State Farm® Select Service® Agreement

This Select Service Agreement (hereinafter "Agreement"), and if applicable and attached, the **Schedule of Provider Locations** Addendum (hereinafter "Addendum") outlines the understanding between State Farm Mutual Automobile Insurance Company and its subsidiary and affiliated companies, (hereinafter "State Farm" or "we"), and _____, (hereinafter "Provider"). In consideration of the mutual promises and representations contained herein, the parties agree to the following provisions:

Section 1. Customer Protections

a. Freedom of Choice. Provider acknowledges that vehicle owners have freedom of choice when selecting a repair facility.

b. Confidentiality/Privacy. Provider acknowledges it may learn or have access to confidential, proprietary, or private information (hereinafter "Information") of State Farm, State Farm's vendors, and vehicle owners. This Information specifically includes customer names, addresses, phone numbers, and social security numbers, vehicle accident and repair history, vehicle images, date of loss, and vehicle identification numbers, of State Farm, State Farm's vendors, and vehicle owners. Provider warrants that it will use such Information for the limited purpose of repairing vehicles. Provider further warrants it will keep strictly confidential any such Information that Provider may learn. A third party performing as a subcontractor for Provider to accomplish duties subject to this Agreement may have access to pertinent Information if that third party has agreed in writing with Provider to use such Information solely for the purpose of repairing vehicles and otherwise to keep such Information strictly confidential. Provider agrees it will not sell or share nor permit its third party vendors to sell or share Information.

c. Authorization. Provider agrees to obtain the vehicle owner's authorization prior to dismantling or beginning repair of the damaged vehicle. Provider further agrees to obtain and retain the vehicle owner's authorization for State Farm to pay Provider directly for completed repair work.

Section 2. Quality

a. Workmanship/Warranty. Provider agrees to repair the vehicle including, if necessary, mechanical, electrical, vehicle restraint and safety systems, in a quality and workmanlike manner. Provider further agrees to provide the vehicle owner with a written national limited lifetime repair warranty for workmanship, including refinishing, for all completed repairs for as long as the customer owns the vehicle. If, following receipt and payment of the final repair bill, State Farm determines corrective repairs are needed, State Farm will give Provider notice of the need to perform such repairs. Provider agrees to promptly take reasonable steps to comply with its obligation under this provision, including performing such repairs upon State Farm's request, and at no additional cost. If corrective repairs are necessary and the vehicle owner is unable or unwilling to return to Provider's facility, Provider agrees to reimburse State Farm for such repairs upon request.

b. Estimate Preparation. Provider agrees to perform an inspection of the vehicle and further agrees that its initial estimate and/or supplemental estimates will be completed in a thorough manner and will be as complete as reasonably possible to avoid unnecessary supplements, and repair process or claim settlement delays. Provider agrees that its estimates and supplements will not include an "appearance allowance" credit or adjustment. Provider agrees to correctly represent and/or label replacement parts when preparing damage estimates, so vehicle owners and State Farm will be notified of the type of part used in the repair process. Provider further agrees to notify State Farm if a vehicle owner elects not to complete repairs as estimated.

c. Electronic Images. Provider agrees to transmit electronic images of vehicle damage to State Farm along with the initial estimate and/or supplemental estimate that corresponds to the damage. Provider further agrees electronic images will be of sufficient quality to allow for effective review by State Farm personnel

and to support amounts for vehicle damages being claimed on the final repair bill. Provider also agrees to transmit any additional images when requested by State Farm.

d. Prior Damage. Provider agrees to contact State Farm when the vehicle has prior damage that may affect the cost of repairs. When requested by State Farm, Provider agrees to prepare and forward an itemized estimate and electronic images of prior damage at no additional cost to State Farm. Provider agrees not to charge State Farm to repair any prior damage.

e. Quality Control. Provider agrees to maintain a quality control process for in-progress and completed repairs and will provide State Farm evidence of this process when requested. Provider acknowledges quality control measures include, but are not limited to, quality control checkpoints at various stages of the repair.

f. Deductible Collection. Provider agrees to collect from the vehicle owner any and all deductible amounts and/or betterment charges. Provider agrees not to reduce, discount, or waive vehicle owner's deductible when performing repairs under this Agreement.

g. Billing Accuracy and Completeness. By submitting a final repair bill to State Farm, Provider warrants that it has conducted a thorough inspection of the vehicle and has identified and completed all necessary repairs in a quality and workmanlike manner. Unless expressly stated on the final repair bill, Provider further warrants it has completed all repairs listed on the final repair bill, in accordance with the terms and conditions of this Agreement, and that the final repair bill reflects parts replaced and repairs actually performed on the vehicle. When requested, Provider agrees to make available for State Farm's review invoices and/or other documents relating to completed repairs. State Farm agrees to review Provider's final repair bill as submitted and agrees to process payment in a timely manner. Provider acknowledges that State Farm reserves the right to withhold payment if the accuracy of the final repair bill is in question.

h. Training. Provider agrees to pursue training and certification necessary to maintain its technicians' proficiency on current auto repair procedures and techniques. Provider acknowledges training opportunities may include, but are not limited to, I-CAR Gold Class or ASE certification, or other recognized industry training. If State Farm determines specific training and/or certification is required as a condition of the Agreement, State Farm agrees to give Provider a reasonable timeframe in which to have its technicians complete the requirements. Upon request, Provider agrees to provide documentation to State Farm that supports Provider's training activity.

i. Equipment/Capabilities Criteria. Provider represents that it meets the most recent equipment/capabilities criteria as listed on State Farm's repair facility survey form, which has been completed by Provider.

Section 3. Efficiency

a. Repair Cycle-Time. Provider agrees to complete repairs promptly upon receiving the vehicle owner's authorization and further agrees that State Farm repair work will be given preferential status in comparison with other repair work performed by Provider. So that State Farm is able to monitor rental expenses and in-progress repairs, Provider will ensure all cycle-time information will be completed prior to submitting the final repair bill. Provider agrees to accurately complete all repair cycle-time information as follows:

(1) Vehicle Drop Off Date
(2) Promise Date
(3) Start Date
(4) Repair Completion date
(5) Vehicle Pick Up Date

b. Guaranteed Completion Date. Provider will provide vehicle owner with a guaranteed completion date for repairs at the time the original estimate is completed. Provider agrees to promptly notify the vehicle owner and State Farm of repair delays and further agrees to reimburse the vehicle owner and/or State Farm

for any additional rental expenses associated with the delay if State Farm determines Provider caused the delay.

c. Customer Services. Provider agrees repaired vehicles will be washed and vacuumed at no additional charge before delivery to the vehicle owner. If requested by the vehicle owner, Provider agrees to pick-up and deliver the vehicle at no additional charge. State Farm and Provider recognize that pick-up and delivery service may be limited to a reasonable distance from Provider's location.

d. Estimate Upload. Provider agrees to provide State Farm with an electronic version of the initial estimate immediately after it is prepared and before repairs begin. Supplemental estimates will be transmitted to State Farm immediately after they are prepared and before the additional repairs begin. Provider will provide the vehicle owner with a copy of the initial estimate, any supplement and final repair bill and will maintain documentation to verify delivery.

e. Total Loss Vehicle Inspection. If the extent of damage to an owner's vehicle will likely cause it to be considered an economic total loss, Provider agrees to immediately notify State Farm. If requested by State Farm, Provider agrees to immediately complete and forward an itemized repair estimate and accurate Vehicle Inspection Report (VIR) to expedite the total loss settlement process. Provider agrees that the estimate and VIR will be accompanied by electronic images as specified by State Farm, and further agrees to provide these services at no additional charge.

f. Repair Services On Claims Below Deductible. When a vehicle owner requests assistance in locating a repair facility on claims below or likely below the customer's deductible, State Farm agrees to provide information about participants on its program to the vehicle owner. Provider agrees that State Farm is under no obligation to make such information available, and in the event it or its agents fail to do so, Provider has no cause of action for failure to make such information available. It is the intent of this provision to make this information available as a service, both to vehicle owners and repair program participants such as Provider.

g. Electronic Data Interchange. Provider agrees to maintain electronic data interchange capabilities as specified by State Farm, including the ability to accept payments via Electronic Funds Transfer (EFT). Provider further agrees to register on State Farm's Business to Business (B2B) website as requested by State Farm. Both parties recognize these capabilities may change from time to time.

h. Estimating Vendor Applications. If requested by State Farm, Provider will utilize an estimating vendor application designated by State Farm. State Farm agrees to give the Provider a reasonable timeframe in which to obtain the designated estimating vendor applications should this become a condition of the Agreement. Regardless of the vendor application being utilized, Provider agrees to maintain the most current pricing information and version of the estimating software provided by the vendor.

i. Performance Reporting. If requested by State Farm, Provider agrees to obtain estimating vendor reporting that we specify. Provider acknowledges this information may be utilized as part of monitoring Provider's performance and agrees this reporting will be obtained at no additional cost to State Farm. If Provider obtains this information as a requirement of the program, Provider agrees not to disclose the information to any third party or insurer.

Section 4. Competitive Price

a. Repair Pricing. Provider agrees to estimate and bill for repairs using the lower of the:

(1) Most recent labor rates and paint and materials pricing information submitted by Provider to State Farm through State Farm's survey process; or
(2) Current labor rates and paint and materials pricing information associated with the prevailing competitive prices determined by State Farm's survey process; or
(3) Labor rates and paint and materials pricing offered to or agreed to with any other insurer.

Provider agrees to include on estimates the cost of competitively priced parts for the types of repair or parts replacement operations to be performed.

b. New, Original Equipment Manufacturer (OEM) Replacement Parts. When estimating new, OEM replacement parts, Provider agrees to estimate and bill for repairs using the lower of the:

(1) Manufacturer's retail price; or
(2) Current competitive local market price; or
(3) Resulting price based on any agreement between Provider and State Farm; or
(4) Resulting price based on State Farm's agreements with manufacturers, distributors, or suppliers of automotive parts; or
(5) Price offered to or agreed to with any other insurer.

c. Recycled Replacement Parts. When estimating recycled replacement parts, Provider agrees to estimate and bill for repairs using the lower of the:

(1) Most recent recycled parts mark-up percentage submitted by Provider to State Farm through State Farm's survey process; or
(2) Current recycled parts mark-up percentage associated with the prevailing competitive prices determined by State Farm's survey process; or
(3) Current competitive local market price; or
(4) Resulting price based on any agreement between Provider and State Farm; or
(5) Resulting price based on State Farm's agreements with manufacturers, distributors, or suppliers of automotive parts; or
(6) Recycled parts mark-up percentage offered to or agreed to with any other insurer.

d. New, Non-OEM Replacement Parts. When estimating new, non-OEM replacement parts, Provider agrees to estimate and bill for repairs using the lower of the:

(1) Manufacturer's retail price; or
(2) Current competitive local market price; or
(3) Resulting price based on any agreement between Provider and State Farm; or
(4) Resulting price based on State Farm's agreements with manufacturers, distributors, or suppliers of automotive parts; or
(5) Price offered to or agreed to with any other insurer.

If new, non-OEM parts are included on the repair estimate, Provider warrants the parts and the estimate comply with applicable state law and further agrees the use of such parts will be discussed with the vehicle owner and clearly identified on repair estimates. Provider further agrees that if new non-OEM parts are included on the repair estimate, such parts will be Certified Automotive Parts Association (CAPA) certified if the parts are subject to CAPA certification.

e. Part Pricing Agreements. Provider acknowledges State Farm may enter into agreements with manufacturers, distributors, or suppliers of automotive parts. Provider agrees not to charge more than the price contained in any agreements between State Farm and such entities. State Farm will send Provider a notice in writing of any such pricing. Provider may, at its option, participate with State Farm and such entities in obtaining parts for repairs when performing under this Agreement, provided however, that the prices charged for replacement parts may not exceed the prices set forth in items 4.b., 4.c., and 4.d. of this Agreement.

f. Parts Locating Services. If requested by State Farm, Provider agrees to utilize an automated replacement parts locating service or application we specify for sourcing replacement parts and agrees this service or application will be utilized at no additional cost to State Farm.

g. Other Provider Discounts. Provider agrees that if it gives a bottom line discount, rebate, or other estimate discount on the overall repair costs to any insurer, such discount constitutes an estimate and bill

for repairs for purposes of this section **4. Competitive Price**. In that event, pricing provided to State Farm and its customers by Provider shall include the bottom line discount given to any other such insurer.

h. Other Insurer Estimates and Cash Settlements. If Provider agrees to perform a repair based on another insurer's estimate where the vehicle owner has accepted a cash-out, cash settlement, or settlement under a similar settlement method, then any pricing for the repair shall constitute "a price offered to and agreed to" between the other insurer and Provider, is subject to subsections 4.a., 4.b., 4.c., and 4.d., and must be offered to State Farm as provided by this section **4. Competitive Price**.

i. State Farm Staff Prepared Estimates. Provider agrees to apply the pricing, terms, and conditions of this Agreement whenever a vehicle owner presents a State Farm staff prepared estimate to Provider. Provider agrees it will not charge more for the repair than the price that would result from application of this Agreement.

j. Paintless Dent Repair (PDR). Provider agrees that if PDR services are available in the local market, it either has PDR capability on-site or readily available, and will utilize the PDR method of estimating and repair on eligible vehicle damage. Provider agrees that when PDR is specified in whole or in part for repairs on an estimate written by Provider, Provider agrees to the prices on the State Farm PDR Pricing Matrix for PDR services. Provider further agrees to restore any corrosion protection materials, caulking, or under panel adhesives if disturbed during the PDR process, and agrees that PDR repairs will be completed without drilling or otherwise creating access holes, or damaging or modifying structural components.

k. Judgment Times. When a repair operation is based on judgment time, Provider agrees the amount estimated will be reasonable and competitive based on industry and local market area practices. Provider further agrees to consider all additional or "conjunctive" repair items when estimating judgment time and will not demonstrate patterns of unsubstantiated or unsupported judgment time increases when the final repair bill is submitted.

l. Mechanical Operations. If a mechanical repair/replace operation is necessary, Provider agrees that any amounts charged will be competitive for the local market area.

m. Repair vs. Replace. When estimating vehicle damage, Provider agrees to consider the reparability of damaged components prior to replacing, and will maintain sufficient knowledge and understanding of industry accepted repair practices and techniques, which may include but is not limited to structural repairs, sectioning, plastics repair, Paintless Dent Repair, and refinishing processes.

n. Glass Replacement. Provider agrees that when glass is being replaced in conjunction with a claim being processed under this Agreement, pricing will be based on what is the most competitive for the market area and will not exceed prices charged to other insurers or vehicle owners directly.

o. Sublet Charges. Provider agrees not to charge amounts beyond what is competitive in the local market for operations it does not perform directly, either at or away from the Provider's facility. If it becomes necessary to transport the damaged vehicle to facilitate additional repairs, Provider agrees that any additional costs will be limited to what is reasonably necessary in the market area for such transportation.

p. Storage / Administrative Fees. As a participant in the program, Provider agrees not to charge State Farm any storage or administrative fees.

Section 5. General

a. Non-Disclosure. Provider agrees not to disclose, distribute, or reproduce any part or section of the Agreement to any other person or organization, unless required by law.

b. Term, Termination of Prior Agreements, Merger, Amendment. This Agreement shall become effective on the date it is signed by an authorized representative of State Farm and it shall remain in effect until such time as either Provider or State Farm delivers to the other party written notice of termination of the Agreement. It will replace, supersede and automatically terminate any prior or existing Service First®

or Select Service Agreement between State Farm and Provider. This Agreement (and any attachments, addenda, and supplements thereto) shall be the complete and exclusive statement of the agreement between the parties as to the subject matter of this Agreement, and shall be binding upon each of the parties hereto, their respective successors and to the extent permitted their assigns. This Agreement cannot be amended or otherwise modified, except as agreed to in writing by each of the parties hereto.

c. Provider Participation. Provider acknowledges that State Farm may adjust the number of participating Providers. Provider further acknowledges that State Farm will consider Provider's quality, efficiency, estimate competitiveness, and other business factors as adjustments are considered.

d. Ownership or Control of Multiple Locations. This Agreement applies on a "per location" basis, unless the **Schedule of Provider Locations** Addendum is attached, and except as otherwise provided in this subsection d. If Provider has multiple locations, only those locations owned or controlled by Provider that are listed in subsection 3 of the **Schedule of Provider Locations** Addendum are subject to this Agreement, provided however, that the pricing provisions contained in **Section 4. Competitive Price**, applies to all locations owned or controlled by Provider, even if not listed as a "participating" location in the Addendum. If Provider provides a price to any other insurer at a "non-participating" location that is lower than the prices charged State Farm at locations participating in this Agreement, such price must be given to State Farm, and in the manner set forth in **Section 4. Competitive Price.** If Provider buys or obtains control of additional facilities, Provider agrees to notify State Farm.

e. Termination of Agreement. If either party terminates this Agreement, Provider will allow State Farm designated personnel to access Provider's premises during regular business hours and, if necessary, will allow State Farm to pick-up and / or tow vehicles and any replacement parts already purchased to another location without any additional charges or fees. In the event of such pick-up, Provider shall be limited to receive from State Farm fair and reasonable reimbursement for Provider's documented costs for "in-progress" repairs for vehicles being repaired under the Agreement. State Farm or Provider can terminate the Agreement at any time, and for any reason.

f. Independent Contractor Status. Provider and State Farm acknowledge that Provider is an independent contractor for all purposes in the performance of this Agreement and is neither an employee nor agent of State Farm. Neither Provider nor State Farm shall misrepresent this status to vehicle owners or any other persons or entities.

g. Business Ethics/Anti-Trust. Provider agrees to follow ethical and professional conduct in its business practices with State Farm and vehicle owners. Provider further agrees not to disclose, discuss, or share labor rate or pricing information with other repairers, and acknowledges this activity may be construed as illegal price fixing.

h. Gratuities. Provider agrees not to offer any gifts, gratuities, or other incentives including deductible discounts or waivers to State Farm agents, employees, or vehicle owners.

i. Advertising. Provider acknowledges that "State Farm" and "Select Service" are registered trademarks of State Farm. Provider agrees to refrain from using any State Farm registered trademark orally or in any form of advertising, marketing or related activity, including but not limited to: printed media, internet or web applications, radio or television ads. Provider further agrees State Farm may identify Provider as a Select Service facility in printed or electronic lists, or in other written or electronic formats, which may be available to vehicle owners and the general public, but State Farm is not required to create such lists.

j. Assignment. Provider agrees that it may not assign this Agreement to any other entity, including an entity that affiliates with or merges with or acquires Provider, except when State Farm approves such assignment in advance in writing. State Farm may in its sole discretion grant or deny such approval.

k. Payment. State Farm agrees to issue payment directly to the Provider pursuant to the provisions set forth in this Agreement.

l. Insurance. Provider represents it is insured for loss of or damage to customer vehicles and other property while in the possession of Provider. In addition, Provider represents it has in force and will maintain business liability insurance with liability limits equal to or in excess of one million dollars per occurrence.

m. Indemnification. Provider agrees that notwithstanding anything in this Agreement to the contrary, Provider shall indemnify and hold State Farm fully harmless against any loss, damages, claims, or expenses of any kind whatsoever sustained or incurred by a third party, that are solely caused by and would not have occurred in the absence of the negligent or intentional acts or omissions of Provider, and arising out of Provider's work on a customer vehicle pursuant to this Agreement, including but not limited to, claims related to inspections or repairs performed, alleged failure to inspect or repair or the quality of inspections or repairs performed. Provider also agrees to indemnify and hold harmless State Farm for any and all costs, including attorney fees, incurred by State Farm as a result of unauthorized use of Information referred to in 1.b., by Provider or any of Provider's third party vendors.

n. Limitation of Liability. EXCEPT FOR THE INDEMNIFICATION LANGUAGE IN SECTION 1.B (CONFIDENTIALITY/PRIVACY), AND FOR SECTION 5.M (INDEMNIFICATION), PROVIDER AGREES THAT: (1) UNDER NO CIRCUMSTANCES SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR ANY REASON WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF FIFTY THOUSAND DOLLARS ($50,000.00); AND (2) UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.

o. Non-Waiver. Provider agrees that the failure of State Farm to insist on strict performance of any of the terms and conditions in this Agreement shall not be deemed a waiver of the rights or remedies that State Farm may have regarding that specific instance and shall not be deemed a waiver of any subsequent breach or default by Provider of any other term or condition of the Agreement.

p. Survival. Provider agrees that the following provisions shall survive termination of this Agreement: 1.b. Confidentiality/Privacy; 2.a. Workmanship/Warranty; 5.f. Independent Contractor Status; 5.i. Advertising; 5.j. Assignment; 5.m. Indemnification; 5.n. Limitation of Liability and, 5.o. Non-Waiver.

Accepted and Agreed by:

Name of Provider	**State Farm Mutual Automobile Insurance Co. for itself and its subsidiary and affiliated companies**
Street Address	Street Address
City, State/Province, Zip Code/Postal Code	City, State/Province, Zip Code/Postal Code
Phone # Fax #	Phone # Fax #
Signature of Authorized Repair Service Provider Representative	Signature of Authorized State Farm Representative
Date	Date