

# FORMULA



PREMIUM ENGINE

LIMITED WARRANTY



## FORMULA GUARD®

5-YEAR LIMITED  
PROTECTION  
PLAN



- CANADA -

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**\* The coverage only applies to Mercury outboards, MerCruiser gas sterndrives and Volvo diesel sterndrive and IPS packages - Volvo gas sterndrive and Ilmor stern-drive packages are covered by their respective manufacturers' extended warranty programs.**

### Traduction française disponible

Vous obtiendrez la traduction française du présent accord en envoyant un email à:

**admin@boatwarranty.com** ou en écrivant un courrier à l'Administrateur à:

**Attention: Consumer Affairs, Brunswick Product Protection Corporation,  
544 Lakeview Parkway, Suite 100, Vernon Hills, Illinois 60061, United States**

### French Translation Available

A French translation of this Agreement is available by emailing the Administrator at:

**admin@boatwarranty.com** or by mailing the Administrator at:

**Attention: Consumer Affairs, Brunswick Product Protection Corporation,  
544 Lakeview Parkway, Suite 100, Vernon Hills, Illinois 60061, United States**

## Definitions

**Limited Warranty (“Agreement”)** - The terms and conditions outlined in this Formula Guard Agreement booklet.

**Limited Warranty Holder (“Agreement Holder”)** - The original owner of the Formula Watercraft or the person to whom the Agreement was properly transferred.

**Administrator** - The entity that performs the administrative services of the Agreement on behalf of the Warrantor.

**Administrator:** Brunswick Product Protection Corporation, 544 Lakeview Parkway, Suite 100, Vernon Hills, Illinois 60061, United States, Phone: 844-204-5661 Fax: 866-404-5831

**Warrantor** - The entity who agrees to reimburse the reasonable cost for the repair or replacement of a covered component due to a Mechanical Breakdown. Warrantor (as indicated below) is called Obligor in this Agreement.

**Warrantor** in all provinces of Canada: Formula Boats, 2200 W. Monroe St., Decatur, IN 46733-5003, United States, Phone: 260-724-1412 Fax: 260-724-1194

**Mechanical Breakdown** - The failure of a listed covered component to perform that function for which it was designed, due to defects in material or the faulty workmanship in its manufacturing. Breakdown does not include the gradual reduction in operating performance caused by wear or pre-mature wear when a failure has not occurred.

**Issuing Dealer** - The marine dealership where the owner purchased the Formula Watercraft.

**Watercraft** - The Formula boat and engine(s) as registered with Formula.

**Original Equipment Manufacturer (OEM)** - The manufacturer of the boat and engine components covered by the Agreement.

**Term** - A period of 5 years beginning on the original in-service manufacturer warranty date of the first owner of the Watercraft as registered with Formula.

**Delivery Date** - The date the original Agreement Holder or original owner takes delivery of the Watercraft.

**Deductible** - All covered repairs made under the Agreement are subject to a \$25 Deductible per covered repair, per component group. Diesel engines are subject to a \$100 deductible.

**Coverage** - The engine component Coverage listed in this booklet.

## To The Owner

Congratulations on the purchase of your new Formula boat with the Formula Guard Limited Warranty Agreement. We wish you years of enjoyment and worry-free boating.

This booklet describes the protection the Agreement Holder will have under the Formula Guard Agreement. Subject to all the terms of this Agreement, the Obligor agrees with the Agreement Holder as follows:

### Extended Marine Protection Benefits

#### Mechanical Breakdown

During the Term of the Agreement, the Obligor will reimburse the approved cost of a Mechanical Breakdown of the Agreement Holder's Watercraft less the Deductible.

#### Non-Defective Engine Breakdown

Overheating*	Heat Cracked Heads	Carbonized Rings
Preignition	Warped Heads	Heat Collapsed Rings
Detonation	All Engine Sensor Failures	Scored Pistons
Burnt Valves	Thermostat Failures	Scored Cylinders
Bent Valves	Heat Cracked Block	
Tuliped Valves		

\*Any overheating conditions created by raw water pump and/or impeller failures or those that do not result in a Mechanical Breakdown are not eligible for Coverage under this program.

#### Claim Payment Benefits

Lubricants	Clamps	Lake Test
Coolants	Filters	Sea Trial
Belts	Hoses	Shop Supplies
Spark Plugs	Engine Tuning	Taxes

#### Service Assist

In the event of a Mechanical Breakdown of a covered component listed in this Formula Guard Agreement booklet, the Agreement provides for the reimbursement (subject to the below limitations) of the cost of a Service Assist to include the following:

on-water towing, hoist/lift-out, haul-out, dockside repair call, pick-up/delivery or like services if necessary in order to perform the covered repair.

Limitations: reimbursements will be for up to a maximum of one (1) hour of the posted shop labor rate not to exceed \$125 per claim occurrence and must be performed by an OEM authorized marine repair facility.

Only one Service Assist can be applied per claim occurrence and Service Assist is not subject to a Deductible.

The Service Assist benefit begins on the delivery date of your Watercraft and can be utilized during the OEM's warranty period. See Reimbursement section on page 8 for specific reimbursement details on all approved claims categories.

#### Transfer Provision

All of the benefits of this Formula Guard Agreement can be transferred to the next owner of the Watercraft within the Term of the Agreement. Any future owner beyond the first owner must submit a transfer form, a copy of the bill of sale showing the sale date and payment of \$50 (U.S. funds only) to the Administrator within thirty (30) days of the change in ownership of the Watercraft. Incomplete forms will not be processed and the Agreement will be void. No transfer is valid until it is received and accepted by the Administrator. This Agreement may not be transferred to any entity in the business of selling or leasing Watercrafts. The transfer form can be obtained from the Administrator by calling 800-950-3808 or by emailing [admin@boatwarranty.com](mailto:admin@boatwarranty.com).



## Engine Package Protection

### Mercury Outboard

**Controls:** All parts contained within the manual/cable or electronic controls, neutral safety switch, shift switch, lever, control cables, micro switches, potentiometer, control panel, wiring harness, shift actuator, electronic throttle control assembly

**Direct Fuel Injection (“DFI”) Components:** Air injectors, fuel injectors, air compressor, tracker valve, fuel regulator, fuel rails, check valves, mechanical fuel pump, low pressure fuel pump, high pressure fuel pump, vapor separator (“VST”), water pressure sensor

**Electrical:** Alternator, voltage regulator, stator, starter drive, starter, starter solenoid, power pack/switch box, electronic ignition module, timer base, trigger assembly, ignition coil, capacitor discharge modules (“CDM”), ignition switch, rev limiter, engine wiring harness, all engine electrical sensors to include distributor ignition sensor, crank position sensor, cam position sensor, coolant temperature sensor (“CTS”)

**Engine 2 Cycle:** Crankshaft, main bearings, connecting rods, connecting rod bearings, connecting rod bolts, pistons, piston rings, wrist pins, wrist pin bearings, wrist pin lock rings, reeds, reed blocks, flywheel, seals, gaskets

**Engine 4 Cycle:** Crankshaft, main bearings, main bearing bolts, connecting rods, connecting rod bearings, connecting rod bolts, camshaft, camshaft bearings, pistons, piston rings, wrist pins, wrist pin lock rings, lifters, rocker arms, intake valves, exhaust valves, valve seats, valve springs, valve guides, valve spring retainers, valve covers, oil pump, oil filter housing, flywheel, intake air cooler, integrated oil cooler, supercharger, air regulator, seals, gaskets

**Engine Management Display:** (One Unit) Mercruiser Vessel View

**Fuel System:** Fuel injectors, injector rails, pressure regulator, low pressure pump, high pressure pump, mechanical fuel pump, fuel supply module, electronic control unit (“ECU”) module, electric choke/primer, all fuel system sensors to include manifold absolute pressure (“MAP”) sensor, throttle position sensor (“TPS”), manifold air temperature (“MAT”) sensor, fuel/water sensor, wiring harness

**Jet Drive:** Drive shaft, shaft bearings, reverse gate, shift cam, seals, gaskets

**Joystick:** (Single station) Associated wire harness, thrust vector module (TVM), steering actuator, steering pump, joystick, CCM module, IMU compass, steering pressure sensor

**Lower Unit:** Forward, reverse and pinion gears, clutch dog, dog pin, cam follower, prop shaft, drive shaft, shift shaft, shims, bearing carriers, bearings, pinion nut, pinion nut washer, bearing carrier retaining nut, seals, gaskets

**Oil Injection System:** Oil injection pump, oil pump drive gear and shaft, engine-mounted oil tank and cap, warning horns and lights, oil injection lines, check valves, metering system

**Power Trim:** Power trim motor/pump, power trim cylinders, cylinder rams, mounts and pivots, trim solenoids, wiring harness, master switch, sender/limit switches, seals, gaskets

**Steering:** Steering control helm assembly, control rack and yoke assembly, hydraulic steering pump, hydraulic steering cylinder, seals, gaskets, power steering oil cooler

**Transmission:** Transmission mounts, clutch plates, clutch drum, thrust plates, planetary gears, shift bands, reduction gears, bearings, shafts, bearing carriers, hydraulic pump, hydraulic pistons, valve body, drive plate, temperature switches, neutral safety switch, control valves, transmission oil cooler, shift pressure transducer, seals, gaskets

**Complete Assemblies:** Engine block, cylinder head(s), intake manifold, drive shaft housing and/or lower gear case housing will be eligible for reimbursement if damaged beyond repair by the failure of a covered component listed above.

## Engine Package Protection

### MerCruiser Gas Sterndrive

**Controls:** All parts contained within the manual/electronic single or dual shift controls, neutral safety switch, shift switch, lever, control cables, micro switches, potentiometer, control panel, wiring harness, shift actuator, electronic throttle control assembly

**Cooling System:** Engine circulating pump, heat exchangers, seals, gaskets

**Electrical:** Alternator, voltage regulator, electronic ignition module, ignition coil, starter, starter solenoid, starter drive, electric choke, electric choke solenoid, engine wiring harness, ignition switch, oil pressure switch, all engine electrical sensors to include distributor ignition sensor, crank position sensor, cam position sensor, coolant temperature sensor (“CTS”)

**Engine:** Crankshaft, main bearings, main bearing bolts, connecting rods, connecting rod bearings, connecting rod bolts, camshaft, camshaft bearings, pistons, piston rings, wrist pins, push rods, lifters, intake valves, exhaust valves, valve seats, valve springs, valve guides, valve spring retainers, valve cover gaskets, timing gears, timing chain, timing belt, timing cover gasket, oil pump, oil filter housing, flywheel, harmonic balancer, thermostat, thermostat housing, thermostat housing gaskets, engine mounts, distributor, head gasket(s), rocker arms, rocker cover, rocker cover gaskets, timing gear cover, timing gear cover gasket, timing cover seal, front main seals, rear main seals, all engine senders/sensors, seals, gaskets

**Engine Management Display:** (One Unit) Mercruiser Vessel View

**Fuel System:** Fuel injectors, injector rails, pressure regulator, low pressure pump, high pressure pump, wiring harness, flame arrestor, fuel cooler, vapor separator (“VST”), idle air control (“IAC”) valve, engine-mounted electronic control unit (“ECU”) module, all fuel system sensors to include manifold absolute pressure (“MAP”) sensor, throttle position sensor (“TPS”), manifold air temperature (“MAT”) sensor

**Power Trim:** Power trim motor/pump, power trim cylinders, cylinder rams, mounts and pivots, trim solenoids, wiring harness, master switches, sender/limit switches, reverse lock valve, power trim reservoir and cap assembly, seals, gaskets

**Steering:** Steering control helm assembly, control rack and yoke assembly, power steering pump, power steering pump pulley, hydraulic steering pump, hydraulic steering cylinder, steering cable, power steering oil cooler

**Sterndrive Control System:** Power steering pump, power steering cooler, thrust vector module (“TVM”), TVM cylinder, joystick and associated wiring harness

**Sterndrive Shaft Housing:** Upper drive gear set, clutch dogs and cones, spring kit, shift cams, shims, bearings, bearing carriers, upper drive shaft, spanner cover nut, seals, gaskets

**Sterndrive Intermediate Housing:** Intermediate drive shaft, universal joints, u-joint bellows, gimbal bearings, center yoke, drive yoke, steering yoke, gimbal ring, bell housing, gimbal ring bushings, hinge pins and screws, engine coupler, oil reservoir bottle and cap, reservoir level switch assembly, intermediate shift cable, shift cable bellows

**Sterndrive Lower Unit:** Forward, reverse and pinion gears, clutch dog, dog pin, cam follower, prop shaft, drive shaft, shift shaft, shims, bearings, bearing carriers, pinion nut, pinion nut washer, seals, gaskets

**Complete Assemblies:** Engine block, cylinder head(s), cylinder barrels/sleeves, intake manifold, sterndrive shaft housing, sterndrive lower gear case and/or gimbal housing will be eligible for reimbursement if damaged beyond repair by the failure of a covered component listed above.

## Engine Package Protection

### Volvo Diesel Sterndrive-Inboard

**Controls:** All parts contained within the manual/electronic single or dual shift controls, neutral safety switch, shift switch, lever, control cables, micro switches, potentiometer, control panel, wiring harness, shift actuator, electronic throttle control assembly

**Cooling System:** Engine circulating pump, heat exchangers, seals, gaskets

**Electrical:** Alternator, voltage regulator, electronic ignition module, ignition coil, starter, starter solenoid, starter drive, electric choke, electric choke solenoid, engine wiring harness, ignition switch, all engine electrical sensors to include distributor ignition sensor, crank position sensor, cam position sensor, coolant temperature sensor ("CTS")

**Engine:** Crankshaft, main bearings, main bearing bolts, connecting rods, connecting rod bearings, connecting rod bolts, camshaft, camshaft bearings, pistons, piston rings, wrist pins, rocker arms, push rods, lifters, intake valves, exhaust valves, valve seats, valve guides, valve springs, valve spring retainers, valve covers, head gasket(s), valve cover gaskets, timing gears, timing chain, timing belt, timing cover gasket, oil pump, oil filter housing, engine oil cooler, flywheel, harmonic balancer, engine mounts, pump drive gears, front idler gears, turbo charger, waste gate, atmosphere intake manifold, all engine senders/ sensors, seals, gaskets

**Engine Management Display:** (One Unit) Volvo Penta Electronic Vessel Control

**Fuel System:** Fuel injection pump, fuel injection pump mounting seal, fuel injector rails, fuel injectors, pressure regulator, fuel cooler, fuel management control unit, wiring harness, engine-mounted electronic control unit ("ECU") module, all fuel system sensors to include manifold absolute pressure ("MAP") sensor, throttle position sensor ("TPS"), manifold air temperature ("MAT") sensor

**Pod Drive System:** Back up steering pump and control unit, steering position sensor, steering mid-section, steering pump, oil pump, oil cooler, planet gear, disc pack, joy stick and associated wiring harness, trim cylinder, trim pump

**Sterndrive Control System:** Power steering pump, power steering cooler, thrust vector module ("TVM"), TVM cylinder, joystick and associated wiring harness

**Sterndrive Shaft Housing:** Upper drive gear set, clutch dogs and cones, spring kit, shift cams, shims, bearings, bearing carriers, upper drive shaft, spanner cover nut

**Sterndrive Intermediate Housing:** Intermediate drive shaft, universal joints, u-joint bellows, gimbal bearings, center yoke, drive yoke, steering yoke, gimbal ring, bell housing, gimbal ring bushings, hinge pins and screws, engine coupler, oil reservoir bottle and cap, reservoir level switch assembly, intermediate shift cable, shift cable bellows

**Sterndrive Lower Unit:** Forward, reverse and pinion gears, clutch dog, dog pin, cam follower, prop shaft, drive shaft, shift shaft, shims, bearings, bearing carriers, pinion nut, pinion nut washer

**Steering:** Steering control helm assembly, control rack and yoke assembly, power steering pump, power steering pump pulley, hydraulic steering pump, hydraulic steering cylinder, steering cable, power steering oil cooler

**Transmission:** Transmission mounts, clutch plates, clutch drum, thrust plates, planetary gears, shift bands, reduction gears, bearings, shafts, bearing carriers, hydraulic pump, hydraulic pistons, valve body, drive plate, temperature switches, neutral safety switch, control valves, transmission oil cooler, shift pressure transducer, seals, gaskets

**Complete Assemblies:** Engine block, cylinder head(s), cylinder barrels/sleeves, intake manifold, transmission case, pod drive intermediate housing, sterndrive shaft housing, sterndrive lower gear case and/or gimbal housing will be eligible for reimbursement if damaged beyond repair by the failure of a covered component listed above.

## How to File a Claim

### Agreement Holder's Guidelines

If the Agreement Holder suspects a Mechanical Breakdown, the Agreement Holder should use reasonable care and diligence in the operation of the engine component to prevent further damage.

**A. Return Watercraft to the Issuing Dealer or nearest OEM authorized repair facility within thirty (30) days of the failure.**

**B. Authorize the service department to teardown and inspect the Watercraft to determine the cause of Mechanical Breakdown, assess the damage and establish an itemized estimate of repairs.**

**C. Instruct the service department to submit the estimate of repairs to the Administrator for authorization.**

**D. Authorization must be obtained prior to beginning any repairs covered under this Agreement. The Administrator will work directly with the repair facility to process all claims.**

**E. The Administrator reserves the right to inspect the failed component(s) and prior service records before authorization and for up to 30 days after the authorization date.**

**F. The Administrator reserves the right to assume ownership of any components replaced under this Agreement for up to 30 days from the authorization date of all claims.**

**G. All claims must be filed with the Administrator, in writing, prior to the expiration of the Agreement and must be completed and submitted for payment within thirty (30) days of the Mechanical Breakdown.**

**CLAIMS SUBMITTED AFTER THE EXPIRATION DATE OF THE AGREEMENT WILL BE INELIGIBLE FOR COVERAGE UNDER THIS PROGRAM.**

### Service Department Guidelines

**A. Obtain authorization from the Agreement Holder to inspect and/or teardown the Watercraft to determine the cause of failure.**

B. Prepare an itemized estimate of repairs. Include the following information on the estimate:

1. Agreement Holder's name, 2. Description of Watercraft: year, make, model, engine size, hull identification number, 3. Date of failure, 4. Description of complaint, 5. Cause and corrective action required, 6. Component numbers and MSRP prices (country currency), 7. Warranty flat rate times and codes, 8. Posted hourly shop labor rate (country currency), 9. Repairing dealer name and address, phone and fax number, 10. Email address/website address, 11. Service writer/manager contact name

**C. Authorization must be obtained from the Administrator prior to beginning any repairs covered by this Agreement. All claims will be processed, IN WRITING, by the Administrator. Claims can be submitted at any time and will be processed during normal United States business hours from 8am-5pm central standard time.**

**Claim checks are processed weekly for all authorized claims.**

D. The Administrator reserves the right to inspect the failed component(s) and prior service records before authorization and for up to 30 days after the authorization date.

E. The Administrator reserves the right to assume ownership of any components replaced under this Agreement for up to 30 days from the authorization date of all claims.

F. All claims must be filed with the Administrator, in writing, prior to the expiration of the Agreement and must be completed and submitted for payment within 30 days of the Mechanical Breakdown.

G. Reimbursement for approved International claims will be made in United States dollars. The conversion from the country currency to United States dollars will be made using the conversion rate as published on the date of approval.

**CLAIMS SUBMITTED AFTER THE EXPIRATION DATE OF THE AGREEMENT WILL BE INELIGIBLE FOR COVERAGE UNDER THIS PROGRAM.**

**CLAIMS MAY BE SUBMITTED VIA FAX TO 866-404-5832.**

**CLAIMS MAY BE SUBMITTED VIA EMAIL TO CLAIMS@BOATWARRANTY.COM.**

## Important Information

### Reimbursement

**Engine Package Protection (Gas) Components and Labor:** All approved claims will be reimbursed at the OEM's suggested retail price for the component(s). If damaged beyond repair, the OEM remanufactured pricing will be used for reimbursement when OEM remanufactured parts are offered. Labor charges will be reimbursed using the posted shop labor rate of the repair facility/service department per the OEM's flat rate allowances.

**Engine Package Protection (Diesel) Components and Labor:** All approved claims will be reimbursed at the OEM's suggested retail price for the component(s). If damaged beyond repair, the OEM remanufactured pricing will be used for reimbursement when OEM remanufactured parts are offered. Labor charges will be reimbursed using the posted shop labor rate of the repair facility/service department per the OEM's flat rate allowances.

If the diesel engine OEM does not publish a flat rate time for the repairs, another diesel engine OEM's flat rates will apply for the reimbursement of labor charges.

**Diesel Engine Only Additional Benefit:** Deck, bulkhead, furniture removal/replacement will be reimbursed up to a maximum of five (5) hours of posted shop labor rate, not to exceed \$625, if necessary to access a covered component for an approved claim.

**Engine Package Protection (Diesel) Claims:** The final sublet repair invoice from the diesel distributor/repair facility will be required prior to any payment.

### Additional Approved Claim Reimbursement

**OEM's Lifetime/Term Replacement Warranty:** If a component is replaced or is covered by the OEM, the approved claim for the covered component will be reimbursed by the OEM at the OEM's replacement cost, if any. Labor charges not reimbursed by the OEM, if any, will be reimbursed using the posted shop labor rate of the repair facility/service department per the OEM's flat rate allowances and per the terms and conditions of this Agreement.

**Diagnostic/Teardown Time Charges:** Only qualify for reimbursement if specifically included in the flat rate times published by the OEM.

**Service Assist, Sea Trial, Lake Test and Engine Tuning:** Charges only qualify for reimbursement if necessary part of a covered repair, as defined in this Agreement booklet. Reimbursement limited to a maximum of one (1) hour of the posted shop labor rate, not to exceed \$125 per claim occurrence.

**Shop Supplies:** 5% of the total labor charges, not to exceed \$25 per claim occurrence.

**Filters, Belts, Spark Plugs, Lubricants, Hoses, Coolants and Clamps:** Charges only qualify for reimbursement if necessary as part of a covered repair and applicable to the damaged engine component(s).

## Important Information

### Limit of Liability

**New Engine Package Protection:** The limit of liability is a cumulative total of all claims reimbursed during the Term of the Agreement up to a maximum of \$20,000 on sterndrive engines, \$30,000 on outboard, sterndrive model 520, and diesel engines.

### General Provisions

#### Where The Agreement Holder Is Covered

This Agreement applies only to Mechanical Breakdowns occurring within the territorial waters of the continental United States of America, Alaska, Hawaii and Canada.

#### Agreement Limitations

All Watercraft with less than one year OEM warranty are excluded from Coverage. This Agreement provides only the benefits specified in this Agreement booklet and does not cover any components, services or benefits not expressly listed herein or loss except as provided in this Agreement. There is no Coverage for any failure, either express or implied, for any component(s) not listed in this Agreement. The Obligor's liability for incidental and consequential damages, including but not limited to: property damage, loss of described Watercraft or from the breach of any implied warranties arising by operation of law, is expressly excluded. All costs in excess of the Agreement reimbursement policy are the responsibility of the Agreement Holder. The remedies described in this booklet are the sole and exclusive remedies provided by this Agreement. Other than as set forth herein, there are no other warranties either express or implied under this Agreement. All other warranties, either express or implied, including implied warranties of fitness and merchantability are expressly excluded.

#### Loss of Use

Neither the Administrator nor the dealer or the Obligor shall have any responsibility for loss of use of the Watercraft, loss of time, inconvenience or consequential damages.

#### Entire Agreement

This Agreement represents the entire agreement between the Agreement Holder and the Obligor. No agent has the authority to change this Agreement or to waive any of its provisions. No other written or oral statement applies to this Agreement. No Coverage will be provided for any issued Agreement if any information that was provided to the Administrator by any party regarding this Agreement is determined to be false, misleading or omitted.

#### Right of Removal

The Agreement Holder agrees to allow the Administrator the right of removal of the Watercraft in the event of any dispute or conflict between the Administrator and the repair facility/service department or the Agreement Holder.

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## Important Information

### General Provisions (continued)

#### Dispute Resolution – Arbitration

This Agreement requires binding arbitration if there is an unresolved dispute between the Agreement Holder and the Administrator concerning this Agreement (including the cost of, lack of or actual repair or replacement arising from a Mechanical Breakdown). Under this Arbitration provision, the Agreement Holder gives up your right to resolve any dispute arising from this Agreement by a judge and/or a jury. The Agreement Holder also agrees 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 the Agreement Holder and the Administrator 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 province where the Agreement Holder lives. Notwithstanding this arbitration provision, the Agreement Holder is not prohibited from bringing an action in Small Claims Court to resolve your dispute.

To start arbitration, either the Agreement Holder or the Administrator 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 or the dispute arose or the applicable statute of limitations period, whichever is longer. The Agreement Holder and the Administrator 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 the Agreement Holder and the Administrator. Unless otherwise agreed to by the Agreement Holder and the Administrator, the arbitration will take place in the province where the Agreement Holder lives. The arbitration rules of the Canadian Arbitration Association will apply and not provincial law concerning the arbitration.

### Agreement Holder Responsibilities

The Agreement Holder's Watercraft should be serviced in accordance with the recommendations in the owner's manual. These regular services are essential to ensure the proper operation of the Agreement Holder's Watercraft and are required to keep the Agreement valid throughout the Term of the Agreement Holder's Agreement. To keep this Agreement in force, the Agreement Holder must comply with the following requirements:

1. The Agreement Holder must have the Watercraft serviced as specified by the OEM, to include all maintenance and off-season storage procedures as listed in the OEM owner/operator manual. Diesel air cleaners, turbo chargers and fuel injectors must be maintained per the OEM's minimum standards. Receipts showing dates and services performed and/or materials purchased must be retained and furnished to the repair facility/service department and the Administrator in the event of a claim. Any OEM updates and/or modifications performed must be accompanied by the corresponding receipts.
2. Use only OEM recommended oils, filters, additives, grease and fuel.
3. Report all covered Mechanical Breakdowns to the Administrator within thirty (30) days of the date of failure.
4. Assume all costs/charges for items not covered or in excess of the Agreement reimbursement policy.
5. Replace bellows/boots per the OEM's specifications as regular maintenance of the unit.

## What Is Not Covered

1. THIS AGREEMENT DOES NOT COVER ANY ENGINE COMPONENTS, SERVICES OR BENEFITS NOT SPECIFICALLY LISTED FOR COVERAGE IN THE AGREEMENT BOOKLET. IF THE COMPONENT, BENEFIT OR SERVICE IS NOT LISTED AS ELIGIBLE FOR COVERAGE, IT IS NOT COVERED.
2. ANY FAILURE OCCURRING DURING THE OEM OR SUPPLIER'S WARRANTY PERIOD (REGARDLESS OF WHETHER THE OEM OR SUPPLIER IS AN ONGOING ENTITY), OR ANY FAILURE THE OEM OR SUPPLIER HAS ANNOUNCED IT WILL CORRECT THROUGH ANY SERVICE BULLETIN OR RECALL NOTICE WILL NOT BE COVERED.
3. THIS AGREEMENT DOES NOT COVER THE FOLLOWING ENGINE COMPONENTS OR ANY FAILURE/BREAKDOWN/DAMAGE CAUSED BY, DUE TO, RESULTING IN OR RESULTING FROM THESE COMPONENTS:
  - A. ALL EXHAUST SYSTEM COMPONENTS TO INCLUDE MANIFOLDS, GASKETS, RISERS, RISER EXTENSION KIT, O-RINGS, BELLOWES, ELBOWS, PLATE KITS, V-PIPES, MUFFLERS, CATALYST(S), SHUTTERS, FLAPPERS AND THRU HULL SYSTEM
  - B. AFTER COOLER(S)
  - C. POD GEAR HOUSING(S)
  - D. ENGINE BLOCK, CYLINDER HEAD(S), CYLINDER BARRELS/SLEEVES, INTAKE MANIFOLD, TRANSMISSION CASE, V-DRIVE CASE, UPPER GEAR HOUSING, LOWER GEAR CASE, GIMBAL HOUSING
  - E. ALL HARDWARE TO INCLUDE MOUNTING BRACKETS, SECURING HARDWARE, FASTENERS, NUTS, BOLTS, SCREWS, GROMMETS, CLIPS, CLAMPS, PROP NUTS, FITTINGS, DRAIN PLUGS
  - F. FRESH OR SALT WATER PUMP(S) AND IMPELLER(S)
  - G. HOSES, BELTS, LINES, CONNECTORS, CARBURETORS, SPARK PLUGS, FILTERS, MERCATHODE SYSTEM, ANODES, BATTERIES, PROPS, TRANSON SEAL
  - H. TRANSMISSION OR V-DRIVE APPLICATIONS: COUPLER, DRIVE LINE, DRIVE SHAFT, STUFFING BOX AND SEALS, DRIPLESS PACKING AND SEALS, CUTLESS BEARING(S), PROP SHAFT, THRUST WASHER, SHAFT LOG, STRUT, RUDDER
  - I. FUEL TANK(S), FUEL TANK SENDING UNITS(S) FUEL HOSES(S)/LINE(S)
  - J. SOFTWARE/SOFTWARE UPGRADES, UNLESS REQUIRED TO COMPLETE REPAIRS TO A MECHANICALLY FAILED COVERED COMPONENT
  - K. ANY OVERHEATING THAT DOES NOT RESULT IN A MECHANICAL FAILURE
  - L. ENGINE ROOM EXTRACTOR FAN(S)
  - M. JET DRIVE IMPELLER
  - N. DAMAGE TO OTHERWISE COVERED COMPONENT(S) RESULTING FROM THE FAILURE OF AN UNLISTED COMPONENT
  - O. ANY UNLISTED COMPONENT(S)
4. THIS AGREEMENT DOES NOT COVER ANY FAILURE/BREAKDOWN/DAMAGE CAUSED BY, DUE TO, RESULTING IN OR RESULTING FROM THE FOLLOWING REGARDLESS OF THE CAUSE:
  - A. WEAR: WORN COMPONENTS, AGED COMPONENTS, GROOVED SEAL AND SHAFT SURFACES, LOOSE STEERING ARM, LOOSE GIMBAL RINGS, LOOSE COMPONENTS, ANY REDUCTION IN OPERATING PERFORMANCE
  - B. IMPROPER TIMING, POOR QUALITY OR CONTAMINATED FUEL, LUBRICANTS, GREASE, FLUIDS OR LEAN FUEL MIXTURE
  - C. INCREASED OIL CONSUMPTION
  - D. LACK OF NECESSARY OR PROPER AMOUNTS OF LUBRICANTS OR COOLANTS
  - E. TWISTED PROP SHAFT SPLINES OR DRIVE SHAFT SPLINES
  - F. LACK OF PROPER MAINTENANCE, IMPROPER WINTERIZATION OR OFF-SEASON STORAGE PROCEDURES
  - G. WATER INGESTION AND/OR WATER INTRUSION
  - H. REFACING OF VALVES AND/OR VALVE SEATS
  - I. ANY JET DRIVE COMPONENT FAILURE RESULTING FROM FOREIGN DEBRIS AND/OR IMPELLER FAILURES
  - J. DAMAGE TO OTHERWISE COVERED COMPONENT(S) RESULTING FROM THE FAILURE OF AN UNLISTED COMPONENT

(Continued next page)

## What Is Not Covered (continued)

### 5. THIS AGREEMENT WILL NOT REIMBURSE FOR COSTS ASSOCIATED WITH:

- A. ITEMS NOT COVERED
- B. BETTERMENT: COMPONENTS AND LABOR CHARGES THAT ARE RECOMMENDED BUT NOT NECESSARY TO CORRECT THE COVERED BREAKDOWN
- C. INCIDENTAL OR CONSEQUENTIAL DAMAGE
- D. LABOR CHARGES ABOVE THE OEM'S FLAT RATE ALLOWANCES
- E. LABOR RATES ABOVE THE DEALER'S POSTED SHOP LABOR RATES
- F. REMOVAL, INSTALLATION OR REPAIR OF BULKHEADS, DECKS, HATCHES, FURNITURE, FIBERGLASS, ETC. TO ACCESS ANY COVERED UNIT
- G. ADDITIONAL CHARGES FOR NO LONGER AVAILABLE (NLA) COMPONENTS OR DELAYED REPAIRS
- H. COMPONENT CHARGES ABOVE OEM'S SUGGESTED RETAIL PRICING
- I. COMPONENT/LABOR COSTS IN EXCESS OF SUBLET REPAIR INVOICES
- J. STORAGE CHARGES, MILEAGE CHARGES, TRAVEL TIME, AIRFARE, SHIPPING, HANDLING, FREIGHT
- K. POLLUTION, CLEAN UP, EPA CHARGES OR FINES
- L. LOSS OF USE, LODGING, MEALS, TRANSPORTATION CHARGES OR INCONVENIENCE
- M. ANY UNLISTED COMPONENT(S)

### 6. THIS AGREEMENT WILL NOT REIMBURSE IF:

- A. ANY COMPONENT(S) IS ALTERED OR MODIFIED AFTER THE AGREEMENT EFFECTIVE DATE
- B. THE WATERCRAFT IS USED FOR RACING, RENTAL, GOVERNMENT, TOURNAMENT FISHING, CHARTER, COMMERCIAL PURPOSES OR GENERATING REVENUE AFTER THE AGREEMENT EFFECTIVE DATE
- C. BREAKDOWN(S) THAT OCCUR DUE TO DEBRIS, CLOGGED OR RESTRICTED OPENINGS

### 7. THIS AGREEMENT WILL NOT REIMBURSE FOR ANY FAILURE/BREAKDOWN/DAMAGE CAUSED BY, DUE TO, RESULTING IN OR RESULTING FROM:

- A. MISUSE, ABUSE, NEGLECT
- B. ACCIDENTS, COLLISION, GROUNDING, SUBMERSION, IMPACT
- C. CORROSION, DETERIORATION, PERMEATION, WEATHERING, ROTTING, ELECTROLYSIS, RODENTS, ZEBRA MUSSELS, BARNACLES, MARINE GROWTH
- D. WATER, FREEZING, EXPLOSION, FIRE, SMOKE, FOREIGN MATERIALS
- E. ACTS OF GOD



