

NAUTILUS FITNESS EQUIPMENT LABOR ONLY SERVICE AGREEMENT

Service Agreement Administrator ("Administrator"):

Warrantech Consumer Product Services, Inc. ("WCPS")

P.O. Box 1189

Bedford, TX 76095

Telephone: (800) 342-5349

CONGRATULATIONS: Thank You for Your recent purchase of the Nautilus Labor Only Service Agreement (the "Service Agreement"). We hope You enjoy the added comfort and protection this Service Agreement provides. Please keep this Service Agreement in a safe place along with the sales receipt/invoice that You received when You purchased this Plan, as You will need them to verify Your coverage at the time of service. This information will serve as a valuable reference guide and will help You determine what is covered by the Service Agreement. From the day You purchase this Service Agreement, WCPS, the Administrator, will assist You in understanding Your Service Agreement benefits.

DEFINITIONS: Throughout this Service Agreement, the words "**We**", "**Us**" and "**Our**" means the party or parties obligated to provide service under this Service Agreement as the service agreement provider, AMT Warranty Corp., 59 Maiden Lane, 6th Floor, New York, NY 10038 (**Florida** residents: this Service Agreement is an agreement between You and Technology Insurance Company, Inc., (License No. 03605), 59 Maiden Lane, 6th Floor, New York, New York, 10038). The words "**You**" and "**Your**" refer to the purchaser of the Product(s) covered by this Service Agreement or to the person to whom this Service Agreement was properly transferred. "**Product**" means the item(s) which You purchased with and is covered by this Service Agreement. "**Failure**" means the mechanical or electrical breakdown of Your Product to perform its intended function due to defects in materials or workmanship during normal usage of Your Product. "**Deductible**" means the amount You are required to pay for covered repairs or replacements. This Service Agreement is administered by Warrantech Consumer Product Services, Inc., PO Box 1189, Bedford, TX 76095 ("**WCPS**"). If You are a resident of Florida, this Service Agreement is administered by WCPS of Florida, Inc., License No. 80202 (together with WCPS, "**Administrator**"). Please contact the Administrator if You have any questions about this Service Agreement.

PRODUCT ELIGIBILITY: This Service Agreement covers the labor cost for Products purchased as new and manufactured for use in the United States and which has a manufacturer's warranty valid within the United States. Coverage only applies to Products used non-commercially. Accessories and/or add-on options purchased separately and not essential to the basic function of the Product are not eligible for coverage.

WHAT IS COVERED: We agree to cover the labor cost to repair Your Product in the event Your Product is rendered inoperable due to a mechanical or electrical Failure during the term of this Service Agreement, if the Product is not covered under any other insurance, warranty, guarantee and/or Service Agreement.

This Service Agreement does not cover repair or replacement of the Product for any of the causes, or provide coverage for any losses set forth in the section entitled "**WHAT IS NOT COVERED**" below.

1. **New Residential Equipment Labor Only Plan:** If You purchased this Plan, in the event of a covered claim, We will furnish the labor cost required to repair the mechanical or electrical Failure of Your Product. This Plan does not provide coverage for replacement parts or components, and You will not be eligible for a product replacement, even if it is determined the Product is not repairable. Coverage under this Plan begins on the date of Product purchase or date of installation by the selling retailer (proof of installation date will be required if different from Product purchase date) and is for a duration of one (1) year. This Service Agreement is inclusive of the manufacturer's labor warranty; it does not replace the manufacturer's labor warranty. During the manufacturer's warranty period, any parts, labor or on-site service or shipping costs covered by that warranty are the sole responsibility of the manufacturer. Upon expiration of the shortest portion of the manufacturer's original labor warranty, this Service Agreement will furnish the labor necessary to restore Your covered Product to standard manufacturer's operating condition.

DEDUCTIBLE: There is no Deductible required to obtain service on Your Product.

PLACE OF SERVICE: Your Service Agreement includes **In-Home/On-Site Service**, and We will arrange for Your Product to be serviced at Your residence, provided You have prepared the following provisions: (1) accessibility to the Product; (2) a non-threatening and safe environment; and (3) an adult over the age of 18 to be present for the period of time Our authorized technician is scheduled for service and while Our authorized technician is on Your property servicing Your Product. In the event it is necessary to continue certain repair services at a repair center, You may be required to ship/transport the Product to a designated repair center. In such circumstances, the shipping/transportation charges will be covered by this Service Agreement. **In-Home/On-Site Service** will be provided by the authorized service provider during regular business hours, local time, Monday through Friday, except holidays.

LIMIT OF LIABILITY: The total amount that We will pay for all repairs, labor cost only, made in connection with all covered claims that You make pursuant to this Service Agreement shall not exceed the original purchase price of Your Product. In the event We make payments for labor costs for repairs, which in the aggregate are equal to the original Product purchase price, We will have no further obligations under this Service Agreement. **IN NO EVENT SHALL THE TOTAL OF ALL LABOR CLAIMS EXCEED THE ORIGINAL PRICE PAID BY YOU FOR THE COVERED PRODUCT.**

WE SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO: PROPERTY DAMAGE, LOST TIME OR LOST DATA RESULTING FROM THE FAILURE OF ANY PRODUCT OR EQUIPMENT, FROM DELAYS IN

SERVICE, OR THE INABILITY TO RENDER SERVICE. WE SHALL NOT BE LIABLE FOR ANY AND ALL PRE-EXISTING CONDITIONS THAT OCCUR PRIOR TO THE EFFECTIVE DATE OF THIS SERVICE AGREEMENT, INCLUDING INHERENT PRODUCT FLAWS.

IF YOUR PRODUCT NEEDS REPAIR: If You need to file a claim under this Service Agreement, You must contact the Administrator at 1-800-342-5349 (available 24 hours a day) to obtain a repair authorization number prior to having any repairs made to Your Product. For on-line service or web chat, log onto www.WCPSOnLine.com. For faster service, please have Your proof of Product purchase (sales receipt) available when You contact the Administrator. **THIS SERVICE AGREEMENT MAY BECOME VOID IF YOU MAKE UNAUTHORIZED REPAIRS.** When You receive authorization for repairs, the service representative will direct You to a designated service center. A copy of the proof of Product purchase (sales receipt), and a brief written description of the problem must accompany Your Product. We will not be liable for freight charges or damage due to improper packaging by You or Your representative. Do not return Your Product to Your retailer unless so instructed by the Administrator. If Your Service Agreement expires during the time of an approved repair or replacement, this Service Agreement is extended until the repair or replacement has been completed.

WHAT IS NOT COVERED: THIS SERVICE AGREEMENT DOES NOT COVER ANY LOSS, REPAIRS OR DAMAGE CAUSED BY OR RESULTING FROM: (A) PRE-EXISTING CONDITIONS INCURRED OR KNOWN TO YOU (PRE-EXISTING MEANS A CONDITION THAT WITHIN ALL REASONABLE MECHANICAL OR ELECTRICAL PROBABILITY RELATES TO THE ELECTRICAL OR MECHANICAL FITNESS OF YOUR COVERED MERCHANDISE PRIOR TO CONTRACT ISSUANCE); (B) IMPROPER PACKAGING AND/OR TRANSPORTATION BY YOU OR YOUR REPRESENTATIVE RESULTING IN DAMAGE DURING SHIPMENT TO A SERVICE CENTER OR RELOCATION OF THE COVERED PRODUCT; (C) INSTALLATION, REMOVAL, REINSTALLATION OR IMPROPER INSTALLATION OF COMPONENTS, UPGRADES, ATTACHMENTS OR PERIPHERALS; (D) PRODUCTS AND/OR COMPONENTS THAT ARE USED IN APPLICATIONS THAT REQUIRE CONTINUOUS BUSINESS AND/OR COMMERCIAL OPERATION, OR ARE USED IN PROFESSIONAL FITNESS CENTERS, OFFERED ON A RENTAL BASIS, OR COIN-OPERATED PRODUCTS; (E) DAMAGE OR FAILURE CAUSED BY RIOT, NUCLEAR RADIATION, WAR OR HOSTILE ACTION, RADIOACTIVE CONTAMINATION, ETC.; (F) DAMAGE FROM OVERHEATING; (G) INADEQUATE ELECTRICAL SERVICE; (H) INTERRUPTION OF ELECTRICAL SERVICE; (I) NEGLIGENCE, MISUSE, ABUSE, INTENTIONAL PHYSICAL/MECHANICAL/ELECTRONIC DAMAGE, PHYSICAL DAMAGE OR MALICIOUS MISCHIEF, THEFT OR MYSTERIOUS DISAPPEARANCE, VANDALISM, RUST, CORROSION, WARPING, BENDING, ANIMAL OR INSECT INFESTATION, ETC. TO THE COVERED PRODUCT OR ANY COMPONENT; (J) DAMAGE OR OTHER EQUIPMENT FAILURE DUE TO CAUSES BEYOND YOUR CONTROL SUCH AS ENVIRONMENTAL CONDITIONS, EXPOSURE TO WEATHER CONDITIONS OR ACTS OF NATURE INCLUDING, BUT NOT LIMITED TO: FIRE, FLOODS, SMOKE, SAND, DIRT, LIGHTNING, MOISTURE, WATER DAMAGE OF ANY KIND (WHETHER FROM FRESH WATER, SALT WATER OR OTHER WATER INTRUSION), STORMS, WIND OR WINDSTORM, HAIL, EARTHQUAKE, ETC.; (K) REPAIRS NECESSITATED BY OPERATION OUTSIDE THE MANUFACTURER OPERATIONAL OR ENVIRONMENTAL SPECIFICATIONS; (L) BATTERY FAILURE OR LEAKAGE; (M) COLLISION WITH ANOTHER OBJECT, COLLAPSE, EXPLOSION, LIQUID SPILLAGE OF ANY KIND; (N) ACCIDENTAL DAMAGE, INCLUDING PHYSICAL/MECHANICAL/ELECTRONIC DAMAGE CAUSED BY DROPPING, COLLISIONS, OR SPILLS; (O) DAMAGE, WARPING, BENDING OR RUSTING OF ANY KIND TO THE HOUSING, CABINETRY, SUPPORTS, OUTSIDE CASING OR FRAME OF THE PRODUCT; (P) IMPROPER OR INADEQUATE STORAGE; (Q) DAMAGE TO A COVERED PART CAUSED BY A NON-COVERED PART; (R) IMPROPER INSTALLATION OF CUSTOMER REPLACEABLE COMPONENTS, MODULES, PARTS AND/OR INSTALLATION OF INCORRECT PARTS; (S) ANY RESULTING MALFUNCTION OR DAMAGE OF OR TO AN OPERATING PART OF THE COVERED PRODUCT FROM FAILURE TO PROVIDE MANUFACTURER'S RECOMMENDED MAINTENANCE, FROM OPERATION/STORAGE OF THE COVERED PRODUCT IN CONDITIONS OUTSIDE MANUFACTURER SPECIFICATIONS, FROM USE OF A COVERED PRODUCT IN SUCH A MANNER AS WOULD VOID COVERAGE UNDER THE MANUFACTURER'S WARRANTY, OR FROM USE OF A COVERED PRODUCT IN SUCH A MANNER THAT IS INCONSISTENT WITH THE DESIGN OF THE EQUIPMENT OR MANUFACTURER INSTRUCTIONS OR SPECIFICATIONS; (T) OPERATIONAL ERRORS ON THE PART OF THE CONSUMER; (U) REMOVAL, INSTALLATION, REINSTALLATION, UNAUTHORIZED REPAIRS, ETC., OF ANY INTERNAL COMPONENT OR COVERED PRODUCT, INCLUDING BUT NOT LIMITED TO: ADJUSTMENTS, MANIPULATION, OR MODIFICATIONS MADE BY ANYONE OTHER THAN AN AUTHORIZED SERVICE TECHNICIAN; (V) LOSS OF POWER, IMPROPER USE OF ELECTRICAL/POWER, POWER "BROWN-OUT", POWER OVERLOAD OR POWER SURGE, UNLESS COVERED AS FURTHER DEFINED IN THE ADDITIONAL BENEFITS SECTION OF THIS DOCUMENT; (W) UNAUTHORIZED MODIFICATIONS AND ADJUSTMENTS, ALTERATIONS, MANIPULATION OR REPAIR MADE BY ANYONE OTHER THAN AN AUTHORIZED SERVICE TECHNICIAN; (X) COVERED PRODUCTS SUBJECT TO A MANUFACTURER RECALL, WARRANTY OR REWORK TO REPAIR DESIGN OR COMPONENT DEFICIENCIES, IMPROPER CONSTRUCTION, MANUFACTURER ERROR, ETC. REGARDLESS OF THE MANUFACTURER'S ABILITY TO PAY FOR SUCH REPAIRS; (Y) EQUIPMENT SOLD WITHOUT A MANUFACTURER'S WARRANTY OR "AS IS"; (Z) COVERED PRODUCTS WITH REMOVED OR ALTERED SERIAL NUMBERS; (AA) CONSEQUENTIAL DAMAGES OR DELAY IN RENDERING SERVICE UNDER THIS CONTRACT, OR LOSS OF USE OR DATA DURING THE PERIOD THE COVERED PRODUCT IS AT AN AUTHORIZED REPAIR FACILITY OR OTHERWISE AWAITING PARTS; (AB) NON-FAILURE PROBLEMS, INCLUDING BUT NOT LIMITED TO: NOISES, SQUEAKS, ETC.; (AC) NORMAL PERIODIC OR PREVENTATIVE MAINTENANCE, USER EDUCATION, OR SET UP ADJUSTMENTS; (AD) CLEANINGS OR ANY REPAIR COVERED BY A MANUFACTURER WARRANTY, SERVICE AGREEMENT OR OTHER INSURANCE; (AE) REPAIRS FOR COSMETIC DAMAGE, IMPERFECTIONS, OR TO STRUCTURAL ITEMS; (AF) FAILURE TO PRODUCT ATTACHMENTS THAT WERE NOT PROVIDED BY THE MANUFACTURER OR INCLUDED IN THE ORIGINAL SALE; (AG) REPAIR OR REPLACEMENT COSTS FOR LOST COMPONENTS THAT WERE NOT ORIGINALLY COVERED BY THE MANUFACTURER'S WARRANTY OR ARE CONSIDERED EXPENDABLE OR CONSUMER REPLACEABLE ITEMS OR ANY NON-OPERATING OR NON-MOTOR DRIVEN MECHANICAL PART, INCLUDING BUT NOT LIMITED TO PLASTIC PARTS, OR OTHER PARTS SUCH AS ACCESSORY CABLES, BATTERIES, BELTS (EXCEPT TREADMILL WALKING BELTS), BOLTS, CABLES, CORDS, DIALS,

DRIVE BELTS, FINISH DEFECTS, FRAMES, HANDLES, HINGES, KEYPADS, KEYS, KNOBS, LATCHES, LED'S, LCD'S, LIGHTS, ORNAMENTATION, PAINT, PLASTIC BODY OR MOLDING, SEATS, SUPPORTS, SUSPENSION, SWITCHES, UPHOLSTERY, WIRING, OR ANY OTHER PARTS OR MATERIALS WHICH ARE DESIGNED TO BE CONSUMED DURING THE LIFE OF THE COVERED PRODUCT; (AH) LIABILITY OR DAMAGE TO PROPERTY, OR INJURY, OR DEATH TO ANY PERSON ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF THE COVERED PRODUCT. (AI) SERVICE OUTSIDE OF THE UNITED STATES OR CANADA.

IF YOUR COVERED PRODUCT EXPERIENCES A FAILURE OR DAMAGE THAT IS EXCLUDED FROM COVERAGE UNDER THIS SECTION OR IN THE EVENT OF A REPAIR INCIDENT WHEREIN THERE IS A "NO PROBLEM FOUND" DIAGNOSIS FROM THE MANUFACTURER OR A MANUFACTURER-AUTHORIZED REPAIR SOURCE, THEN YOU ARE RESPONSIBLE FOR ALL REPAIR COSTS INCLUDING SHIPPING COSTS AND/OR THE COST OF ON-SITE SERVICE.

SHOULD THE MANUFACTURER OF YOUR PRODUCT GO OUT OF BUSINESS OR THE MANUFACTURER NO LONGER PROVIDE PRODUCT SUPPORT AND ALL PARTS SOURCES HAVE BEEN EXHAUSTED DURING THE COVERAGE PERIOD OF THIS SERVICE AGREEMENT, THE OBLIGOR AND THE ADMINISTRATOR SHALL BE EXCUSED FROM PERFORMANCE HEREUNDER AND YOU SHALL RECEIVE A FULL REFUND OF THE PURCHASE PRICE PAID BY YOU FOR THE SERVICE AGREEMENT LESS CLAIMS PAID.

OUR RIGHT TO RECOVER PAYMENT: If You have a right to recover against another party for anything We have paid under this Service Agreement, Your rights shall become Our rights. You shall do whatever is necessary to enable Us to enforce these rights. We shall recover only the excess after You are fully compensated for Your loss.

CANCELLATION: You may cancel this Service Agreement by informing the selling retailer of Your cancellation request within thirty (30) days of the purchase of the Service Agreement, and You will receive a one-hundred percent (100%) refund of the full purchase price of Your Service Agreement. If Your cancellation request is made more than thirty (30) days from the date of purchase, You will receive a pro-rata refund of the Service Agreement purchase price, minus the cost of repairs made (if any), and minus an administrative fee not to exceed 10% of the Service Agreement purchase price or twenty-five dollars (\$25.00), whichever is less, unless otherwise provided by state law.

If We cancel this Service Agreement, We must provide You with a written notice at least 15 days prior to cancellation at Your last known address, with the effective date for the cancellation and the reason for cancellation. If We cancel this Service Agreement, You will receive a refund based upon one-hundred percent (100%) of the unearned pro-rata purchase price of this Service Agreement.

GUARANTY: This is not an insurance policy. We have obtained an insurance policy to insure Our performance under this Service Agreement. Should We fail to pay any valid claim covered under this Service Agreement within sixty (60) days after the Product has been returned, or in the event You cancel this Service Agreement and We fail to refund the unearned portion of the Service Agreement price, You are entitled to make a direct claim against the insurer, Wesco Insurance Company, at 866-505-4048 or 59 Maiden Lane, 6th Floor, New York, NY 10038.

IMPORTANT CONSUMER INFORMATION: If Your Product is exchanged by the manufacturer or retailer, You must advise the Administrator in writing at P.O. Box 1189, Bedford, TX 76095 Attn: Data Entry or call 1-800-342-5349 with the date of exchange, make, model, and serial number of the replacement product within 10 days of the exchange. In the event of such exchange, the coverage period shall not exceed the original contract expiration date.

TRANSFERS: If You transfer ownership of Your Product, this Service Agreement may be transferred by sending to the Administrator, at the address above, the name, address, and phone number of the new owner within 10 days of the transfer along with a ten dollar (\$10.00) transfer fee. The cancellation provisions in this agreement only apply to the original purchaser of this Service Agreement.

This Service Agreement, including the terms, conditions, limitations, exceptions and exclusions, and the sales receipt for Your Product, constitutes the entire agreement and no representation, promise or condition not contained herein shall modify these items, except as required by law.

SPECIAL STATE REQUIREMENTS

Regulation of Service Agreements may vary widely from state to state. Any provision within this Service Agreement which conflicts with the laws of the state where You live shall automatically be considered to be modified in conformity with applicable state laws and regulations as set forth below. The following state specific requirements apply if Your Service Agreement was purchased in one of the following states and supersede any other provision within Your Service Agreement terms and conditions to the contrary.

Alabama only: If Your cancellation request is made more than thirty (30) days from the date of purchase, We will refund the unearned portion of its full purchase price. However, We will retain an administrative fee of \$25.00. Any refund may be credited to any outstanding balance of Your account and the excess, if any, returned to You. A 10% penalty per month will be added to a refund that is not paid or credited within 45 days after return of the Service Agreement to Us. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least 5 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. However, We are not required to mail You written notice if the reason for cancellation is nonpayment of the Provider fee or a material misrepresentation by You to the Provider relating to the covered property or its use. AMT Warranty Corp. is the Provider under this Service Agreement.

Arizona only: CANCELLATION - You may cancel this Service Agreement at any time prior to the expiration date by sending written notice to the Administrator, Warrantech Consumer Product Services, Inc. at P.O. Box 1189, Bedford, TX 76095. You will receive a pro-rata refund, less a \$25.00 administrative fee for cancellation of the Service Agreement. However, no claims incurred or paid will be subtracted from this refund.

WHAT IS NOT COVERED - We shall not provide coverage only for those specifically listed items in the "WHAT IS NOT COVERED" section. "Pre-existing conditions" is deleted and replaced with: conditions that were caused by You or known by You prior to purchasing this Service Agreement.

California only: This Service Agreement may be cancelled by the Service Agreement holder for any reason, including, but not limited to, the Product covered under this Service Agreement being sold, lost, stolen or destroyed. If You decide to cancel Your Service Agreement, and cancellation notice is received by the Administrator within thirty (30) days for a home appliance or a home electronic or within sixty (60) days for all other Products of the date You received the Service Agreement, and You have made no claims against the Service Agreement, you will be refunded the full Service Agreement price; or if Your Service Agreement and cancellation notice is cancelled by written notice after thirty (30) days for a home appliance or a home electronic or within sixty (60) days for all other Products from the date You received this Service Agreement, You will be refunded a pro-rated amount of the Service Agreement price, less any claims paid, less an administrative fee of ten percent (10%) of the Service Agreement price or \$25, whichever is less, unless otherwise precluded by law. Warrantech Consumer Product Services, Inc. (License No. SA-1) is the Service Agreement Administrator and AMT Warranty Corp. (License No. SA-42) is the Obligor for this Service Agreement.

Connecticut only: In the event of a dispute with Administrator, You may contact The State of Connecticut, Insurance Department, P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the Product, the cost of repair of the Product and a copy of the warranty Service Agreement. You may cancel Your Service Agreement if the covered Product is sold, lost, stolen, or destroyed. **CANCELLATION** - If We cancel this Service Agreement for non-payment, We must provide You with a written notice at least 10 days prior to cancellation at Your last known address, with the effective date for the cancellation and the reason for cancellation. If We cancel this Service Agreement for any other reason, We must provide You with a written notice at least 30 days prior to cancellation at Your last known address, with the effective date for the cancellation and the reason for cancellation. **SERVICE AGREEMENT HOLDER'S RESPONSIBILITY:** It is the responsibility of the Service Agreement holder to follow the manufacturer's specifications for the use and care/maintenance of the **Covered Product**.

Florida only: This Service Agreement is between the Provider, Technology Insurance Company, Inc. (License No. 03605) and You, the purchaser. You may cancel Your Service Agreement by informing the selling dealer or the Administrator, WCPS of Florida, Inc. (License No. 80202) of Your cancellation request. In the event the Service Agreement is canceled by You, return of the premium shall be based upon ninety percent (90%) of the unearned pro-rata premium less any claims that have been paid or less the cost of repairs made on Your behalf. In the event the Service Agreement is canceled by the Administrator or Provider, return of the premium shall be based upon one hundred percent (100%) of the unearned pro-rata premium. The rates charged to You for this Service Agreement are not subject to regulation by the Florida Office of Insurance Regulation.

Georgia only: You may cancel this Service Agreement at anytime by notifying the Administrator in writing whereupon the Administrator will refund the unearned pro-rata purchase price. The Administrator may not cancel this Service Agreement except for fraud, material misrepresentation, or nonpayment by You. Notice of such cancellation will be in writing and given at least 30 days prior to cancellation. This Service Agreement will be interpreted and enforced according to the laws of the state of Georgia. Should repair parts become unavailable because a manufacturer has gone out of business, if a manufacturer no longer provides Product support or all part sources have been exhausted during the coverage period of this Service Agreement, the Obligor and the Administrator shall be excused from performance hereunder and You shall receive a full refund of the purchase price paid by You for the Service Agreement. In no event will claims be deducted from a refund. **WHAT IS NOT COVERED:** Letter (A) is deleted and replaced with the following: A) Any and all pre-existing conditions known to You that occur prior to the effective date of this Service Agreement. Any reference to Pre-existing conditions within this Service Agreement is amended as follows: Pre-existing conditions known to You. The following amends the **IF YOUR PRODUCT NEEDS REPAIR** section of this Service Agreement: This Service Agreement will not become void if You make unauthorized repairs. However, this Service Agreement will provide no coverage if You make unauthorized repairs.

Illinois only: Covered items must be in place and in good operating condition on the effective date of coverage and become inoperative due to normal wear and tear after the effective date of this Service Agreement. The Service Agreement Holder may cancel the Service Agreement at any time. If the Service Agreement Holder elects cancellation, We may retain a cancellation fee not to exceed the lesser of 10% of the Service Agreement price or \$50.00. The Service Agreement may be cancelled within 30 days after its purchase if no service has been provided and a full refund of the Service Agreement purchase price, less the cancellation fee, will be paid to the Service Agreement Holder. The Service Agreement may be cancelled at any other time and a pro-rata refund of the Service Agreement purchase price for the unexpired term of the Service Agreement, as measured by the number of days still remaining on the Service Agreement, less the value of any service received and any cancellation fee stated in the Service Agreement will be paid to the Service Agreement Holder.

Indiana only: Your proof of payment to the issuing vendor for this Service Agreement shall be considered proof of payment to the insurance company which guarantees Our obligations to You, providing such insurance was in effect at the time You purchased the Service Agreement.

Maine only: If We cancel this Service Agreement, We shall mail a written notice to You at Your last known address at least 5 days prior to cancellation. Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by You to the provider or a substantial breach of duties by You relating to the covered product or its use. The notice will state the effective date of the cancellation and the reason for the cancellation. A 10% penalty per month will be added to a refund that is not paid or credited within 45 days after return of the Service Agreement to the provider.

Missouri only: If Your cancellation request is made more than 30 days from the date of purchase, You will receive a pro-rata refund of the Service Agreement purchase price. No cancellation fee will apply. In no event will claims paid be deducted from a cancellation refund.

Nebraska only: If We cancel this Service Agreement, We must provide You with a written notice at least 30 days prior to cancellation at Your last known address, with the effective date for the cancellation and the reason for cancellation.

Nevada only: The following amends the **CANCELLATION** and **IMPORTANT CONSUMER INFORMATION** sections of this Service Agreement. This Service Agreement is not renewable. These provisions apply only to the original purchaser of the Service Agreement. You may cancel this Service Agreement at anytime by notifying the Administrator in writing. If You have made no claim and Your request for cancellation is within 30 days, the full price You paid for the Service Agreement will be refunded and no administrative fee will be deducted. If You have made a claim under the Service Agreement, or if Your request is beyond the first 30 days, You will be entitled to a pro-rata refund of the unearned Service Agreement fee, less a \$25.00 administrative fee. If Your Service Agreement was financed, the outstanding balance will be deducted from any refund, however, You will not be charged for claims paid or repair service fees. If You cancel this Service Agreement and the refund is not processed within 45 days, a 10% penalty will be added to the refund for every 30 days the refund is not paid. The Provider of this Service Agreement may cancel this Service Agreement within 70 days from the date of purchase for any reason. After 70 days, the Provider may only cancel this Service Agreement for fraud, material misrepresentation, nonpayment by You or a substantial breach of duties by You relating to the covered property or its use. If the Provider cancels Your Service Agreement You will be entitled to a pro-rata refund of the unearned Service Agreement fee, no administrative fee will be deducted. In the event the Provider cancels this Service Agreement, written notice will be sent to Your last known address at least 15 days prior to cancellation with the effective date. In no event will claims be deducted from any refund. The following amends the **IF YOUR PRODUCT NEEDS REPAIR** section of this Service Agreement: This Service Agreement will not become void if You make unauthorized repairs. However, unauthorized repairs will not be covered under this Service Agreement."

Emergency Service for covered Products that provide heating or cooling of Your dwelling: If the covered Product You purchased provides heating or cooling for Your dwelling, and You sustain a failure of such Product that renders Your dwelling uninhabitable, repairs will commence within 24 hours after You report the failure and will be completed as soon as reasonably possible. In addition, We will provide a status report no later than three (3) calendar days after the report of a claim. Please call 1-800-342-5349 to report such a loss.

New Mexico only: You may return this Service Agreement within 20 days of the date this Service Agreement was mailed to You or within 10 days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. A 10% penalty per month will be added to a refund that is not made within 60 days of Your return of the Service Agreement. These provisions apply only to the original purchaser of the Service Agreement. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least 15 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. The Provider of this Service Agreement may cancel this Service Agreement within 70 days from the date of purchase for any reason. After 70 days, the Provider may only cancel this Service Agreement for fraud, material misrepresentation, nonpayment by You or a substantial breach of duties by You relating to the covered property or its use.

New York, South Carolina, and Wyoming only: You may return this Service Agreement within 20 days of the date this Service Agreement was mailed to You or within 10 days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. A 10% penalty per month will be added to a refund that is not made within 45 days of Your return of the Service Agreement. These provisions apply only to the original purchaser of the Service Agreement. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least 21 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. However, We are not required to mail You written notice if the reason for cancellation is non-payment of the Provider fee, a material misrepresentation, or a substantial breach of duties by You relating to the covered property or its use.

North Carolina only: The purchase of a Service Agreement is not required in order to obtain financing for the Product. You may cancel this Service Agreement at any time after purchase. You will receive a pro-rata refund of the Service Agreement purchase price less the cost of repairs made and less an administrative fee of 10% of the Service Agreement purchase price up to \$25.00. We may cancel this Service Agreement only for non-payment of the purchase price of the Service Agreement or a direct violation of the Service Agreement by You.

New York, South Carolina, and Wyoming only: You may return this Service Agreement within 20 days of the date this Service Agreement was mailed to You or within 10 days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. A 10% penalty per month will be added to a refund that is not made within 45 days of Your return of the Service Agreement. These provisions apply only to the original purchaser of the Service Agreement. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least 21 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. However, We are not required to mail You written notice if the reason for cancellation is non-payment of the Provider fee, a material misrepresentation, or a substantial breach of duties by You relating to the covered property or its use.

North Carolina only: The purchase of a Service Agreement is not required in order to obtain financing for the Product. You may cancel this Service Agreement at any time after purchase. You will receive a pro-rata refund of the Service Agreement purchase price less the cost of repairs made and less an administrative fee of 10% of the Service Agreement purchase price up to \$25.00. We may cancel this Service Agreement only for non-payment of the purchase price of the Service Agreement or a direct violation of the Service Agreement by You.

Oklahoma only: This service warranty applies to consumer appliance or electronic Products. This service warranty is not issued by the manufacturer or wholesale company marketing the Product. This service warranty will not be honored by such manufacturer or wholesale company. The Oklahoma service warranty statutes do not apply to commercial use references in service warranty contracts. Coverage afforded under this service warranty is not guaranteed by the Oklahoma Insurance Guaranty Association. **CANCELLATION** - The cancellation section of this contract is deleted in its entirety and replaced with the following: If You cancel this service warranty within the first thirty (30) days and no claim has been authorized or paid within the first thirty (30) days, We will refund the entire service warranty contract purchase price. If You cancel this service warranty after the first thirty (30) days, or have made a claim within the first thirty (30) 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 warranty contract. If We cancel this service warranty, return of premium shall be based upon one hundred percent (100%) of unearned pro-rata premium less the actual cost of any service provided under the service warranty contract.

Oregon Only: This Service Agreement is an agreement between the Obligor/Provider, AMT Warranty Corp., 59 Maiden Lane, 6th Floor, New York, NY 10038, (866) 327-5818 and You.

South Carolina only: If You have any questions regarding this Service Agreement, or a complaint against the Obligor, You may contact the South Carolina Department of Insurance at 1201 Main Street, Suite 1000, Columbia, South Carolina 29201, (803) 737-6160.

Texas only: Warrantech Consumer Product Services, Inc. Service Contract Administrator No. 187. If You have any questions regarding the regulation of the Service Agreement Provider or a complaint against the Obligor, You may contact the Texas Department of Licensing & Regulation, 920 Colorado, P.O. Box 12157, Austin, Texas 78711, (800) 803-9202. You may return this Service Agreement within thirty (30) days of the date of purchase of this Service Agreement. If this Service Agreement is cancelled within the first thirty (30) days, We will refund the entire Service Agreement charge, less claims paid. If this Service Agreement is cancelled after the first thirty (30) days, You will receive a pro-rata refund less a twenty-five dollar (\$25.00) administrative fee and less claims paid. A 10% penalty per month will be added to a refund that is not made within 45 days of Your return of the Service Agreement to the provider. You may apply for reimbursement directly to the insurer if a refund or credit is not paid before the 46th day after the date on which the Service Agreement is canceled. These provisions apply only to the original purchaser of the Service Agreement. If We cancel this Service Agreement, We shall mail a written notice to You at the last known address held by Us before the fifth day preceding the effective date of cancellation. The notice will state the effective date and the reason for the cancellation. However, prior notice is not required if the reason for cancellation is nonpayment of the provider fee, fraud or a material misrepresentation by the Service Agreement Holder to the provider or the provider's administrator, or a substantial breach of duties by the Service Agreement Holder relating to the covered product or its use. If We cancel this Service Agreement, no cancellation fee shall apply.

Utah only: Coverage afforded under this Service Agreement is not guaranteed by the Property and Casualty Guaranty Association. If We cancel this Service Agreement, We must provide You with a written notice at least 30 days prior to cancellation at Your last known address, with the effective date for the cancellation and the reason for cancellation. We may cancel this Service Agreement for non-payment of the Service Agreement charge. Such cancellation will be effective 10 days after the mailing of notice. We may cancel the Service Agreement for misrepresentation of a claim. Such cancellation will be effective 30 days after mailing of notice. This Service Agreement or warranty is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

Washington only: You may return this Service Agreement within 20 days of the date this Service Agreement was mailed to You or within 10 days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. A 10% penalty per month will be added to a refund that is not made within 30 days of Your return of the Service Agreement. These provisions apply only to the original purchaser of the Service Agreement. In the event We cancel this Service Agreement, We will mail a written notice to You at Your last known address at least 21 days prior to cancellation with the effective date for the cancellation and the reason for cancellation. What is Not Covered from coverage are limited to those expressly stated under the "**WHAT IS NOT COVERED**" section above. You may file a claim directly with Wesco Insurance Company at any time, at 59 Maiden Lane, 6th Floor, New York, NY 10038 or 866-505-4048.

Wisconsin only: THIS WARRANTY IS ONLY SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. You may cancel this Service Agreement at any time. If You cancel this Service Agreement within 30 days of the date of purchase, the Administrator shall return 100% of the purchase price less actual costs or charges needed to issue and service the Service Agreement. If You cancel this Service Agreement after 30 days, You will receive a pro-rated refund less a cancellation fee of 10% of the purchase price up to \$25.00. In no event will claims be deducted from a refund. Unauthorized repairs may not be covered. **Notice and Proof of Loss:** Provided notice of proof of loss is furnished as soon as reasonably possible and within one (1) year, failure to furnish such notice or proof within the time required by the policy does not invalidate or reduce a claim unless WCPS is prejudiced thereby and it was reasonably possible to meet the time limit.

These terms & conditions are available on Our website at www.wcpsonline.com/Nautilus or call (800) 342-5349 to have a copy mailed to You.