

Direct Buy Auto Warranty

402 Main Street, Metuchen, NJ 08840 – 1.888.865.4484

I. CONTRACT PERIOD/CONTRACT:

- A. Direct Buy Warranty contract begins thirty days and/or fifty miles after acceptance of Your VSC applicable contract fees. Your contract may begin before thirty days if DBW receives proof of prior contract showing no lapse in contract from another carrier within fifteen days of purchase date.
- B. DBW will pay any authorized claim directly to the licensed servicing center for the costs to repair or replace covered parts that fail, less the applicable deductible if there is any. Labor fees are paid according a nationally recognized labor guide
- C. DBW does not cover any Vehicle that is used as a commercial vehicle, or is used for rental, taxi, limousine or shuttle, delivery, towing, road repair operations, construction, job site activities, commercial hauling, police or emergency service, principally off-road use, racing or competitive driving, snow removal.
- D. This VSC is an exclusionary contract. It list all that is not covered. All other components are to be noted as covered.

II. FILING A CLAIM:

- If Your vehicle incurs a Breakdown, You must take the following steps to file a claim:
- A. Take immediate action to prevent further damage. DBW will not cover negligence for not securing repairs in a timely manner.
- B. Call the Administrator to notify of Your issue and what repair facility You will be sending Your vehicle to.
- C. Provide the repair facility with a copy of Your ID card that was received after the purchase of Your VSC.
- D. You may take Your vehicle to the Licenses repair facility of your choice, if you do not have a repair facility to take Your vehicle to, DBW can direct you to a proper repair facility.
- E. Prior to any repair being made, instruct the service manager at the Repair Facility to contact the Administrator to obtain an authorization for the claim. Any covered claim authorized by DBW will be paid prior to any repair being made. Any claim for repairs without prior authorization may be covered as provided for under Item I "Emergency Repairs". The amount authorized by the administrator is the maximum amount that will be paid for any repairs covered under the terms of this VSC. Any additional amount must receive prior approval from the administrator.
- F. Authorize tear-down and or inspection - You may need to authorize the repair facility to inspect and/or tear-down Your vehicle in order to determine the cause and cost of the repair. You will be responsible for these charges. We reserve the right to require an inspection of Your vehicle prior to any repair being made.
- G. Pay applicable Deductible
- H. Emergency Repairs - Should an emergency occur which requires a Breakdown repair to be made at a time when the administrator's office is closed; You must call the administrator office within three days from the date of repair to determine if such repair will be covered. If it is determined that the repair is to be covered by this VSC, You will be reimbursed for the repair.

III. THE BENEFITS ARE NOT SUBJECT TO A DEDUCTIBLE:

- A. Towing - We will reimburse You for Your actual towing cost up to a maximum of sixty dollars per occurrence, if the tow was necessary because of a mechanical breakdown of a part covered under the VSC. Any payment shall be for actual towing or roadside charges in excess of any applicable reimbursement from the manufacturer or any other towing or road service Contract.
- B. Rental Car - We will reimburse You for rental of a replacement

- vehicle for substitute transportation if there is a Breakdown of a covered part under this VSC. Our cost is limited to thirty dollars per day Each eight hours of approved labor time Counts as one day, up to a maximum of three days. The substitute transportation must be supplied by a duly licensed Rental Agency and is in excess of any applicable reimbursement from the manufacturer or any other substitute transportation contract.
- C. Locksmith Service - If You lock Your keys in Your vehicle or lose Your keys, You will be reimbursed up to twenty dollars for the service call of a locksmith to open Your vehicle. Key cutting or other labor/parts are not covered by this benefit.
- D. Out of Gas/Dead Battery - You will be reimbursed up to forty dollars for a service call to jump-start or deliver emergency fuel to Your vehicle. The cost of the fuel is not reimbursable.
- E. Trip Interruption - Trip interruption occurs when a Breakdown disables Your vehicle more than one hundred miles from Your home, You are stranded overnight and covered repairs are not completed. Trip interruption benefits are for motel and restaurant expenses incurred by You during the repair period. When such a Breakdown occurs, You will be reimbursed up to fifty dollars per day of trip interruption benefits for each eight hours of approved labor time, up to a maximum of three days.

IV. WHAT IS NOT COVERED BY THIS CONTRACT:

Scheduled Maintenance and recommended service and adjustments. Maintenance services and or parts recommended in the Vehicle Manufacturer's Maintenance Schedule. Any of the following parts including but not limited to, throttle body, battery, battery cables, shock absorbers, struts, manual transmissions components such as, clutch friction, clutch disc and pressure plate, throw out bearing, pilot bearing, clutch master and slave cylinder, manual and hydraulic linkages; thermostat, hoses, belts, pulleys, brake pads, brake shoes, tune-up parts, safety restraint systems; any and all fluids and reservoirs; fuses; circuit breakers; brake rotors and drums; emission systems; glass, lenses, head lamp and projection lamp assemblies, telephones, television / vcr, electronic and satellite transmitting / receiving devices, sealed beams, light bulbs, weather stripping, trim, moldings, bright metal, chrome, upholstery, carpet , zippers, cup holders, dash pad and vents, seat frame, paint, outside ornamentation, inside and outside door handles, mirrors, hinges, lift gate and hood supports, hubcaps/wheel covers, bumpers, body sheet metal and panels, body parts, frame, structural body parts, vinyl convertible tops, tires, wheels/rims, speakers, wiring.

V. LIMITATIONS OF LIABILITY:

- A. Any breakdown resulting from an outside force including collision, fire, theft, vandalism, riot explosion, lightning, earthquake, freezing, rust or corrosion, windstorm, hail, water or flood, acts of God, salt, environmental damage, introduction of foreign objects, contamination of fluids, fuels, coolants or lubricants, or any hazard insurable under standard physical damage insurance policies regardless of whether such insurance is in force, or any consequential damage or diminution in value resulting from the failure of a covered or non-covered part.
- B. DBW is not responsible for any breakdown caused by misuse, abuse, negligence, gradual reduction, wear and tear components, not meeting manufacturer specifications, lack of normal maintenance scheduled for Your vehicle. For example, all Vehicle manufacturers require the oil and filter to be replaced at specific intervals. DBW reserves to the right to request maintenance records at any time. Maintenance must have been performed by a ASE licensed mechanic.
- C. Any Breakdown caused by oil sludge, rust and/or carbon build-up or the failure to maintain proper levels of lubricants and/or coolants or

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failure to protect Your vehicle from further damage when a breakdown has occurred.

D. Per incident liability shall be limited to the reasonable price for repair or replacement of any covered part, The reasonable price is based upon nationally recognized flat rate and/or factory manuals.

Replacement parts may be of new, remanufactured, or of like kind and quality. In no event will the liability for each mechanical breakdown or failure under this agreement exceed the trade-in allowance of the vehicle established by the current NADA official used car guide at the time immediately preceding the mechanical Breakdown or failure.

E. DBW will not be liable to You for consequential/secondary damages or injuries, not for any costs or expenses that provide betterment, upgrade or enhancement to You or Your vehicle. This limit of liability applies regardless of the cause and regardless of any legal theory asserted. There are no warranties expressed or implied that extend beyond the description on the face hereof. The warranties of merchantability and fitness for a particular purpose are expressly excluded and disclaimed.

F. If Your odometer has ceased to operate and odometer repairs have not been made immediately, or the odometer has been altered in any way since.

G. Transfer of Your VSC. This VSC applies only to You and the vehicle listed on the Registration Page. This VSC may be transferred, at Your request to the next owner of the vehicle while the VSC is in force. This VSC may be transferred by contacting the DBW.

H. Any known or unknown pre-existing conditions with Your vehicle will result in a claim denial.

I. DBW cannot be held for any liability to property damage, or for injury to or death of any person or for loss of use, time, profit, inconvenience arising out of the operation, maintenance or use of Your vehicle described in this VSC whether or not related to the covered parts.

J. When the responsibility for a repair is covered by an insurance policy or a repairer's guarantee/warranty, or any warranty from the manufacturer, or if the manufacturer has announced its responsibility by any means, including but not limited to, public recalls, factory service bulletins, or programming of modules; even if the manufacturer no longer honors their own warranty will result in a claim denial.

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VI. MEDIATION:

In the event of a dispute over claims or contract You agree to file a written claim with Direct Buy Warranty and allow DBW thirty calendar days to respond to the claim. The parties agree to mediate in good faith before resorting to mandatory arbitration in the State of New Jersey.

A. If a dispute arises from or relates to this Agreement or its breach, and if the dispute cannot be settled through direct discussions, the parties agree to try first to settle the dispute by mediation administered by the American Arbitration Association in the State of New Jersey under its Commercial Mediation Rules. If they are unable to do so, they agree to submit all disputes that are not resolved to arbitration before the American Arbitration Association in accordance with its Commercial Arbitration Rules. If the parties agree, the mediator involved in the parties' mediation can serve as the arbitrator. Any award of the arbitrator against DBW cannot exceed fifteen hundred

dollars per VSC term or aggregate. You expressly waive all claims in excess of, and agree that its recovery shall not exceed, these amounts. Any such award shall be in satisfaction of all claims by You against DBW. If either party is required to defend itself in litigation, arbitration, or otherwise, then the defending party is entitled to recover from the instigating party the amount of attorneys' fees and expenses the defending party incurs in defending the litigation, arbitration, or other proceeding unless the instigating party substantially prevails in the litigation, arbitration, or other proceeding. To the extent that the instigating party seeks monetary relief, to substantially prevail means that the instigating party must recover at least fifty percent of whatever that party is seeking.

VII. CANCELTION:

A. If no claim has been made under this contract, You may return this contract within the thirty day and/or fifty mile waiting period as stated under section I part A. The contract will be void and we will refund You the full amount of Money paid by You. The right to void the contract is not transferable. 1. If You make a claim within the thirty day and/or fifty mile waiting period (pre-existing) and choose to cancel, the vehicle service contract holder is subject to a full refund less a two hundred and fifty dollar administration fee.

B. If You cancel this contract after the first thirty days or anytime after a claim has been filed on your VSC, WE will refund an amount of the contract price according to the pro-rata method which reflects the greater of the days in force or the miles driven based on the term of the contract selected and the date contract began, less fifty percent of the total amount paid in by You and any claims authorized or paid on the contract by DBW where applicable by law. A cancellation request form must be filled out in order to proceed with any cancellation. In the event that the dollar amount of claim/claims paid for Your vehicle exceed the amount of Your refund (less fees), You will be responsible to reimburse the administrator.

C. After this contract has been in force for more than thirty days. We may cancel this contract for any or all of the following; 1. Nonpayment of the contract price; 2. Intentional misrepresentation in obtaining the contract; 3. Intentional misrepresentation in the submission of a claim; 4. Discovery of an act or omission by You or a violation of any of the conditions of this contract which occur after the purchase date of this contract and which substantially and materially increase the service required under this contract. An act of willful misrepresentation may be determined as fraud, and we may bring an action against You with Your local authorities for full prosecution under the laws in Your respective state. We reserve the right to cancel this contract by mailing/emailing written notice to You at Your last known contact information You have provided to DBW with ten days of our receipt of Your signed contract prior to the effective date of cancellation with the reason for the cancellation of the notice.

D. Your contract may be cancelled for non- payment of the contract price or if Your vehicle is declared a total loss or is repossessed.

E. OUR RIGHTS TO RECOVERY OF PAYMENTS - We have a right to recover payment or payments to another party for anything we have paid under this contract, Your rights shall become our rights. You shall do whatever is necessary to enable US to enforce these rights. We shall recover excess after You are full compensated for Your loss, less the deductible.

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