, replaced, adjusted or updated including engineering upgrades, updates, software programming and air conditioning conversion.
2. **This Contract does not cover the following parts:**
- a. If You purchased the Open Road Supreme Plan (1-20) and any or all of the Other Coverage, the following parts are not covered:
 - 1. Air conditioning lines; audio speakers and wiring; all housings (except as listed in Section C); appliances and carpets; all voice activated accessories or voice recognition systems; all exhaust system parts (except intake and exhaust manifold), catalytic converter, resonator, evaporation emission system, air injection reaction system and exhaust gas recirculation (EGR) system including valves and solenoid; all cables (except throttle valve cable); all hoses (except brake and power steering); air suspension bags or springs; all parts or components of a natural gas/propane fuel system; air intake ducts;
 - 2. Battery cables; batteries including battery packs for Hybrid Vehicles; drive belts (except as listed in Section C), brake pads, shoes, linings, rotors, springs, hardware and drums;
 - 3. Cell phones; car phone systems; convertible top, assembly, frame and frame bushings; cassettes; compact discs; chrome; circuit breakers; cup holders; C.B. radios; carburetors; canisters; coolant flanges and fittings; conversion van component package and appliances; clamps;
 - 4. Dual mass flywheel; DVDs; dash pad and vents; drain/fill plugs; door stops and bushings; diesel fuel water separator, drain valve and fuel injection oil pump;
 - 5. Filters (unless required with a covered repair); fittings; fasteners; fuses, fusible links and fuse box;
 - 6. Grommets; game cartridges; game centers; glass; gas, oil, fuel and radiator caps; glow plugs, relay and controllers;
 - 7. Handheld devices; insulation; infrared vision systems; internet access systems; jack and tool kit; light bulbs; lenses; light assemblies; lift kits; lift gate and tailgate handles; knobs or dials; fuel;
 - 8. Manual transmission clutch system (except as provided for under the OTHER COVERAGE – MANUAL TRANSMISSION CLUTCH ASSEMBLY: if purchased by You); motorist assistance systems; mirrors; nuts, bolts, lugs, pins, clips and retainers (except when required with a covered repair);
 - 9. Paint; personal computer; positive crankcase ventilation (PCV) system; plastic trim; remote controls; radar detectors; rubber or rubber like items; pre-heated car systems; perimeter warning systems;
 - 10. Sealed beams, Xenon head lamps, Light Emitting Diodes (LED) assemblies, ballast; steering wheel; sunroof frame; software; spark plugs, wires, distributor cap and rotor; safety restraint systems including air bags and seat belts; seat pads; shock absorbers, MacPherson struts and electronically controlled variable suspension struts; studs including wheel and exhaust manifold; snow plow equipment; solar panels;
 - 11. Tires, wheels, rims, wheel covers or hubcaps; schrader valve; tubes; tire pressure monitor sensor; trim; television;
 - 12. Upholstery; vinyl top; VCR; vehicle frame, chassis and sub frame; vehicle body parts, including but not limited to, body panels and mounts, bumpers, moldings, outside ornamentation, bright and sheet metal; wiper blades and arms; weather strips or seals; welds; winch; zippers.
 - b. For any Plan purchased, the following services and expenses are not covered:
 - 1. Shop supplies, storage fees, environmental charges, waste disposal fees; cleanup, neutralization, removal, treatment or detoxification of environmentally unsafe materials and other similar charges; freight charges;
 - 2. Performance of scheduled maintenance services described in the Covered Vehicles' owner's manual supplied by the Manufacturer and in this Contract;
 - 3. Other maintenance services including: fluid, coolant, lubricants and refrigerant replacement; system flushing; balancing; fuel system cleaning; additives; tune-ups; transmission service; ignition, fuel system adjustments and calibrations; corrections of wind noise, squeaks, rattles, air and water leaks; alignments (except required for a covered repair).
 - c. If You purchased Open Road Powertrain Plus (1-6), Seals and Gaskets Optional Coverage, Open Road Premium (1-19) and any or all of the Other Coverage, the following is not covered:
 - 1. Any part, service and expense listed in a. above;
 - 2. Any part not listed in Section C.
 - d. For any Plan purchased, this Contract does not cover any liability for: (1) property damage, bodily injury or death to any person(s) arising out of the operation, repair, maintenance or use of the Covered Vehicle, whether or not

related to a covered part; (2) incidental or consequential losses or damage (except as provided for under the OTHER COVERAGE – CONSEQUENTIAL LOSS if purchased by You) including, punitive or exemplary damages, property damage, loss of use of the covered vehicle, loss of time, inconvenience or any other commercial loss.

G. What are the Maintenance and Service Responsibilities that You must perform in this Contract?

1. You are required to change the engine oil, oil filter, lubricate suspension, steering linkage and lubricate and service CV joint or “U” joints every 4 months or 4,000 miles, whichever comes first;
2. Verify the CV boots or any boot is not leaking or torn. If they are leaking or torn, You are responsible to replace the Boots immediately. If You purchased Seals and Gaskets Optional Coverage for the Open Road Powertrain Plus, Open Road Premium or Supreme Plan, You may have coverage for this repair;
3. If the covered vehicle is equipped with a timing belt or a balance shaft belt, You are responsible to replace the belts at the intervals specified by the Manufacturer;
4. After 12 months from purchase, You must change the transmission fluid and filter, differential oil and coolant;
5. You must keep all fluids, lubricants and coolant to manufacturer’s recommended levels or capacity at all times;
6. You are responsible to obtain the scheduled maintenance services described in the Covered Vehicles’ owner’s manual supplied by the Manufacturer and complete all manufacturer recommended maintenance;
7. You must keep verifiable receipts showing date, mileage and services performed from a licensed repair facility. **You cannot perform Your own maintenance.**

H. How to return this Contract.

1. a. You can return this Contract. If you want to return this Contract, You must notify PRco in writing and You must include the covered vehicle’s mileage on the date of cancellation. **The covered vehicle’s mileage must be documented with either a Cancellation Form provided by PRco to the Service Contract Seller, who sold You the covered vehicle, or a notarized statement provided by You. Upon receipt of the completed form or statement, the refund will be calculated in the following manner:**
 1. A full refund of the purchase price will be made if You cancel within nine (9) days or less from the effective date of this Contract and no claim has been made under this Contract;
 2. A full refund of the purchase price will be made, less a cancellation fee of \$25.00, if You cancel between ten (10) and thirty (30) days from the effective date of this Contract and no claim has been made under this Contract;
 3. A pro rata refund of the purchase price will be made, if You cancel after thirty (30) days, equal to the greater of elapsed time or mileage of the Contract Term computed from the date this Contract was purchased, less a cancellation fee of \$25.00 and no claim has been made under this Contract;
 - b. If You return this Contract according to the terms of paragraph H. a. above, this Contract is void from the beginning and You and PRco are in the same position as if no Contract had been issued.
 - c. A pro rata refund of the purchase price will be made, less a cancellation fee of \$25.00, when a mechanical breakdown is pending or paid prior to the effective date of cancellation.
2. The Lien Holder can return this Contract for repossession or a total loss and the Lien Holder will be the sole payee. The refund amount will be calculated as noted in paragraph H. 1. above.
 3. **PRco may return this Contract, within 60 days of the date of sale of this Contract, if the vehicle does not qualify under PRco’s program for that vehicle and PRco will issue You a full refund. If PRco does not send notice of cancellation of this Contract within sixty (60) days, the vehicle qualifies for this Contract and PRco may not cancel this Contract and is fully obligated under the terms of this Contract.**
 4. PRco may also return this Contract, at any time, **only** in the event of the following:
 - a. You fail to pay the in-full Provider Fee for this Contract to the Service Contract Seller or PRco. If any refund is due, PRco will issue You a pro rata refund based upon the greater of elapsed time or mileage computed from the date this Contract was purchased, less the amount of any claims paid by PRco; or,
 - b. You have made to the Service Contract Seller or PRco a material misrepresentation regarding the vehicle. PRco will issue You full refund unless PRco has paid a claim or has advised You in writing that PRco will pay a claim; in which event, PRco will issue You a pro rata refund based upon the greater of elapsed time or mileage computed from the date this Contract was purchased, less the amount of any claims paid by PRco; or,
 - c. The covered vehicle’s odometer was stopped, altered, disconnected, or the actual mileage cannot be determined. PRco will issue You a full refund unless PRco has paid a claim or has advised You in writing that PRco will pay a claim; in which event, PRco will issue You a pro rata refund based upon the elapsed time computed from the date this Contract was purchased, less the amount of any claims paid by PRco.
 - d. Your Aggregate Coverage Limit has been reached and a Notice of Cancellation will be mailed to You. There will be no refund.
 5. All Notices of Cancellation shall state the specific reason for cancellation and will be mailed to You, proof of mailing which will be sufficient proof of notice, at Your last known address.
 6. All refunds will be paid by PRco to the Lien Holder or to You if there is no Lien Holder within thirty (30) days of return of this Contract to PRco. A ten percent (10%) penalty shall be added to any refund that is not paid within thirty (30) days of return of this Contract to PRco.

I. How can You transfer this Contract if You sell the covered vehicle?

PRco will approve a transfer of this Contract upon receipt of: proof of maintenance and service required under this Contract;

a completed transfer form (provided by PRco); a bill of sale or sale agreement showing the date and mileage at the time of sale; and a \$75.00 transfer fee. Upon PRco's acceptance of all documents, the new owner will receive a confirmation of transfer. This Contract cannot be transferred if the covered vehicle is sold or traded to any person or entity in the business of selling vehicles or if the above requirements are not completed within fifteen (15) days of the date of sale.

J. Resolution of Contract Disputes

Disputes that arise out of or relate to this Contract or any resulting transactions will be subject to arbitration and not in court or before a jury, as provided in Section K below. **Please read Section K below carefully before signing this Contract as it greatly effects Your rights.** The Insurance Commissioner for the State of Washington is PRco's attorney to receive service of any legal process in any suit, action, or proceeding brought by You.

K. Arbitration of Disputes

All disputes, claims or controversies (whether in contract, tort or otherwise including the interpretation and scope of this clause), which arise out of or relate to this Contract or any resulting transactions, including but not limited to claims against PRco, Sutter Insurance Company and their employees, agents, successors and assigns, shall be resolved by neutral, binding arbitration in accordance with the laws of the State of Washington. **Any claim or dispute is to be arbitrated on an individual basis and not as a class action. By agreeing to Arbitration, You and PRco agree to give up any right to participate as a class representative or class member on any class claim involving You, PRco, Sutter Insurance Company and their employees, agents, successors, and assigns including any right to class Arbitration or any consolidation of individual Arbitrations.** Rights to appeal in Arbitration are generally more limited than in a lawsuit and other rights that You or PRco would have in court may not be available in Arbitration.

If the Parties are not able to agree upon a single arbitrator within ten (10) days following demand therefore, then the arbitrator shall be appointed by Judicial Arbitration and Mediations Services (JAMS). You and PRco recognize, acknowledge and agree that the designated arbitrator will be an independent individual, not affiliated or related to either You or PRco. **You and PRco agree that any dispute between the Parties will not be heard and decided by a judge or jury.** The arbitration shall be held in the State of Washington at a location in closest proximity to Your permanent residence.

You and PRco shall each pay one-half of the arbitrator's fees and costs, unless one Party is ruled the prevailing Party by the arbitrator, in which case the arbitrator, subsequent to the arbitration itself, may award the prevailing Party the arbitrator's fees and costs and attorneys fees and costs. In PRco's discretion it may, but is not obligated to, advance more than one-half of the Arbitrator's fees and costs of administration or case management, provided however that PRco may recoup that advancement subject to the arbitrator's decision on fees and costs. The arbitrator's decision and/or award shall be final and binding on all parties, and may be sued upon or enforced in any court of competent jurisdiction.

If any portion of this Arbitration provision is deemed invalid or unenforceable, the remaining portions of this Arbitration provision shall nevertheless remain valid and in force.

L. Subrogation and Recoveries.

In the event of any payment by PRco to You under this Contract, PRco shall be entitled to all of Your rights of recovery against any person or entity. You shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. Any amount recovered by You shall become PRco's property and be forwarded to PRco by You up to the amount of payment made by PRco.

M. Conformity to Statute.

Terms of this Contract which are in conflict with the statutes of the State where this Contract is issued are hereby amended to conform to such statutes.

N. Privacy.

To review PRco's Privacy Policy, please visit www.PRcoUSA.com/privacy.html. To review Sutter Insurance Company's Privacy Policy please visit www.sutterinsurance.com/privacy.pdf.

End of Motor Vehicle Service Contract wording.

GAP WAIVER FOR INSTALLMENT SALE CONTRACTS AND LOANS

Read all pages of this GAP Waiver (Waiver) carefully to understand the procedures You must follow, Your responsibilities, rights and what is and is not covered.

Form with fields for ADMINISTRATOR'S NAME, DEALER'S NAME, ADDRESS, CITY, STATE, ZIP, TELEPHONE & FAX NUMBER, CREDITOR'S NAME, STREET ADDRESS, CITY, STATE, ZIP, TELEPHONE NUMBER, VEHICLE I.D. NO., MAKE, MODEL, YEAR, BODY STYLE, MILEAGE, TERM, EFFECTIVE DATE OF WAIVER, AMOUNT FINANCED, WAIVER PURCHASE PRICE, and checkboxes for LOAN and INSTALLMENT SALES CONTRACT.

Supplemental

- 1. ACKNOWLEDGEMENTS OF BORROWER. By signing below I acknowledge that before doing so I read the following and attest or understand that:
a. All of the information above is correct and I voluntarily purchased this Waiver. I understand (1) this Waiver is not required for the extension or terms of credit or the terms of the sale of the vehicle above; and, (2) if this Waiver was included in the financing of the vehicle above, any refund of its Purchase Price may be applied by the Creditor as a reduction of the overall amount owed under the Finance Agreement, rather than applying the refund strictly to this Waiver's Purchase Price.
b. I received this Waiver and I read pages 1, 2, 3, 4 and 5. I understand its content and expressly agree to its terms, conditions and exclusions as stated in: Section A. Definitions; Section B. What Does This Waiver Provide?; Section C. What Is Not Provided For In This Waiver?; Section D. Who Can Cancel Or Assign This Waiver?; Section E. What Should You Do If There Is A Total Loss?; Section F. Arbitration Of Disputes; and, Section G. Conditions.
2. ACKNOWLEDGEMENTS OF DEALER/CREDITOR. By signing below, the Dealer/Creditor means all of the information above is correct and Dealer/Creditor explained all terms, conditions and exclusions of this Waiver to Borrower and Borrower read pages 1, 2, 3, 4 and 5 of this Waiver.

This Waiver is neither credit insurance nor does it eliminate the Borrower's obligation to insure the vehicle above as provided by the laws of the State of Washington; and, it does not eliminate the Borrower's rights and obligations under vendor single-interest and collateral protection laws of the State of Washington.

In witness whereof, the Borrower and the Dealer/Creditor have executed this Waiver effective the day and year written above under "Effective Date of Waiver."

BORROWER'S SIGNATURE DATE DEALER/CREDITOR'S SIGNATURE DATE
CO-BORROWER'S SIGNATURE DATE

A. DEFINITIONS.

1. **Borrower:** The person on Page 1 and named in the Finance Agreement for the purpose of purchasing the Covered Vehicle described on Page 1 (hereinafter referred to as "You," "Your" or "I").
2. **Finance Agreement:** The instrument that represents the financing transaction between the Creditor and You for the retail purchase of the Covered Vehicle and sets forth the Equal Monthly Payments and other terms and conditions, such as effective and expiration dates for such Agreement. The maximum term of the Finance Agreement cannot exceed eighty-four (84) months.
3. **Dealer:** The entity that originated the Finance Agreement. The Dealer may sell, assign or transfer the Finance Agreement to a Creditor or may be the Creditor if authorized by PRco Insurance Services, Inc.
4. **Creditor:** The party that extended financing to You for the Covered Vehicle.
5. **Covered Vehicle:** A four-wheel private passenger auto, van or light truck that is identified in the Finance Agreement and in this Waiver and has been previously titled, with a Gross Vehicle Weight Rating of less than 13,500 pounds that is principally garaged and used for personal use in the United States and Canada only. The United States means the fifty (50) states and the District of Columbia and does not include Puerto Rico, Guam or other territories and possessions.
6. **Commercial Use:** Any vehicle where the primary insurance for the Covered Vehicle is a Business Auto Policy or Commercial Vehicle Policy or used for: (a) construction, agriculture, emergency (including fire and police), security, government, taxi, limousine or shuttle services; (b) fleet or pool vehicles; (c) transportation of persons or property for hire, compensation and/or profit; or, (d) any other income producing activities.
7. **Primary Insurer:** The insurance company contracted by You that provides in force physical damage insurance coverage on the Covered Vehicle and makes the determination if the Covered Vehicle is a Total Loss; and, any other coverage on the Covered Vehicle including liability coverage to any person or entity who has caused Your Covered Vehicle to incur a Total Loss.
8. **Total Loss:** Direct and accidental physical loss or damage to a Covered Vehicle which meets one of these criteria: (a) the total cost to repair the Covered Vehicle is greater than or equal to the Actual Cash Value of the Covered Vehicle as of the Date of Loss; (b) the Covered Vehicle is stolen and not recovered within thirty (30) days after the date it was stolen; or, (c) the Primary Insurer declares the Covered Vehicle a Total Loss.
9. **Date of Loss:** The date on which a Covered Vehicle is reported stolen or incurs physical damage that is severe enough to constitute a Total Loss. If such date is undeterminable, You will consider the Date of Loss to be the date PRco Insurance Services, Inc. determines based on the best information available.
10. **Actual Cash Value:** The Primary Insurer's settlement that includes: (a) retail value of the Covered Vehicle on the Date of Loss in compliance with the applicable laws or regulations that pertain to adjustment and/or settlement of "total loss" automobile insurance claims; and, (b) sales tax based upon retail value and unused Department of Licensing fees as of the Date of Loss.
11. **PRco Insurance Services, Inc.:** The program administrator, 3690 Mt. Diablo Blvd., Lafayette, CA 94549, 1-800-388-PRCO (7726), Fax 925-284-5577 (hereinafter referred to as "PRco").
12. **Outstanding Balance:** The monetary amount, in U.S. currency, required to pay off Your Finance Agreement balance as of the Date of Loss. The Outstanding Balance shall be reduced by:
 - a. Interest, including unearned interest; penalties; loan, late or service charges; returned check, legal fees or any other fee;
 - b. Past Due Amounts that are owed by You as of the Date of Loss;
 - c. Extension(s), Deferred and/or Approved Missed Payment(s);
 - d. The recoverable portion of financed charges including but not limited to: service contracts, credit life, accident and health insurance;
 - e. Any non-cancellable insurance policies, contracts, warranties, products or services;
 - f. Other amounts: (1) built into or added to the initial loan balance; or, (2) added to the initial loan balance after the effective date of the Finance Agreement including but not limited to, property damage or bodily injury insurance;
 - g. The portion due to: (1) equipment, options, packages, trim or accessories that were used for the purpose of obtaining the Finance Agreement and were not present on the Covered Vehicle on the Date of Loss; (2) incorrect year, make, model or mileage that were used for the purpose of obtaining the Finance Agreement; or, (3) any other inaccuracies concerning the Covered Vehicle in the Finance Agreement or that were used for the purpose of obtaining the Finance Agreement;
 - h. The percentage derived from: the amount, on the effective date of this Waiver, that exceeds the Maximum Allowable Amount Financed, divided by the total amount financed.
13. **Past Due Amount:** Any payment, as described in Your Finance Agreement, which remains unpaid for a period of more than thirty (30) days after the due date stated in the Finance Agreement. The Past Due Amount will be determined as of the Date of Loss.
14. **Extension(s), Deferred and/or Approved Missed Payment(s):** An option offered by the Creditor that allows You to extend the term of the Finance Agreement, defer a payment(s) or miss a payment(s).
15. **Final Balance:** The amount obtained by subtracting the Actual Cash Value of the Covered Vehicle and any other source of payment or credit from the Outstanding Balance on the Date of Loss, not to exceed \$50,000.00. The Final Balance also includes the amount of Your physical damage deductible taken by the Primary Insurer, up to \$1,000.00. Where the Dealer, Creditor or You receive or will receive a salvage payment for the Covered Vehicle or any of its parts or You retain the Covered Vehicle or any of its parts as salvage, such salvage shall be applied to reduce the amount of the Final Balance. If the Actual Cash Value of the Covered Vehicle, less the applicable deductible, and

any other source of payment or credit, including a salvage payment or retained salvage, is greater than or equal to the Outstanding Balance, there will be no Final Balance waived.

16. **Equal Monthly Payments:** The Finance Agreement's installment payments that are equal in amount and due at equal monthly intervals.
17. **Maximum Allowable Amount Financed:** The Amount Financed, as stated in the Finance Agreement, is limited to 150% of the N.A.D.A. Official Used Car Guide Vehicle Appraisal's Retail Value (including all equipment, options, packages, trim, accessories and mileage), using the region specific to the Dealer.

B. WHAT DOES THIS WAIVER PROVIDE?

Subject to all terms and conditions in this Waiver, in return for receipt of the Waiver Purchase Price and in the event of a Total Loss occurring during the original Finance Agreement term of the Covered Vehicle, Creditor agrees to waive the amount equal to the Final Balance.

C. WHAT IS NOT PROVIDED FOR IN THIS WAIVER?

1. The Creditor will not waive the Final Balance if the Total Loss to a Covered Vehicle:

- a. Occurred prior to the effective date of this Waiver or when You purchased a Waiver after the effective date of the Finance Agreement;
- b. Arose directly or indirectly out of a criminal act or omission by You or any other user of the Covered Vehicle (except those users who obtain the Covered Vehicle by theft or who use it without Your express or implied permission);
- c. Arose from an intentional or willful act committed or directed by You, the Dealer or the Creditor or any of their employees or agents;
- d. Was caused by or resulted from: (1) wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, freezing or overheating; (2) any repair, restoration or remodeling process; or, (3) structural, mechanical or electrical breakdown or failure unless fire or other accident ensues, and then only for the loss or damage by such ensuing fire or accident;
- e. Occurred while the Covered Vehicle was in the possession of the Creditor or the Dealer or any of their employees or agents;
- f. Occurred due to confiscation by a government body, law enforcement official or public official;
- g. Occurred outside of the United States or Canada. The United States means the fifty (50) states and the District of Columbia and does not include Puerto Rico, Guam or other territories and possessions;
- h. Was caused by or resulted from: (1) hostile or warlike action in time of peace or war (declared or undeclared), including action in hindering, combating, or defending against actual, impending, or expected attack; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such occurrence; (3) seizure or destruction under quarantine or customs regulations; (4) risks of contraband or illegal transportation or trade; or, (5) nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;
- i. Resulted from the vehicle being operated, used, or maintained in any race, speed contest, other contest or while evading lawful capture or arrest by law enforcement officials;
- j. Caused by or resulted from pollution or contamination which means the presence, release, discharge or dispersal of pollutants. Pollutants include any solid, liquid, gaseous or thermal irritant or contaminant;
- k. Occurred and Primary Insurer coverage did not exist on the Date of Loss and the Covered Vehicle is not available for inspection or appraisal.

2. The Creditor will not waive the portion of the Final Balance resulting from:

- a. Deductions from the Primary Insurer's settlement, made by the Primary Insurer for:
(1) any adjustment to the cost of comparable vehicles or the Covered Vehicle that is not discernible, measurable, itemized and documented to You; or, (2) wear and tear, prior damage, unpaid insurance premiums, rental car expenses, towing, administrative, storage or any other fee, condition adjustments, repossession, lien or any other expense;
- b. Any indebtedness due to: (1) equipment, options, packages, trim or accessories that were used for the purpose of obtaining the Finance Agreement and were not present on the Covered Vehicle on the Date of Loss; (2) incorrect year, make, model or mileage that were used for the purpose of obtaining the Finance Agreement; or (3) any other inaccuracies concerning the Covered Vehicle in the Finance Agreement or that were used for the purpose of obtaining the Finance Agreement.

3. This Waiver does not provide coverage for:

- a. Any person or entity's alleged or actual liability for bodily injury or property damage;
- b. Medical payments, medical expenses, physical damage, uninsured motorist, underinsured motorist or personal injury protection;
- c. Any costs or expenses related to legal representation, other judicial or administrative proceedings arising from this Waiver other than those stated in Section G. "**ARBITRATION OF DISPUTES**";
- d. Negligence, consequential damages or damage to or loss of any personal property;
- e. When the Finance Agreement is funded and retained by the Dealer or an affiliate. This exclusion will not apply if the Dealer's GAP Contractual Liability Policy is endorsed to authorize the Dealer to offer a Waiver on a Finance Agreement that is retained by the Dealer or an affiliate of the Dealer;
- f. Any Finance Agreement that has a maximum term greater than eighty-four (84) months from its effective date;

- g. Any Waiver that has a maximum term greater than eighty-four (84) months from its effective date;
- h. Any vehicle when it is used for Commercial Use or has a Gross Vehicle Weight Rating of more than 13,500 pounds;
- i. Any vehicle when, at the time of sale or prior to the Date of Loss, it is titled as branded including salvage, junk, rebuilt, totaled, or lemon law or does not have a valid manufacturer's Vehicle Identification Number (VIN);
- j. Any vehicle where the Amount Financed is more than \$50,000.00;
- k. Aston Martin; Bentley; Daewoo; Eagle; Ferrari; Fiat; Lamborghini; Lotus; Maserati; MG; Peugeot; Porsche; Renault; Rolls Royce; Sterling; Yugo; Acura NSX; Audi A8, R and RS Series; BMW Alpina, 8 Series, Z8, V10; Cadillac V series; Chevrolet SSR and SLP; Chrysler and Plymouth Prowler; Corvette Z06, ZR1; Dodge Ram SRT-10, Stealth, Viper; Ford Merkur, GT, Cobra, Roush, Saleen, Shelby, Steeda, F-150 Lightning; GMC Syclone, Typhoon; Honda FCX; Hummer H1; Mazda RX7; Mercedes AMG, G/GL Series, SLR, V10; Mitsubishi 3000GT, Lancer Evolution; Nissan 280ZX, 300ZX, GT-R; Toyota MR2 Turbo, Supra; VW Eurovan Camper, Phaeton; Electric, Grey Market, Propane, 12 cylinder vehicles; watercraft, motorcycles, all terrain vehicles, snowmobiles, trailers, recreational vehicles and motor homes.

D. WHO CAN CANCEL OR ASSIGN THIS WAIVER?

1. a. You can cancel this Waiver at any time by notifying the Dealer or PRco by mail, fax or e-mail. If You cancel Your Waiver prior to its scheduled maturity date, PRco will send the refund to the Dealer or the Creditor, for refund or credit to the unpaid balance of Your Finance Agreement. If You cancel within the first sixty (60) days, a full refund of the Waiver Cost will be made and this Waiver will be void from the beginning as if no Waiver had been issued. If You cancel after the first sixty (60) days, the refund will be figured according to the pro rata method based on time less a fifteen dollar (\$15.00) cancellation fee.
- b. The Creditor can cancel this Waiver for repossession or a Total Loss. In either event, PRco will send the refund to the Dealer or the Creditor, for refund or credit to the unpaid balance of Your Finance Agreement.
- c. If PRco is notified of a Total Loss and the Actual Cash Value of the Covered Vehicle, less the applicable deductible and any other source of payment or credit, including a salvage payment or retained salvage, is greater than or equal to the Outstanding Balance, there will be no Final Balance waived. The Creditor will cancel Your Waiver and the refund will be figured according to the pro rata method based on time less a fifteen dollar (\$15.00) cancellation fee.
- d. In the event the Creditor waives the Final Balance, there will be no refund except where the waived Final Balance is less than the pro rated refund in which case the refund will be only the difference between the pro rated credit and the waived Final Balance.
2. The Creditor may assign their rights, title and interest in this Waiver and such assignment shall have no effect on the terms and conditions of this Waiver. You cannot assign this Waiver.

E. WHAT SHOULD YOU DO IF THERE IS A TOTAL LOSS?

You must notify PRco by calling the telephone number or writing to the address on Pages 1 or 2. You must authorize the:

1. Creditor to e-mail, fax or mail a complete payment history and copies of the Finance Agreement directly to PRco;
2. Primary Insurer to e-mail, fax or mail copies of the settlement statement, check, police report and vehicle valuation report directly to PRco;
3. Refund of the vehicle service contract or other financed insurance products;
4. Release of any additional items PRco deems necessary, including but not limited to, documentation for any salvage or other payments received by You, the Dealer or the Creditor.

F. ARBITRATION OF DISPUTES.

All disputes, claims or controversies (whether in contract, tort or otherwise including the interpretation and scope of this clause), which arise out of or relate to this Waiver or any resulting transactions, including but not limited to claims against PRco, Sutter Insurance Company and their employees, agents, successors and assigns, shall be resolved by neutral, binding arbitration in accordance with the laws of the State of Washington. Rights to appeal in Arbitration are generally more limited than in a lawsuit and other rights that You would have in court may not be available in Arbitration.

If the Parties are not able to agree upon a single arbitrator within ten (10) days following demand therefore, then the arbitrator shall be appointed by Judicial Arbitration and Mediations Services (JAMS). **You and PRco agree that any dispute between the Parties will not be heard and decided by a judge or jury and the arbitrator shall be prohibited from awarding punitive damages except where specifically authorized by law. The arbitrator may award a party only its actual damages and the arbitrator may award equitable relief including injunctive relief.** The arbitration shall be held in the State of Washington at a location in closest proximity to Your permanent residence.

To the extent permitted under Washington law, the parties shall share pro rata the arbitration expenses, including the arbitrator's fees. However, the arbitrator shall have the authority to waive or reduce Your share of the arbitration expenses upon receipt of Your written request for a determination by the arbitrator that You would otherwise be financially unable to participate in the arbitration. If one Party is ruled the prevailing Party by the arbitrator, in which case the arbitrator, subsequent to the arbitration itself, may award the prevailing Party the arbitrator's fees and costs and attorneys fees and costs. The arbitrator's decision and/or award shall be final and binding on all parties, and may be sued upon or enforced in any court of competent jurisdiction.

If any portion of this Arbitration provision is deemed invalid or unenforceable, the remaining portions of this Arbitration provision shall nevertheless remain valid and in force.

G. CONDITIONS.

1. **Other Insurance:** If a Total Loss is also covered by any other contract or insurance, this Waiver will be considered excess as to any other contract or insurance, and the Final Balance will not be waived until You, the Dealer or the Creditor have recovered all amounts from any other contract or insurance which is valid and collectible and any other sources of payment that will reduce the Final Balance.
2. **Primary Insurance:** If no Primary Insurer coverage exists, the Primary Insurer has been declared insolvent as of the Date of Loss, the Covered Vehicle has no retail value or the Primary Insurer fails to make a determination of the Actual Cash Value in compliance with applicable law, the Actual Cash Value will be determined by PRco in compliance with the applicable laws or regulations that pertain to adjustment and/or settlement of "total loss" automobile insurance claims based on reasonably available information on the Covered Vehicle's equipment, options, packages, trim, accessories, mileage and condition. The Covered Vehicle must be available for inspection or appraisal for PRco to determine if the Covered Vehicle is a Total Loss. PRco reserves the right to inspect the Covered Vehicle at its own cost. If the Covered Vehicle is not available for inspection or appraisal, the Final Balance will not be waived.
3. **Extension(s), Deferred and/or Approved Missed Payment(s):** If the term of the Finance Agreement is extended, PRco will determine the Outstanding Balance based on the initial terms of the Finance Agreement. If the first payment and subsequent payments thereafter are Deferred or Approved Missed, the Outstanding Balance will be determined by PRco based on Equal Monthly Payments beginning thirty (30) days from the date of purchase of the Covered Vehicle amortized for not more than eighty-four (84) months; for any other Deferred or Approved Missed payment(s), the Outstanding Balance will be determined by PRco based on Equal Monthly Payments beginning on the date of the Deferred or Approved Missed Payment(s) amortized for not more than eighty-four (84) months.
4. **Equal Monthly Payments:** If a Finance Agreement does not have Equal Monthly Payment terms for the full period of the Finance Agreement, the Outstanding Balance will be determined as if all payments were distributed evenly on a monthly basis, over the full term of the Finance Agreement not to exceed eighty-four (84) months. The original amount financed, interest rate and monthly payment amount will be used in this calculation.
5. **Automatic Termination of Coverage:** This waiver will automatically terminate without notice as soon as any one of the following events takes place: (a) the Finance Agreement for the Covered Vehicle is terminated, refinanced, assigned, reaches maturity or is completed for other reasons; (b) the Covered Vehicle is sold, assigned or transferred; (c) the Creditor waived the Final Balance or declined to do so; or (d) on the expiration date of Your Waiver.
6. **Mitigation of Loss:** You, the Dealer or the Creditor shall do all things reasonable, practical, and professional to avoid or reduce the Final Balance. You, the Dealer or the Creditor shall also take reasonable measures to ensure that the Primary Insurer paid the maximum amount for Actual Cash Value for the Covered Vehicle. This includes, at a minimum, verifying: (a) the accuracy of the Actual Cash Value with a guide that provides value information on a local basis; (b) all equipment, accessories, options, and trim on the Covered Vehicle are valued by the Primary Insurer; and, (c) the Covered Vehicle's mileage on the Date of Loss is correct. Any portion of Final Balance due to Your, the Dealer's or the Creditor's failure to protect the Covered Vehicle or maximize settlement from the Primary Insurer shall not be waived.
7. **Subrogation:** If the Creditor agreed to waive the amount equal to the Final Balance, the Creditor shall be entitled to any rights of recovery that You have against any person or entity. You shall cooperate with the Creditor in this regard and take no action that would prejudice such rights. If You have taken any action to prejudice Creditor's rights, You agree to reimburse Creditor all sums waived immediately upon Creditor's request.
8. **Conformity to Statute:** Terms of this Waiver, which are in conflict with the statutes of the State where this Waiver is issued, are hereby amended to conform to such statutes.
9. **Finance Contract Changes:** Any material changes regarding annual percentage rate, or terms and conditions contained in the Finance Agreement must be reported to PRco. PRco may request copies of the Finance Agreement.
10. **Cooperation and Assistance:** In the event of a Total Loss, it is Your duty to cooperate with and assist PRco by executing and delivering the Finance Agreement, documentation and papers and doing whatever else is necessary, reasonable and within Your ability in a prompt manner to allow PRco to evaluate and settle the claim. You must comply with this condition.
11. **Invalidity:** If any provision of this Waiver is found to be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision shall not impair the enforceability of any remaining provisions of this Waiver. The failure to require strict compliance or performance of any one or more provisions of this Waiver on one or more occasions shall not be deemed a waiver of that or any other provision hereof.
12. **No Benefit to Bailee:** This Waiver will not provide benefits directly or indirectly to any bailee (or similar person or entity).
13. **Concealment, Representation or Fraud:** This Waiver will be void if: (a) You intentionally conceal or misrepresent any material fact or circumstance relating to this Waiver; or, (b) the Creditor, Dealer or You have acted fraudulently or made false statements relating to this Waiver, whether before or after a Total Loss. If You, the Dealer or the Creditor make any untrue representations, You expressly agree this Waiver will not be valid. In such case, You will receive a full refund of the Waiver Purchase Price.



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