

## TERMS AND CONDITIONS

This Service Contract, including the terms, conditions, limitations, exceptions, exclusions, and Information Page, constitute the entire agreement between the Obligor and You (the purchaser), and no representation, promise or condition not contained herein shall modify these items, except as required by law. **THIS CONTRACT IS NOT AN INSURANCE POLICY. THE PURCHASE OF THIS SERVICE CONTRACT IS NOT REQUIRED TO OBTAIN FINANCING OR TO PURCHASE OR LEASE A VEHICLE. This Contract is not valid for any vehicles or equipment that are NOT sold by an authorized Polaris or Indian Motorcycle Dealer**, unless this Contract is properly transferred to the subsequent owner of the Vehicle as provided in this Contract.

- I. **DEFINITIONS:** the following Capitalized Words are defined as follows:
- A. **Administrator:** the party obligated to administer service under this Service Contract. These terms refer to Polaris Sales Inc., 2100 Highway 55, Medina, MN 55340, TOLL-FREE 1-877-472-1372, (California: DMV Distributor License #60014)
  - B. **Authorized Servicer:** any licensed repair facility that has been authorized by Us to perform repair services covered under this Contract for a Claim.
  - C. **Claim:** a demand for payment, reimbursement, or service in accordance with the terms and conditions of this Contract sent by (or on behalf of) You.
  - D. **Commercial Use:** any motor Vehicle or equipment, regardless of registration type, that is used by You or under Your direction solely or partially for the generation of income or farm use. **VEHICLES CONSIDERED AS "COMMERCIAL USE" ARE NOT COVERED UNLESS THE SURCHARGE IS SELECTED ON THE INFORMATION PAGE.**
  - E. **Contract Term, Term:** Coverage under this Contract will commence on the Coverage Start Date and conclude on the earlier of the (1) Coverage Expiration Date stated on the Information Page or (2) the date when the Limit of Liability is reached.
  - F. **Deductible:** the amount You are required to pay, per Claim, for services covered under this Contract (if no Deductible amount is shown on the Information Page, then Your required Deductible amount is \$50.00).
  - G. **Information Page:** the numbered document issued to You by the Seller, which **must be attached to this Contract**, that lists important information regarding You, the covered Vehicle, the Contract terms, conditions, and other vital information. **THIS CONTRACT IS NOT VALID WITHOUT AN EXECUTED INFORMATION PAGE.**
  - H. **Manufacturer's Warranty, Limited Warranty:** the Warranty which comes from the Manufacturer or Distributor, with the Product, at no charge to the Product's purchaser.
  - I. **Mechanical Breakdown or Breakdown:** the failure of a covered part during normal service due to defects in material or workmanship that results in the inability to perform the function for which it was designed, solely because of its condition and not because of the action or inaction of any NON-Covered Part. **THIS DOES NOT INCLUDE the gradual reduction in operating performance caused by normal wear and tear.**
  - J. **Plan:** the Plan Type and Term elected and purchased by You that is indicated on the Information Page.
  - K. **Pre-Owned:** a VEHICLE sold by the SELLER which DOES NOT have a Manufacturer's Warranty in effect on the Contract Purchase Date.
  - L. **Seller:** the entity from whom this Contract was purchased as identified on Your Information Page.
  - M. **Service Contract, Contract:** this Protection Plan, which has been purchased by You for the Vehicle as indicated on the Information Page.
  - N. **Vehicle:** the eligible On Road (Indian Motorcycle or Polaris Slingshot) or Off Road (Polaris ATV, Snowmobile, Ranger, RZR, General, Pro XD) product described in this Contract
  - O. **We, Us, Our, Obligor, Provider:** the party obligated to provide service under this Service Contract. **These terms refer to Polaris Sales Inc., 2100 Highway 55, Medina, MN 55340, TOLL-FREE 1-877-472-1372, (California: DMV Distributor License #60014) in all states except Florida, Connecticut, Nebraska, North Carolina, and Virginia. These terms refer to Northcoast Warranty Services, Inc., 800 Superior Avenue E, 21st Floor, Cleveland, OH 44114, (866) 505-4048 only in the states of Connecticut, Nebraska, North Carolina, and Virginia.**
  - P. **You, Your:** the purchaser of this Contract and Vehicle that is to receive coverage under this Contract.
- II. **COVERAGE:** This Contract provides payment, service, or reimbursement of costs authorized by Us to repair or replace any Mechanical Breakdown of a covered component **not listed in the "What is Not Covered" Section of this Contract, less the Deductible amount in accordance with the terms and conditions of this Contract. Parts used to repair Your Vehicle may be new, used, refurbished or non-original manufacturer parts that perform to the factory specifications of the original Covered Part.**
- III. **ADDITIONAL BENEFITS:** The following benefits are included in all Plans and start on the Contract Purchase Date and run until the Coverage Expiration Date:
- A. **Rental** – In the event of a Mechanical Breakdown, We will reimburse You for actual expenses incurred for substitute transportation at a maximum daily rental rate of twenty dollars (\$20) per day, not to exceed a total of six (6) days. One (1) day's rental shall be allowed for each eight (8) hours, or portion thereof, of labor hours required as listed in rates established by the manufacturer for use in Authorized Servicer facilities.
  - B. **Pickup/Towing** – In the event of a Mechanical Breakdown, We will reimburse You for reasonable pickup (towing) charges, **not to exceed fifty dollars (\$50)**, which You incur to have Your Vehicle picked up and taken to an Authorized Servicer. **(To file a Claim for this benefit, submit all towing and rental receipts to the Seller or**

**Authorized Servicer that is working on Your Vehicle.** All reimbursements will be authorized with the Vehicle repair and issued to the Seller or Authorized Servicer for reimbursement to You.)

- C. **Trip Interruption** – In the event of a Qualifying Incident, We will reimburse You up to a maximum of \$100.00 per day for Qualifying Expenses for up to three (3) days immediately following the incident; not to exceed a maximum of \$300.00 dollars per Qualifying Incident. For the purpose of this provision, “Qualifying Incident” means a Mechanical Breakdown that occurs more than 200 miles from Your address of record that results in the inability for the Vehicle to be operated; and “Qualifying Expenses” mean expenses incurred for meals, rental vehicle, or other means of transportation, and lodging during a Qualifying Incident. Expenses/costs for ANYTHING OTHER THAN that which are specifically included in the definition of “Qualifying Expenses” are excluded. The maximum amount that could ever be paid under this benefit under this Contract is \$1,000. To file a Claim for this benefit, submit a Claim Form to Polaris Sales Inc, Attention: Financial Products Manager, 2100 Highway 55, Medina, MN 55340, within 14 days of Your Qualifying Incident. The Claim Form can be found on <http://www.protectmypolaris.com/> or You can request one from Your Authorized Servicer.

- V. **HOW TO FILE A CLAIM:** In order for a Claim to be covered, it must be approved by Us in accordance with the terms and conditions of this Contract. The submission of a Claim does not automatically mean that the damage to or Breakdown of the Vehicle is covered under this Contract. To submit Your Claim, please complete the following steps:

- A. Take all reasonable precautions to protect the Vehicle from further damage in order to prevent additional cost or repairs. This Contract will not cover damage caused by failing to secure a timely repair for the Vehicle.
- B. Transport the Vehicle to an Authorized Servicer for diagnosis. We reserve the right to require an inspection of the Vehicle prior to any repair or service being performed.
- C. Provide the Authorized Servicer with a copy of this Contract.
- D. Instruct the Authorized Servicer to contact Us during Our normal business hours (M-F, 7:00 AM to 7:00 PM CST) at 1-877-472-1372 to obtain authorization for Your Mechanical Breakdown.
- E. In some cases, You may need to provide approval to the Authorized Servicer for the inspection and/or tear-down of Your Vehicle in order to properly diagnose the problem and cost of repairs. In the event this is required, You are responsible for such charges IF THE PROBLEM IS DETERMINED TO BE NOT COVERED UNDER THIS CONTRACT.
- F. **Emergency Repairs** – Should an emergency occur which requires a repair of a Mechanical Breakdown to made outside of normal business hours (M-F, 7:00 AM to 7:00 PM CST), then please follow the Claim procedures above without authorization, and We will either reimburse You or the Authorized Servicer in accordance with this Contract’s provisions if the Mechanical Breakdown is covered. To receive reimbursement for Your emergency repair following a covered Mechanical Breakdown, You must contact Us within three (3) business days of Your emergency repair during Our normal business hours (M-F, 7:00 AM to 7:00 PM CST). All repairs must be conducted by an Authorized Servicer. Visit [Polaris.com](http://Polaris.com) or Contact Us at 1-877-472-1372 for a list of Authorized Servicers near You. All emergency repairs are subject to Claims approval process as stated above.
- G. Notwithstanding any exclusions to the contrary, in the event that the Contract Term expires during the time that the Vehicle is being repaired pursuant to an approved Claim, Your coverage will be automatically extended until the date in which the Claim in progress has been fulfilled completely in accordance with the Terms and Conditions of the Contract.

- VI. **LIMIT OF LIABILITY:** The total of all Claims paid during the term of the Contract shall not exceed the price You paid for the Vehicle as stated in the Information Page of this Contract under Vehicle Sales Price.

- VII. **TERRITORY:** The benefits provided under this Contract are only available for losses and expenses incurred within the United States and Canada.

- VIII. **SUBROGATION:** In the event that coverage is provided under this Contract, We shall be subrogated to all the rights You may have to recover against any person or organization arising out of any safety defect which is the subject of a voluntary or mandatory recall campaign, as well as out of any order, judgment, consent decree, or other settlement, and You shall execute and deliver instruments and papers and do whatever is reasonably necessary to secure such rights (without prejudice to Your own legal rights and privileges). You shall do nothing to prejudice these rights. Further, all amounts recovered by You for which You have received benefits under this Contract shall belong to, and be paid to Us, up to the amount of benefits paid under this Contract. We shall only recover the excess after You are fully compensated for Your loss.

- IX. **RENEWAL:** This contract is not renewable, unless We, in Our discretion, offer for You to renew or extend this Contract at the expiration of the Coverage Term. If We offer to renew this Contract, the renewal term and price quoted will reflect the then-current rates at the time of the renewal.

- X. **GUARANTY: THIS IS NOT AN INSURANCE POLICY; IT IS A SERVICE CONTRACT.** In all states except Connecticut, Florida, Nebraska, North Carolina, and Virginia: Obligations under this Contract are backed only by the full faith, assets, and credit of Polaris Sales Inc. and are not guaranteed under a service contract reimbursement insurance policy. (In California: If any promise made in the Contract has been denied or has

not been honored within 60 days after Your request, You may contact the California Department of Insurance at 1-800-927-4357 or access the department's Internet Web site ([www.insurance.ca.gov](http://www.insurance.ca.gov)).

In the states of Connecticut, Florida, Nebraska, North Carolina and Virginia: Performance under this Contract is insured under a service contract reimbursement insurance policy that has been issued to Northcoast Warranty Services, Inc. by Wesco Insurance Company, 59 Maiden Lane, 43rd Fl., New York, NY 10038; toll-free 1-866-505-4048 (the "Insurer"). In these states, if a Claim has not been completed within sixty (60) days of You filing Your Claim with Us, or You have not received any unearned portion of the Contract Purchase Price paid by You after requesting cancellation of this Contract, You are entitled to file a Claim directly against the Insurer.

XI. SCHEDULE OF COVERAGES

A. ON-ROAD VEHICLES	
PLAN TYPE	COMPONENT
Indian Motorcycle Power Protection or Polaris Power Protection Plan	ITEMS 1-3
Indian Motorcycle Total Protection or Polaris Total Protection Plan	ITEM 4

- Engine Assembly** – Engine block, cases, cylinders, heads, covers and all internal engine components, seals, and gaskets (**when damaged by an internally lubricated part**), exhaust manifold, head pipe, water pump, oil pump, throttle body adapters, turbochargers and turbo dump valve installed by manufacturer.
- Transmission Assembly** - Transmission case and all internal transmission components, seals, and gaskets (**when damaged by an internally lubricated part**); clutch cover; and shifter assembly (**clutch friction discs, steel discs, throw-out bearing, and clutch springs are excluded**).
- Engine Management Fuel & Electrical** – Carburetor, Throttle Bodies, Injectors, Fuel Rail, Fuel Pump, Stator/Alternator/Flywheel, Voltage Regulator, Capacitor, Coils, Idle Air Control (IAC), engine ECU, Engine Wiring Harnesses, Engine management sensors that provide an input to the ECU (**excluding oxygen sensors**).
- POLARIS TOTAL PROTECTION** covers all parts of the Vehicle **except for the following items**:
  - Parts listed under the "What is Not Covered. . ." Section of this Contract; and
  - Parts covered under a Manufacturer's Warranty, promotional Limited Warranty, or recalls.

B. OFF-ROAD VEHICLES	
PLAN TYPE	COMPONENT
Polaris Power Protection Plan	ITEMS 1-3
Polaris Total Protection Plan	ITEM 4

- Engine Assembly** – Engine block, cases, cylinders, heads, covers and all internal engine components, seals, and gaskets (**when damaged by an internally lubricated part**), exhaust manifold, head pipe, water pump, oil pump, throttle body adapters, turbochargers and turbo dump valve installed by manufacturer.
- Transmission Assembly** – Transmission case and all internal transmission components, seals, and gaskets (**when damaged by an internally lubricated part**); and shifter assembly (**clutch friction discs, steel discs, throw-out bearing, and clutch springs are excluded**).
- Engine Management Fuel & Electrical** – Carburetor, Throttle Bodies, Injectors, Fuel Rail, Fuel Pump, Stator/Alternator/Flywheel, Voltage Regulator, Capacitor, Coils, Idle Air Control (IAC), engine ECU, Engine Wiring Harnesses, Engine management sensors that provide an input to the ECU (**excluding oxygen sensors**).
- POLARIS TOTAL PROTECTION** covers all parts of the Vehicle **except for the following items**:
  - Parts listed under the "What is Not Covered. . ." Section of this Contract; and
  - Parts covered under the Manufacturer's Warranty, promotional Limited Warranty, or recalls.

C. SNOWMOBILE VEHICLES	
PLAN TYPE	COMPONENT
Polaris Power Protection Plan	ITEMS 1-3
Polaris Total Protection Plan	ITEM 4

- Engine Assembly** – Engine block, cases, cylinders, heads, covers and all internal engine components, seals, and gaskets (**when damaged by an internally lubricated part**), exhaust manifold, head pipe, water pump, oil pump, throttle body adapters, turbochargers and turbo dump valve installed by manufacturer.
- Chaincase** – Chaincase and all internal components, seals, and gaskets (**when damaged by an internally lubricated part**), and belt drive sprockets.

3. **Engine Management Fuel & Electrical** – Carburetor, Throttle Bodies, Injectors, Fuel Rail, Fuel Pump, Stator/Alternator/Flywheel, Voltage Regulator, Capacitor, Coils, Idle Air Control (IAC), engine ECU, Engine Wiring Harnesses, Engine management sensors that provide an input to the ECU (**excluding oxygen sensors**).
4. **POLARIS TOTAL PROTECTION** covers all parts of the Vehicle **except for the following items**:
  - a. **Parts listed under the “What is Not Covered. . .” Section of this Contract; and**
  - b. **Parts covered under the Manufacturer’s Warranty, promotional Limited Warranty, or recalls.**

<b>D. ELECTRIC VEHICLES</b>	
<b>PLAN TYPE</b>	<b>COMPONENT</b>
Polaris Power Protection Plan	ITEM 1
Polaris Total Protection Plan	ITEM 2

1. **Electric Powertrain** - Gearcase and related internal parts, Primary Belt Drive, HV Power Harness, Universal joints, Electric Motor, Motor Controller / Inverter unit (MCU), Vehicle Control Modules, DC/DC converter, Onboard charger (s), High Voltage Harness and Onboard charger port.
2. **POLARIS TOTAL PROTECTION** covers all parts of the Vehicle **except for the following items**:
  - a. **Parts listed under the “What is Not Covered. . .” Section of this Contract; and**
  - b. **Parts covered under the Manufacturer’s Warranty, promotional Limited Warranty, or recalls.**
  - c. **This Contract excludes the high-voltage traction battery pack and assembly. This Contract excludes the expected reduction in range or capacity that the high-voltage traction battery pack may experience as a result of time and usage. Please refer to the Owner’s Manual for information on the high-voltage traction battery pack Limited Warranty.**

<b>E. ACCESSORIES</b>	
<b>PLAN TYPE</b>	<b>COMPONENT</b>
Polaris Power Protection Plan or Polaris Total Protection Plan	ITEM 1

1. **Motorized – Polaris-engineered accessories are covered for the Term of this Contract under the Mechanical Breakdown DEFINITION. Coverage does not include PTO attachments, illumination components, audio, cosmetics, dents, scratches, rust or discoloration of any kind, Coverage subject to standard Deductible to file a Claim.**

- XII. CANCELLATION:** You may cancel this Contract at any time for any reason, including if the Vehicle is sold, lost, stolen, or destroyed, by informing Us of Your cancellation request. For the purpose of this provision, **“Pro-Rata”** means the calculation method We will use when determining certain refunds due to You; which is as follows: the number of days the Contract has been in force based on the “Term Months” shown on the Information Page and Contract Term. All refunds will be issued by the Seller who sold You this Agreement. In the event that the Seller is not currently doing business, contact Us.
- A. If this Contract is cancelled prior to the 61st day immediately following the Coverage Start Date and no Claims have been made, this Contract will be void and You will receive a 100% refund of the Contract Purchase Price paid by You. If You cancel and Your refund under this item, “A,” is not paid or credited within 30 days after Your cancellation request is received by Us, We will add an extra 10%, based on the Contract Purchase Price, to Your due refund the earlier of (i) every 30 days or (ii) every month the refund is not paid by Us.
  - B. If this Contract is cancelled after 60 days immediately following the Coverage Start Date or after a Claim has been made, You will receive a Pro-Rata refund of the Contract purchase price paid by You, less any Claims paid by Us and a cancellation fee which shall be the lesser of twenty-five dollars (\$25) or 10% of the Contract Purchase Price paid by You.
  - C. We may only cancel this Contract for the following reasons: (A) non-payment of the Contract Purchase Price/fee by You; (B) material misrepresentation or fraud by You; or (C) substantial breach of duties under this Contract by You in relation to the covered Vehicle or its use (In California, Florida, and Georgia: “(C)” is not applicable).
  - D. If We cancel this Contract, We will provide written notice to You at least 30 days prior to the effective date of cancellation. Such notice will be mailed to Your current address in Our file, with the true and actual reason for and effective date of such cancellation. If We cancel this Contract, any due refund will be calculated based upon the same criteria as outlined in items “A” and “B” above. However, if We cancel, no cancellation fee will be charged.
  - E. If the Vehicle and this Contract have been financed, the lienholder shown on the Information Page may cancel this Contract for non-payment or if the Vehicle is declared a total loss or is repossessed. This right of cancellation does not confer ownership of this Contract to the Lienholder or otherwise entitle the Lienholder to performance under this Contract. Any refund may be credited to any outstanding balance of Your account and the excess, if

any, returned to You unless prohibited by state law. In the event there is an approved, but incomplete, Claim during a cancellation event, such Claim will still be honored and fulfilled in accordance with the terms and conditions of this Contract.

- XIII. TRANSFERABILITY:** This Contract is transferable to a subsequent buyer of the Vehicle during the Contract Term period. Actual transfer of the Vehicle registration and performance of inspection must be done by a Seller (as defined). The transfer must be completed within thirty (30) days of the ownership change. At the time of transfer of registration, You will need to provide all required maintenance receipts and/or properly completed maintenance log to the subsequent buyer. This Contract can be transferred without limit.
- XIV. WHAT IS NOT COVERED (EXCLUSIONS): AS RELATED AND APPLICABLE TO THE COVERED VEHICLE, UNLESS EXPRESSLY COVERED ELSEWHERE IN THIS CONTRACT, THIS CONTRACT DOES NOT COVER:**
- A. Regular scheduled maintenance services.
  - B. Reimbursement for any repair or replacement made without prior authorization from Us to the Authorized Servicer, unless the repair or replacement was made pursuant to an emergency repair.
  - C. Repair costs or expenses reported or made after the cancellation or expiration of the Term of this Contract or made without prior authorization of the Obligor, other than emergency repairs made in accordance with the terms of this Contract.
  - D. Mechanical Breakdowns occurring outside of the United States of America, its territories, or Canada.
  - E. Repair costs or expenses if the Vehicle has been put to Commercial Use unless the Commercial Use surcharge has been selected and paid for.
  - F. Repair costs or expenses if the Vehicle has been used for racing, or any form of competitive use, rental, misuse, competition, or demonstration; any damage from towing over the manufacturer's listed towing capacity.
  - G. Repair costs or expenses if You cannot provide to the Obligor accurate records proving that You have maintained the Vehicle in accordance with the manufacturer's specifications and instructions.
  - H. Repair costs or expenses if the repair is covered by the Manufacturer's Warranty; recall by the manufacturer; manufacturer's promotional Limited Warranty; any other Contract; Written Warranty or any valid collectible insurance policy (regardless of whether or not the guarantor is doing business as an on-going enterprise).
  - I. Any repair costs or expenses due to damage caused by mechanical alterations or Non Factory Installed upgrades made by You or on Your behalf not using genuine manufacturer parts or accessories installed by a Seller or Authorized Servicer (as defined).
  - J. Repair costs or expenses if the Vehicle has been abused or neglected; or any part of it has been subject to accident or for any loss or damage resulting from: road hazards, collision, falling objects, fire, theft, explosion, lightning, earthquake, windstorm water, submersion; repairs to paint or bodywork; vandalism, civil commotion, or if the Vehicle is a total loss, has been repossessed or is the subject of a repossession action, or from any other cause whatsoever, except as outlined in this Contract.
  - K. Liabilities for damage to property or for injury to or death of any person arising out of the operation, repair, maintenance or use of the Vehicle; regardless of whether or not such is related to any covered part; or for consequential losses or damage.
  - L. Repairs due to normal wear and tear or to any part that has not suffered a Mechanical Breakdown, or if the wear and tear on the part has not exceeded the published field tolerance allowed by the manufacturer, or the repair costs not necessary to correct a Mechanical Breakdown, or the damages or any loss resulting from faulty or negligent repair work or from the installation of defective parts; for bent or damaged components caused by impact or using the Vehicle beyond intended application.
  - M. Any of the following items: adjustments, alignments, rattles, tune up, charges for shop supplies, freight charges or hazardous waste removal and storage.
  - N. Water, dirt, mud, snow, ingestion (regardless of cause), freezing or ice damage, clogged filters, damage related to oil or any filters not recommended by the manufacturer, damage caused by lean mixtures, detonation, pre-ignition, carbon, coking or sludge, contamination (meaning, the unintended presence or introduction of contaminants), corrosion, rust, exhaust bluing, exhaust rust, exhaust chrome or paint, leaking fork or shock seals, loss of shock nitrogen, electrolysis, reverse polarity, loosening or stripping of external fasteners or bolts, or for Mechanical Breakdowns caused by overheating of any covered part or non-covered part, failures due to not maintaining proper levels of coolants or lubricants; or damage resulting from continued operation in a failed condition; or for repair costs when the purpose is to raise compression or correct oil consumption which includes, but is not limited to: worn rings; worn, tuliped, dished, stuck, carboned or burned valves; and cracked, torn or punctured CV boots.
  - O. Any of the following parts: Electrical – high voltage traction batteries, 12-volt batteries, battery cables, fuses, audio speakers (Unless Factory Installed) or other audio components such as amplifiers or radios (Unless Factory or Seller Installed), and any components used for illumination; Cosmetics & Appearance – paint, chrome, moldings, trim, glass, upholstery, windshields, and body panels; Suspension – suspension bushings; Powertrain – fluids, filters, hoses, exhaust muffler, silencer, catalytic converters, emissions components, spark plugs and wires, and oxygen sensors; Driveline – brake rotors, brake pads, tires, tubes, spokes, chains, belts, primary or secondary pulleys, manual clutch plates, discs, throw-out bearing, PVT drive clutch weights, pins, rollers, bushings, and springs; In-home service.

- P. Repairs due to damage caused by a pre-existing condition, unless We or the Seller knew about the pre-existing condition at the time of the Vehicle's sale.
- Q. Any Loss arising out of the unauthorized access or use of any system, software, hardware, or firmware, or any modification, reprogramming, destruction, or deletion of data or software by any means.

XV. **ARBITRATION (NOT applicable in FL, GA, LA, ME, MS, NH, UT, VT, and WA): READ THE FOLLOWING ARBITRATION PROVISION ("Provision") CAREFULLY. IT LIMITS CERTAIN RIGHTS OF YOURS, INCLUDING YOUR RIGHT TO OBTAIN RELIEF OR DAMAGES THROUGH COURT ACTION.** As used in this Provision, "You" and "Your" mean the person or persons named in this Contract, and all of his/her heirs, survivors, assigns and representatives. "We" and "Us" shall mean the OBLIGOR identified above and shall be deemed to include all of its agents. This Service Contract requires binding arbitration if there is an unresolved dispute between You and Us concerning this Service Contract (including the Cost of, lack of or actual repair or replacement arising from a Mechanical Breakdown). Under this Arbitration provision, You give up Your right to resolve any dispute arising from this Service Contract 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. Any dispute on the application of this arbitration provision will be made by the local court of law in the county and state where You live. Notwithstanding this arbitration provision, You are not prohibited from bringing an action in Small Claims Court to resolve Your dispute. The Consumer Arbitration Rules of the American Arbitration Association ([www.adr.org](http://www.adr.org)) will apply to any arbitration under this Service Contract. 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 Mechanical Breakdown occurred, the date the dispute arose, or the applicable statute of limitations period, whichever is longer. You and We will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an "umpire." All costs and expenses of the arbitration 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 procedural rules for 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](http://www.adr.org)) will apply to any arbitration under this Service Contract. The laws of the state of Minnesota (without giving effect to its conflict of law principles) govern all substantive matters arising out of or relating to this Service Contract and all transactions contemplated by this Service Contract, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Service Contract. This Provision is part of a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq (In CA: CAA (CCP § 1280 et seq). If any portion of this Provision is deemed invalid or unenforceable, it shall not invalidate the remaining portions of the Provision, except that in no event shall this Provision be amended or construed to permit arbitration on behalf of any individual other than You. This Provision shall inure to the benefit of and be binding on You and Us and its Provision shall continue in full force and effect subsequent to and notwithstanding the expiration of termination of this Contract. **YOU AGREE THAT ANY ARBITRATION PROCEEDING WILL ONLY CONSIDER YOUR CLAIMS, CLAIMS BY, OR ON BEHALF OF, OTHER INDIVIDUALS WILL NOT BE ARBITRATED IN ANY PROCEEDING THAT IS CONSIDERING YOUR CLAIMS.** You and We Understand and agree that because of this Provision neither You nor Us will have the right to go to court except as provided above or to have a jury trial or to participate as any member of a class of claimants pertaining to any Claim. (In CA: this section shall inure to the benefit of and be binding on You and Us following exhaustion of Your right to file Claims with the California Department of Insurance. However, if You choose to forego Your right to file Your Claims with the DOI, You waive those rights and this Provision shall be enforced and binding. The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error.) (In OK: the outcome of any arbitration shall be non-binding on the parties, and either party shall, following arbitration, have the right to reject the arbitration award and bring suit in a district court of Oklahoma.) (In UT: ANY MATTER IN DISPUTE BETWEEN YOU AND THE COMPANY 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 THE COMPANY. ANY DECISION REACHED BY ARBITRATION SHALL BE BINDING UPON BOTH YOU AND THE COMPANY. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY'S FEES IF ALLOWED BY STATE LAW AND MAY BE ENTERED AS AJUDGEMENT IN ANY COURT OF PROPER JURISDICTION.) (In WI: If a settlement for a Claim dispute cannot be reached, the parties may elect arbitration by mutual agreement at the time of the dispute after the Claimant has exhausted all internal appeals and can be binding by consent of the Contract holder. Arbitration will take place under the laws of the State of Wisconsin and will be held in the Contract holder's county of residence or any other county in this state agreed to by both parties.) (In WY: At the time of any dispute the parties may voluntarily agree to submit their matters of difference to arbitration in a separate written agreement. Any arbitration proceedings shall be conducted within the state of Wyoming.

**XVI. SPECIAL STATE DISCLOSURES**

- A. Regulation of service contracts may vary widely from state to state. Any provision within this Contract that conflicts with the laws of Your state shall automatically be considered to be modified in conformity with the applicable state laws and regulations as set forth below. Applicability is based on the state in which You purchased the Contract and supersede any other provision within this Contract document to the contrary.**
- B. Purchasers in CT, HI, MA, MN, NY, and RI (only):** Motor vehicle dealers in these states are required to provide a "dealer warranty," at no charge to You, that covers certain classes of used motor vehicles as prescribed by each state. By signing this Contract, You acknowledge that You understand that if You are purchasing the Vehicle in one of these states and the Vehicle meets the applicable state's criteria, in addition to such no-cost "dealer warranty," You have elected to purchase this Service Contract for a separately stated charge, and understand that it may provide additional protection during such "dealer warranty" period as well as after the "dealer warranty" period has expired. You also understand that all definitions, provisions, and exclusions stated on the Information Page and within the attached Contract terms and conditions document apply ONLY to the Service Contract, and that such are NOT the terms and conditions of the "dealer warranty." CONSULT YOUR DEALER TO REVIEW THE FULL TERMS AND CONDITIONS OF SUCH "DEALER WARRANTY."
- C. Alabama:** Section XII.B. is amended as follows: No Claims paid will be deducted from any refund owed.
- D. Alaska:** Section XII.B. is amended as follows: If We do not pay or credit a refund owed within 45 days after Your cancellation request is made, a penalty in the amount of 10 percent of the unearned provider fee paid by You for each month the refund remains unpaid shall be added to the refund. Section XII.B. is amended as follows: The cancellation fee under this Contract is limited to the lesser of \$25 or 7.5% of the unearned Contract Purchase Price paid by You. Section XII.D. is amended as follows: If We do not pay or credit a refund owed under Section XII.D. within 45 days after We cancel this Contract, a penalty in the amount of 10 percent of the unearned provider fee paid by You for each month the refund remains unpaid shall be added to the refund.
- E. Arizona:** Section XII.B. is amended as follows: "Cancellation fee" is redefined as "administrative fee." The administrative fee may not exceed the amount of the refund due to You. Section XII.C. is amended as follows: We may not cancel or exclude coverage under this Contract for preexisting conditions that were known or that reasonably should have been known by Us or the Seller, prior use or unlawful acts relating to the Vehicle, misrepresentation by Us or the Seller, acts or omissions by Us or Our assignees or subcontractors for their failure to provide correct information or their failure to perform the services or repairs provided in a timely, competent and workmanlike manner. You may file any complaint with the Arizona Department of Insurance Financial Institutions (DIFI) against under the provisions of A.R.S. § 20-1095-04 and/or 20-1095.09 by contracting the consumer protection Division of the DIFI. The toll free number is 602-364-2499.
- F. Arkansas:** Section XII.B. is amended as follows: No Claims paid will be deducted from any refund owed.
- G. California**
1. **THIS IS NOT A MECHANICAL BREAKDOWN INSURANCE POLICY.**
  2. Polaris Sales Inc. is responsible for all Additional Benefits due as Obligor.
  3. **Section III.C. is amended to include the following: Qualified Expenses is defined as – lodging, meals, alternative transportation. Qualified Incident is defined as - a Mechanical Breakdown that occurs more than 200 miles from Your address of record that results in the inability for the Vehicle to be operated.**
  4. **Section XIV.G. is deleted and replaced with the following: Repair costs or expenses if You cannot provide to the Obligor accurate records proving that You have maintained the failed covered component in accordance with the manufacturer's specifications and instructions.**
  5. **Section XV. is amended to add the following: This Section shall inure to the benefit of and be binding on You and Us following exhaustion of Your right to file Claims with the California Department of Insurance ("DOI") as specified in Section X. However, if You choose to forego Your right to file Your Claims with the DOI, You waive those rights, and this Provision will be enforced and binding. The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. Reference to the Federal Arbitration Act in the Arbitration Provision of this Contract shall be replaced with the following citation: CAA (CCP § 1280 et seq). The reference to the class action waiver is hereby stricken from the ALL CAPS portion of the Arbitration Provision in this Service Contract. The choice of law for all California residents is California. The fee provision in the Arbitration Provision of this Contract shall be amended to include California Code of Civil Procedure, Title 9, Chapter 1 § 1284.3.**
  6. This Contract is amended to provide as follows: **Unless expressly covered in Section III.B., the costs of transporting the Vehicle to an Authorized Servicer is not covered by this Contract.**
  7. Section XII.B. is revised to include the following provisions:
    - i. No Claims paid will be deducted from any refund owed.
    - ii. No fee will be assessed for any cancellation of this Contract made prior to the 61st day immediately following the Coverage Start Date, regardless of whether there has been a Claim.
  8. Section XII.D. is revised to include the following provisions:
    - i. If We cancel this Contract, any refund owed to You will be paid within thirty (30) days from the date of cancellation. If We cancel this Contract, this Contract ceases to be valid no less than five days after the postmark date of the notice. If We cancel this Contract, We shall remain liable for any Claim reported to any person designated in this Contract for the reporting of Claims if the Claim is reported prior to the effective



date of cancellation and is covered by the Contract. You are deemed to have reported a Claim if You have completed the first step required under this Contract for reporting a Claim.

9. Section XII.E. is deleted in its entirety.

10. **Section IX. is amended to provide as follows:**

i. **YOU must return to an authorized Polaris dealership to renew your CONTRACT.**

- H. **Connecticut:** Section XV. is amended as follows: RESOLUTION OF DISPUTES: A written complaint may be mailed to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a short and plain description of the nature of the dispute, including a description of any attempts made to resolve the dispute and the results of such attempts. The claimant shall state the purchase price of the item subject to the extended warranty, the cost of repair of the item and shall include a copy of this Contract. This Contract is amended to provide as follows: Unless expressly covered in Section III.B., the costs of transporting the Vehicle to an Authorized Servicer is not covered by this Contract.
- I. **Florida: Section I.O. is deleted and replaced as follows: O. We, Us, Our, Obligor, Provider:** the party obligated to provide and administer service under this Service Contract. **For Contracts covering Polaris Slingshot Vehicles and all Indian Motorcycles in Florida, these terms refer to Northcoast Warranty Services, Inc., 800 Superior Avenue E, 21st Floor, Cleveland, OH 44114, 877-217- 8931, (LICENSE # 49127). For all Contracts covering off-road Vehicles in Florida, these terms refer to Northcoast Warranty Services, Inc., 800 Superior Avenue E, 21st Floor, Cleveland, OH 44114, 877-217-8931, (LICENSE # 49125).** The rate charged for this Contract is not subject to regulation by the Florida Office of Insurance Regulation. Section XII.A. is amended to read as follows: A. If this Contract is cancelled within 60 days of the Contract Purchase Date, this Contract will be void and You will receive a 100% refund of the Contract Purchase Price paid by You, less any Claims paid. Section XII.B. is amended to read as follows: B. If this Contract is cancelled after 60 days following the Contract Purchase Date, You will receive a Pro-Rata refund of the Contract Purchase Price paid by You less any Claims paid by Us. There is no cancellation fee if this Contract is cancelled. Section XII.D. If We cancel for nonpayment, then We will mail notice of cancellation by certified mail.
- J. **Georgia:** Section XII.A. is amended as follows: "and no Claims have been made" is deleted and ", less Claims paid" is added to the end of the sentence before the period. Section XII.B. is amended as follows: " or after a Claim has been made" is deleted, and the cancellation fee shall not exceed 10 percent of the unearned pro rata Contract Purchase Price. Section XII.E. is amended as follows: The lienholder is required to maintain power of attorney from You to cancel for any other reason. **This is not a contract of insurance.**
- K. **Hawaii:** Section XII.B. is amended as follows: No Claims paid will be deducted from any refund owed.
- L. **Idaho:** Section XII.B. is amended as follows: No Claims paid will be deducted from any refund owed. **Coverage afforded under this motor vehicle service contract is not guaranteed by the Idaho insurance guaranty association.**
- M. **Indiana:** This Contract is not insurance and is not subject to Indiana insurance law.
- N. **Iowa:** This Contract is subject to the applicable provisions of the Iowa Consumer Credit Code, Chapter 537. If You have questions regarding Your Contract, You may address them to the Iowa Insurance Commissioner at Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315.
- O. **Louisiana:** This Contract is not a contract of insurance and is not regulated by the Louisiana Department of Insurance. Any concerns regarding this Contract may be directed to the Louisiana Attorney General. Section XII. is amended as follows: No Claims paid will be deducted from any refund owed.
- P. **Maine:** Section XII. is amended as follows: All refunds shall include any sales tax refund required pursuant to state law.
- Q. **Massachusetts:** THE SELLER OF THIS CONTRACT COVERAGE IS REQUIRED TO INFORM YOU OF ANY WARRANTIES THAT ARE AVAILABLE TO YOU WITHOUT THIS CONTRACT.
- R. **Mississippi: PURCHASE OF THIS CONTRACT ON OFF-ROAD VEHICLES IS NOT SUBJECT TO REGULATION BY THE MISSISSIPPI DEPARTMENT OF INSURANCE.** Section XII.B. is amended to delete the following language: "or fraud."
- S. **Missouri:** Section XII. is amended to include as follows: If You or We cancel, unless this Contract otherwise provides for more prompt notice, We will mail written notice to You within forty-five (45) days of termination. Section XII.B. is amended as follows: If this Contract is cancelled prior to the 61st day immediately following the Coverage Start Date and a Claim has been made, then We will refund 100% of the Contract Purchase Price, less Claims paid. Section XII.A. is amended as follows: The "extra 10%" shall be calculated based upon the amount outstanding per month.
- T. **Nebraska:** ARBITRATION is amended as follows: If a settlement for a claim dispute cannot be reached, the parties may elect arbitration by mutual agreement at the time of the dispute after the claimant has exhausted all internal appeals and can be binding by consent of the Contract holder. Arbitration will take place under the laws of the State of Nebraska and will be held in the Contract holder's county of residence or any other county in this state agreed to by both parties.
- U. **Nevada:** Section XII.B. is amended as follows: No Claims paid will be deducted from any refund owed. Section XII.A. is amended as follows: The "extra 10%" shall be calculated based upon the Contract Purchase Price and shall be added for each 30-day period or portion thereof that the refund and any accrued penalties remain unpaid. Items "C" And "D" in Section XII. are deleted and replaced with the following: We may cancel this Contract within seventy (70) days from the date of purchase for any reason. After seventy (70) days, We may only cancel this Contract for: (A) nonpayment by You; (B) Your conviction of a crime which results in an increase in the service required under this Contract; (C) fraud or material misrepresentation by You in obtaining this Contract, or in



presenting a Claim for service thereunder; (D) discovery of: (i) an act or omission by You, or (ii) a violation by You of any condition of this Contract that occurred after the effective date of the Contract and which substantially and materially increases the service required under the Contract; or (E) a material change in the nature or extent of the required service or repair which occurs after the effective date of this Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that this Contract was issued or sold. If We cancel this Contract, We will provide written notice to You at least 30 days prior to the effective date of cancellation. Such notice will be mailed to Your current address in Our file, with the reason for and effective date of such cancellation. If We cancel this Contract, any due refund will be calculated based upon the same criteria as outlined in items "A" and "B" above. However, if We cancel, no cancellation fee will be charged. Section XIV.I. is amended to include as follows: **NOTICE: Any unauthorized or non-manufacturer recommended modifications to Your Vehicle, or any damages arising from such unauthorized or non-manufacturer recommended modifications. However, if Your Vehicle is modified in a manner that is not recommended by the manufacturer of Your Vehicle, this Contract will continue to provide any applicable coverage that is not related to the unauthorized or non-manufacturer recommended modification or any damages arising there from; unless such coverage is otherwise excluded by the terms and conditions of this Contract.** The following language is added to this Contract: If You are not satisfied with the manner in which We are handling a Claim under this Contract, You may contact the Nevada Division of Insurance toll free at (888) 872-3234. Section XII. is revised to state that If We cancel this Contract, any due refund will be calculated based upon the same criteria as outlined in items "A" and "B" above, but no fee will be assessed for cancellation of this Contract by You or by Us. Section XII. is revised to state that no transfer fee will be assessed. This Contract is amended to include as follows: If You are not satisfied with the manner in which We are handling Your Claim on this Contract, You may contact the Commissioner by use of the toll-free telephone number of the Division, which is (888) 872-3234 as obtained from the Internet website of the Division.

- V. **New Hampshire:** In the event You do not receive satisfaction under this Contract, You may contact the New Hampshire Insurance Department at 21 South Fruit St., Suite 14, Concord, NH 03301-7317, (603) 271-2261.
- W. **New Mexico:** Section XII.A. is amended as follows: The "extra 10%" shall be calculated based upon ten percent of the Contract Purchase Price and shall be added for each 30-day period or portion thereof that the refund and any accrued penalties remain unpaid. Section XII.C. is deleted and replaced with the following: We may cancel this Contract within seventy (70) days from the date of purchase for any reason. After seventy (70) days, We may only cancel this Contract for: (A) nonpayment by You; (B) Your conviction of a crime which results in an increase in the service required under this Contract; (C) fraud or material misrepresentation by You in obtaining this Contract, or in presenting a Claim for service thereunder; (D) discovery of: (i) an act or omission by You which substantially and materially increases the service required under the Contract, or (ii) a violation by You of any condition of this Contract that occurred after the effective date of the Contract and which substantially and materially increases the service required under the Contract; or (E) a material change in the nature or extent of the required service or repair which occurs after the effective date of this Contract and which causes the required service or repair to be substantially and materially increased beyond that contemplated at the time that this Contract was issued or sold. If You have any concerns regarding the handling of Your Claim, You may contact the Office of Superintendent of Insurance at 1-855-427-5674.
- X. **North Carolina:** Section XII.C. is revised to state that **We may only cancel the Contract for nonpayment by You or for a direct violation of the Contract by the You.**
- Y. **Oklahoma:** This is not an insurance contract. Coverage afforded under this Contract is not guaranteed by the Oklahoma Insurance Guaranty Association. All references to "void" are deleted and replaced with "rescinded." Section XII.A. is deleted and replaced as follows: If this Contract is cancelled prior to the 61st day immediately following the Coverage Start Date by the warranty holder and no Claims have been filed, We will refund the entire Contract Purchase Price. Section XII.B. If this Contract is canceled by the warranty holder after the first sixty (60) days immediately following the Coverage Start Date or if a Claim has been filed within the first sixty (60) days, return of premium shall be based upon ninety percent (90%) of the unearned pro-rata premium, less the actual cost of any service provided under the service Contract. The third sentence of Section XII.D. is deleted and replaced as follows: In the event the Contract is cancelled by the association, return of premium shall be based upon one hundred percent (100%) of the unearned pro-rata premium less the actual cost of any service provided under the Contract.
- Z. **Oregon:** If You have any questions regarding this Contract, or a complaint against the Obligor, You may contact the Oregon Department of Consumer & Business Services, Insurance Division, Consumer Advocacy Unit at 350 Winter Street NE, Room 300, Salem, Oregon 97301, (888) 877- 4894 or [www.oregoninsurance.com](http://www.oregoninsurance.com). The ARBITRATION section is deleted and replaced as follows: If a settlement for a Claim dispute cannot be reached, the parties may elect arbitration by mutual agreement at the time of the dispute after the Claimant has exhausted all internal appeals and can be binding by consent of the Contract holder. Arbitration will take place under the laws of the State of Oregon and will be held in the Contract holder's county of residence or any other county in this state agreed to by both parties. Oregon arbitration law will prevail unless it conflicts with the Federal Arbitration Act. Notwithstanding the foregoing, either party may bring an individual action in small Claims court or trial by jury. This arbitration agreement does not preclude You from bringing issues to the attention of federal, state, or local agencies. Such agencies can, if the law allows, seek relief against Us on Your behalf. **You agree that, by entering into this Contract, You and We are each waiving the right to participate in a class action.**
- AA. **South Carolina:** If You have any questions regarding this Contract, or a complaint against the Obligor, You may contact the South Carolina Department of Insurance at Capitol Center, 1201 Main Street, Suite 1000, Columbia,

South Carolina 29201, (800) 768-3467.

- BB. Texas:** If You have any questions regarding the regulation of the Provider or a complaint, You may contact the Texas Department of Licensing & Regulation, 920 Colorado, P.O. Box 12157, Austin, Texas 78711, (800) 803-9202. Section XII.A and Section XII.B are amended read as follows: A. If this Contract is cancelled prior to the 61st day immediately following the Coverage Start Date, this Contract will be void and You will receive a 100% refund of the Contract Purchase Price paid by You, less any Claims paid by Us. If You cancel and Your refund under this item, "A," is not paid or credited within 30 days after Your cancellation request is received by Us, We will add an extra 10%, calculated off of the amount outstanding, to Your due refund for every 30 days the refund is not paid by Us. B. If this Contract is cancelled after 60 days immediately following the Coverage Start Date, You will receive a Pro-Rata refund of the Contract Purchase Price paid by You, less any Claims paid by Us and a cancellation fee of the lesser of twenty-five dollars (\$25) or 10% of the Contract Purchase Price paid by You.
- CC. Utah:** This Contract is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. Coverage afforded under this Contract is not guaranteed by the Property and Casualty Guarantee Association. Section XII.D. is amended as follows: Written notice shall be mailed via first-class mail. Purchase of this product is optional and is not required in order to finance, lease, or purchase a motor vehicle.
- DD. Virginia:** If any promise made in the Contract has been denied or has not been honored within 60 days after Your request, You may contact the Virginia Department of Agriculture and Consumer Services, Office of Charitable and Regulatory Programs at [www.vdacs.virginia.gov/food-extended-service-contract-providers.shtml](http://www.vdacs.virginia.gov/food-extended-service-contract-providers.shtml) to file a complaint.
- EE. Washington:** No Claims paid will be deducted from any refund owed. Page 1, YOUR RESPONSIBILITIES is revised to state: You must maintain the Vehicle in accordance with the manufacturer's maintenance requirements from its date of purchase and be able to provide proof of such. Section XIII.G. is revised to state: Repair costs or expenses if You cannot provide to the Obligor accurate records proving that You have maintained the Vehicle in accordance with the manufacturer's specifications and instructions and the Mechanical Breakdown was caused by the failure to maintain the Vehicle. However, We will not deny a Claim for coverage based upon Your failure to properly maintain the Vehicle, unless the failure to maintain the Vehicle involved the failed part or parts. Section XII.A. is amended to include as follows: If the Contract is cancelled pursuant to this subsection, the Contract is void from the beginning and the parties are in the same position as if no Contract had been issued. Section XII.B. is amended to include as follows: If We do not issue a refund under this subsection within 30 days, We will add an extra ten percent to Your refund. Section XII.C. is amended to include as follows: However, after sixty days, the Vehicle qualifies for this Contract as issued, and We may not cancel this Contract and are fully obligated under the terms of this Contract sold to You. The State of Washington is the jurisdiction of any civil action in connection with a motor vehicle service contract.
- FF. Wisconsin:** **THIS CONTRACT IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE.** Section XII.B. is amended as follows: We will not charge a cancellation fee if You cancel in the event of a total loss of property covered by this Contract that is not covered by a replacement of the property pursuant to the terms of this Contract. Section XII.B. is amended to delete the following language: "or fraud."