

**Excess Wear & Tear Protection
Limited Physical Damage Addendum**

**Addendum Number:
EWA-**

This Excess Wear & Tear Protection Addendum (**Addendum**) dated _____ amends **Your Lease Finance Contract**. This **Addendum** is between the **Lessee** ("I", "**You**", "**Your**") and the **Dealer** who originates the **Lease Finance Contract** or, when assigned, with the **Assigned Lessor** (collectively, "**We, Us, Our**").

DEALER	Dealer Name			Dealer Number						
	Address			Telephone						
	City			State	Zip					
VEHICLE* AND SALE INFORMATION	Year	Make	Model		Lease Finance Contract Date:					
	Vehicle Identification Number (VIN):			Odometer Reading at Lease Finance Contract Date:						
	MSRP		Total Allowable Miles per Contract		Addendum Sale Price:					
	Addendum Sale Date:		**Lease Finance Contract Term (months):		Original Scheduled Termination Date:					
	* Vehicle must have less than twenty thousand (20,000) miles on the odometer, and be no older than current or prior two (2) models years.									
	** Lease Finance Contracts with terms less than 12 months or greater than 72 months are not eligible.									
LESSEE	Lessee's Name									
	Address			Telephone						
	City, State, Zip			Email Address						
ASSIGNED LESSOR	Assigned Lessor Name									
	Address			Telephone						
	City			State	Zip					

AGREEMENT – When **Your Lease Finance Contract (Contract)** includes an **Excess Wear and Tear** provision and in consideration of the Addendum Sale Price above, this Excess Wear and Tear Limited Physical Damage Protection Addendum amends **Your Contract** such that any provision which describes lease-end charges for excess wear and tear shall be considered amended by the terms of this **Addendum**. **You** will not be charged for **Excess Wear and Tear** as it is defined and described in this **Addendum**. All other terms and conditions of **Your Contract**, including charges for wear and tear which are outside of the definition and description of **Excess Wear and Tear** used herein, remain in force.

By signing below, **You** acknowledge all of the following:

- The purchase of this **Addendum** is only available at the time the **Contract** is originally executed.
- This **Addendum** is between **You** and **Us**.
- **You** and the **Dealer** confirm that the information contained in the schedule is complete and accurate.
- **You** have received the **Addendum**, have read it and agree to all terms and conditions within it.
- **You** acknowledge that **You** understand the Arbitration provision.
- **This Addendum is not considered insurance and does not take the place of insurance on the Vehicle. You are responsible for insurance required by the Contract or applicable state law.**
- **THE PURCHASE OF THIS ADDENDUM IS NOT REQUIRED IN ORDER FOR YOU TO OBTAIN A LEASE FINANCE CONTRACT OR TO OBTAIN FINANCING FOR THIS VEHICLE.**

Lessee Signature

Date

Dealer Signature

Administrator:

E.R.J. Insurance Group, Inc. d/b/a American Heritage Insurance Services, Inc. (AHIS)

A member of the Allstate family of companies

P.O. Box 260098, Miami, FL 33126-0098

FOR CLAIMS SERVICE CALL (800) 741-4216

TERMINATION OF ADDENDUM: This **Addendum** will terminate, and no refund shall be due, on the date that any of the following events occur: 1) the date **Your Contract** is scheduled to mature, or a date agreed upon by **You** and **Us** not to exceed ninety (90) days after the Original Scheduled Termination Date; or 2) expiration of any redemption period following the repossession or surrender of the **Vehicle**; or 3) in the event of a constructive total loss or theft of the **Vehicle**; or 4) the date **Your Contract** is prepaid resulting in **Contract** maturity; 5) or **Your Contract** is refinanced; or 6) in the event **Excess Wear and Tear** charges are waived.

ADDENDUM DEFINITIONS:

Throughout this **Addendum** certain words and phrases appear in **bold face type**. These words have specific definitions in this document. Those definitions are found below.

Commercial Purposes: The use of the **Vehicle** to generate income, including but not limited to being used for rental, hire to public, taxi, limo, shuttle, delivery, hauling, plowing, towing, farm operations, or emergency purposes.

Cosmetic Damage: Damage or wear to the **Vehicle** that does not affect the operation of the **Vehicle**.

Dealer: The entity listed as **Dealer** on the front of this **Addendum**.

Excess Wear and Tear: **Cosmetic Damage** or **Wear Damage** as outlined in this **Addendum** that occurs to any non-mechanical (except as outlined in this **Addendum**) part of the **Vehicle** for which **You** are responsible.

Lease Finance Contract (Contract): The document that outlines the terms and conditions of **Your** Lease agreement.

Mechanical Damage: Damage to any mechanical or electrical part that contributes to the mechanical processes of the **Vehicle**.

Modifications: Any mechanical modification that is not recommended by the manufacturer or any cosmetic modification that alters the appearance of the **Vehicle's** interior or exterior and does not meet manufacturer specifications.

Pre-Existing Wear and Tear: **Excess Wear and Tear** that existed prior to the Addendum Sale Date.

Single Event: **Cosmetic Damage** that occurs to an individual or multiple part(s) of the **Vehicle** at the same time.

Single Event Maximum: The maximum that **We** agree to pay on **Your** behalf for assessed charges due to **Excess Wear and Tear** for any **Single Event** or group of **Single Events** (if more than one event occurred to a single part).

Standard Automotive Insurance Policy: An insurance policy purchased by **You** from an insurer of **Your** choice that provides comprehensive and/or collision coverage.

Vehicle: The vehicle specified in the "Vehicle and Sale Information" section of this **Addendum**.

Wear Damage: **Cosmetic Damage** that occurs over time that is not related to a **Single Event**.

COVERAGE:

Subject to the conditions, limitations and exclusions of this **Addendum**, **We** will not charge **You** any **Excess Wear and Tear** charges assessed under **Your Contract**, up to a maximum amount of Five Thousand Dollars (\$5,000). **You** may turn in the **Vehicle** at any time prior to ninety (90) days after the Original Scheduled Termination Date.

YOU WILL NOT BE ELIGIBLE TO RECEIVE BENEFITS UNDER THIS ADDENDUM IF YOU TURN IN THE VEHICLE LATER THAN NINETY (90) DAYS AFTER THE ORIGINAL SCHEDULED MATURITY DATE.

COVERED WEAR AND TEAR:

All **Excess Wear and Tear** assessed and charged to **You** by **Us** is covered except as excluded or limited by the terms and conditions of this **Addendum**.

ELIGIBILITY:

The following vehicles are ineligible under this **Addendum**:

- 1) Any imported vehicle that was not originally manufactured to meet U.S. Federal Motor Vehicle Standards.
- 2) Any vehicle that was reconstructed from salvage, declared a total loss, declared a lemon, or if the original manufacturer's warranty was voided for any reason.
- 3) Any vehicle used for any competitive driving or racing.
- 4) Any vehicle that is or will be used/equipped or identified as: farming, forestry, agriculture, welding, road construction or oil field industries; taxicab, rental, limousine, auto transport, shuttle or livery service; emergency response vehicles including police, fire, search and rescue, ambulance, paramedic, or security; mail carrier or any other pick up or delivery services; waste removal, dump truck, tow truck, hazardous material transportation; federal, state, or city government, or military use; fleet/pool vehicles used by multiple drivers.
- 5) Any vehicle that has the following characteristics: dump bed, step-van, high-cube van, incomplete vehicles, right hand steering vehicles, or vehicles that have special bodies designed for commercial use.
- 6) Any vehicle with an MSRP value greater than \$150,000.

CONDITIONS:

Benefits under this **Addendum** may be reduced or eliminated if any of the following conditions apply:

1. **Your Lease Finance Contract** does not contain an excess wear and tear provision or definition.
2. The **Dealer** did not assign **Your Contract** to a Lessor.
3. **We** determine that the **Vehicle** does not have **Excess Wear and Tear** and assess no charges to **You**.
4. The **Vehicle** was repossessed.
5. The **Vehicle** was used for racing or **Commercial Purposes**.
6. The **Vehicle** has been declared a total loss by any insurance company.

7. **You** have not complied with all the terms and conditions of this **Addendum**.
8. The **Vehicle** was not inspected prior to being returned to **Us** or our designated party.
9. **Your Lease Finance Contract** term is less than twelve (12) months or greater than seventy-two (72) months.
10. The **Vehicle** had more than 20,000 miles on the odometer at the inception of this **Addendum**.
11. The **Vehicle** was older than the current or prior two (2) models years at the inception of this **Addendum**.
12. The **Vehicle** is a private passenger vehicle that is custom built, has a special purpose body, or is a self-contained recreational vehicle.
13. **You** or any other party exercises a purchase option under **Your Contract**.
14. **You** purchased this **Addendum** after the date that **You** executed the **Contract**.
15. **You** have refinanced the **Vehicle** or renegotiated **Your Contract**.
16. If any information acknowledged by **You** as correct in this **Addendum** is found to be inaccurate.
17. If **Your Contract** was not terminated according to the terms outlined in this **Addendum**.
18. If the **Vehicle's** odometer misrepresents the **Vehicle's** actual mileage for any reason.

LIMITATIONS:

1. Benefits under this **Addendum** are limited to **Excess Wear and Tear** charges assessed by **Us** to **You** up to Five Thousand Dollars (\$5,000) total.
2. When **Excess Wear and Tear** charges are due to a part of the **Vehicle** that must be repaired, repainted or replaced due a **Single Event**, or multiple **Single Events**, that have occurred to that part, all events will be included in the repair, repaint or replacement cost. The repair, repaint or replacement cost will be limited to a **Single Event Maximum** amount of One Thousand Dollars (\$1,000).

EXCLUSIONS:

Excess Wear and Tear damages that are excluded from this **Addendum** and may be charged to **You** by **Us**, include but are not limited to:

1. **Pre-existing Wear and Tear** that was present on the **Vehicle** when **You** signed the **Contract**.
2. Any **Single Event** charge that exceeds the **Single Event Maximum** of One Thousand Dollars (\$1,000).
3. Charge(s) resulting from: disposition fees, termination or extension fees, excess mileage charges, residual loss, forfeiture of **Your** security deposit, **Your** failure to fulfill **Your** contractual obligations, acts of war, fire, theft, vandalism, explosion, acts of nature, terrorism, or riot.
4. Reimbursement of costs for any repairs, covered or not, that were completed prior to **Your Contract's** termination.
5. Reimbursement of costs for any repairs, covered or not, that were not assessed against **You** by **Us**.
6. Charges related to improper repairs, or **Modifications** including, but not limited to: replacement parts that do not meet the manufacturer's specifications, add-on parts, lifted or lowered ride height or suspension **Modifications**.
7. Charge(s) due to damage sustained to the **Vehicle's** frame, structural components or alignment.
8. Charge(s) related to the removal of window tinting, signage, lettering, bumper stickers, or other adhesive items and/or repair of damage incurred during their removal.
9. Charges related to inoperable interior electronics that exceed the **Single Event Maximum** of One Thousand Dollars (\$1,000).
10. Charges for missing interior and/or exterior parts (cosmetic or mechanical) whether removable by design or not, that exceed Five Hundred Dollars (\$500).
11. Charges for damage to mufflers, tailpipes, mirrors, door handles, and antennae masts totaling less than One Hundred Dollars (\$100).
12. Aftermarket additions that compromise the structural integrity of the **Vehicle** and any restoration required to correct the **Vehicle's** integrity after removal of such parts.
13. Charge(s) related to **Mechanical Damage** or equipment or accessories added to the **Vehicle** after **You** signed this **Addendum**.
14. Supplemental Restraint Systems (SRS).
15. Paint or clear coat that is peeled or sandblasted.
16. Body and/or paint repairs that are incomplete or of poor quality.
17. Charges resulting from dishonest, intentional, fraudulent, criminal or illegal acts committed by **You** or any other party with or without **Your** knowledge.
18. **Excess Wear and Tear** that is covered by a service agreement, warranty, or manufacturer's or repairer's guarantee.
19. **Excess Wear and Tear** that would be covered by a **Standard Automotive Insurance Policy**, whether or not the policy is in force at time the **Vehicle** is turned in.
20. Charges in excess of what is customary and reasonable.

WHEN YOU TURN IN YOUR VEHICLE:

Follow all instructions found in **Your Contract** and this **Addendum**.

You must contact the Administrator within ninety (90) days of surrendering the Vehicle to Us or to Our designated party to receive benefits under this Addendum. **You** will be asked to provide the Administrator with the following: 1) front and back copy of this **Addendum**, 2) copy of the bill/invoice from **Us** or **Our** inspector containing the itemized **Excess Wear and Tear** charges, 3) copy of the **Vehicle** condition report, including pictures, signed by **You** upon return of the **Vehicle** to **Us**, 4) copy of **Your** signed **Contract**, 5) if not indicated on any other documentation submitted, verification of the date that the **Vehicle** was surrendered to **Us** or to **Our** designated party via a copy of the return receipt issued, and 6) any other documentation as reasonably requested. **We** reserve the right to inspect the **Vehicle** prior to waiving any **Excess Wear and Tear** charges under this **Addendum**.

CANCELLATION AND TRANSFER:

You have the unconditional right to cancel this optional **Addendum** for a refund/credit of the unearned portion of the Addendum Sale Price for this **Addendum** at any time. If any cancellation occurs within sixty (60) days of the Addendum Sale Date, so long as no **Excess**

Wear and Tear charges have been waived by **Us**, **We** will refund **You** 100% of the Addendum Sale Price. After sixty (60) days, **We** will refund **You** a pro-rated amount of the Addendum Sale Price, less a fifty dollar (\$50) cancellation fee, so long as no **Excess Wear and Tear** charges have been waived by **Us**. All refund charges will be returned to **Us** unless proof of total payoff is provided by **You**. To cancel the **Addendum** and request a refund/credit, **You** must contact **Us**, in writing, at the address shown above. If **You** do not receive the refund/credit within sixty (60) days of notice of cancellation/termination, contact the Administrator shown above to assist **You** in obtaining any refund due.

We may cancel this **Addendum** for any reason during the first sixty (60) days of the Addendum Sale Date. After sixty (60) days, **We** may cancel this **Addendum** for material misrepresentation or fraud at time of sale, non-payment of Addendum Sale Price, or if the **Vehicle** is determined to be ineligible for coverage under the **CONDITIONS** section. If **We** cancel this **Addendum**, **We** will refund **You** 100% of the Addendum Sale Price, so long as no **Excess Wear and Tear** charges have been waived by **Us**.

We have the right to receive any portion of the cancellation refund amounts. If the **Vehicle** is repossessed, stolen or declared a total loss, **You** authorize **Us** to cancel this **Addendum**.

This **Addendum** may be transferred only when the original **Contract** is transferred with no change to any of its original terms and conditions. Prior to the transfer of this **Addendum**, **You** must provide written documentation to **Us** from the Assigned Lessor confirming the authorization of the transfer.

ARBITRATION:

It is understood and agreed that the transaction evidenced by this **Addendum** takes place in and substantially affects interstate commerce. All disputes between the parties are subject to binding arbitration, including disputes concerning the arbitrability of disputes, disputes related to the making or administration of this **Addendum**, disputes regarding recovery of any benefit request or refund under this **Addendum**, and disputes arising out of or relating in any way to the sale or marketing of this **Addendum**. In the first instance, the parties agree to attempt to resolve any dispute through informal negotiation. The parties agree to contact each other about a dispute before initiating any legal action. If the parties are unable to resolve any dispute through informal negotiations, the parties agree to submit all disputes to arbitration under the Commercial Arbitration Rules of the American Arbitration Association (AAA) in effect at the time the dispute arises. All preliminary issues of arbitrability of any dispute will be decided by the arbitrator.

- 1) The arbitration shall take place in **Your** County of residence unless another location is mutually agreed upon by the parties. The arbitration shall take place before a single arbitrator selected in accordance with the Commercial Arbitration Rules of the AAA. AAA rules and forms will be obtained and all claims shall be filed at www.adr.org or at any AAA office.
- 2) The cost of the arbitration proceeding, including the filing fee, shall be borne by **Us**. Each party must bear the cost of its own attorneys, experts, witness fees, and other arbitration-related expenses.
- 3) It is understood and agreed that the arbitration shall be binding upon the parties. The parties acknowledge that they are waiving their right to seek remedies in court, including the right to a jury trial. **YOU UNDERSTAND THAT YOU ARE AGREEING THAT IF A DISPUTE ARISES BETWEEN YOU AND US, YOU WILL NOT SUE US IN COURT, YOU ARE NOT ENTITLED TO A JURY TRIAL ON ANY CLAIMS ARISING IN RELATION TO THIS ADDENDUM, AND THAT AN ARBITRATOR WILL RESOLVE ANY DIFFERENCES THAT MAY ARISE BETWEEN YOU AND US.** The arbitrator shall be prohibited from awarding punitive, consequential, special, incidental, and exemplary damages. The arbitrator may award a party only its actual damages and the arbitrator may award equitable relief including injunctive relief. **You** agree not to participate as a representative or member of any class of claimants proceeding against **Us** in a judicial forum or in an arbitral forum. An arbitration award may not be set aside in later litigation except upon the limited circumstances set forth in the Federal Arbitration Act, 9 U.S.C. §1 et. Seq. An award in arbitration will be enforceable under the Federal Arbitration Act by any court having jurisdiction.
- 4) All limitations periods that would otherwise be applicable shall apply to any arbitration proceedings.

If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions of this arbitration provision shall nevertheless remain valid and in force. If there is a conflict or inconsistency between this arbitration provision and the other provisions of this Addendum or any prior Addendum, this arbitration provision shall govern. This provision shall be governed by the Federal Arbitration Act.

This **Addendum** is subject to all applicable State and Federal regulations and is modified to comply as required by law.