

# EXHIBIT B

**SERVICE CONTRACT REIMBURSEMENT POLICY**  
ISSUED BY

**Universal Underwriters  
Insurance Company**

A STOCK COMPANY  
7045 College Boulevard  
Overland Park, Kansas 66211

**DECLARATIONS**

**Item 1.** Named Insured (NO., STREET, TOWN, COUNTY, STATE & ZIP)

API Bankruptcy Estate

Policy No. 77

**Item 2.** Policy Period

(Mo. Day Year)  
From 11 16 2007 Until Canceled  
(12:01A.M., standard time at the address of the named insured as stated herein.)

**Item 3.** The insurance afforded is only with respect to such of the following Coverage as indicated by the premium charge or charges. The limit of the company's liability against such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

SERVICE CONTRACT REIMBURSEMENT COVERAGE	LIMITS OF LIABILITY		PREMIUM
	EACH OCCURRENCE	AGGREGATE	
a. Replacement Parts and Labor	100% of <b>Approved Service Contract</b> Obligations	100% of <b>Approved Service Contract</b> Obligations	\$ To Be Determined
b. Rental Car			
c. Towing Service			
Endorsements and additional Coverage Parts # V35890KG Stillwell Ford V37080GH Bronco Motors V37220GH Broadway Ford V37270HH Dahl Motors			\$ To Be Determined
<b>TOTAL AMOUNT DUE</b>			\$ To Be Determined

**Item 4.** The Insured's Current Labor Rate is \$ n/a per hour.

Countersigned by   
Authorized Representative

## UNIVERSAL UNDERWRITERS INSURANCE COMPANY

Overland Park, Kansas

herein called the COMPANY, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part hereof, and subject to all of the terms of this policy, agrees with the INSURED as follows:

### DEFINITIONS

When used in this policy, including endorsements forming a part hereof:

INSURED means the person or organization named in Item 1 of the Declarations of this policy.

APPROVED SERVICE CONTRACT means a Service Contract:

- issued by the INSURED on a contract form previously approved by the COMPANY, and
- issued on a vehicle eligible for coverage under an APPROVED SERVICE CONTRACT according to the list of eligible vehicles approved by the COMPANY and
- a copy of which has been submitted to the COMPANY together with the premium due the COMPANY on such contract within fifteen (15) days after the end of the month in which the Contract became effective.

COVERED MOTOR VEHICLE means any vehicle on which the INSURED has issued an APPROVED SERVICE CONTRACT.

COVERED PARTS means those parts, and only those parts, of a COVERED MOTOR VEHICLE which are listed as covered on an APPROVED SERVICE CONTRACT.

TOWING COSTS means towing costs for which the INSURED has a contractual obligation under an APPROVED SERVICE CONTRACT.

RENTAL CAR COSTS means costs for temporary rental car use for which the INSURED has a contractual obligation under an APPROVED SERVICE CONTRACT.

POLICY PERIOD means the period stated in Item 2 of the Declarations of this policy.

OCCURRENCE means a repair visit for mechanical breakdown covered by an APPROVED SERVICE CONTRACT.

LOSS means all sums which the INSURED becomes obligated to pay for: parts and labor when replacing or repairing any COVERED PARTS; TOWING COSTS; and RENTAL CAR COST, covered by the APPROVED SERVICE CONTRACT.

### INSURING AGREEMENT

The COMPANY will pay to or on behalf of the INSURED all sums which the INSURED shall become contractually obligated to pay for:

- parts and labor used in the repair or replacement of COVERED PARTS of COVERED MOTOR VEHICLES,

- TOWING COSTS,
- RENTAL CAR COSTS

arising out of the issuance by the INSURED of APPROVED SERVICE CONTRACTS during the POLICY PERIOD.

### EXCLUSIONS

- The COMPANY shall not be responsible, and assumes no obligation, for workmanship, quality of repairs or replacement parts; nor for any bodily injury or property damage caused directly or indirectly by failure or malfunction of a motor vehicle or any part thereof or by any other cause; nor for any other consequential loss; nor for any other obligation of the INSURED not specifically provided for in the APPROVED SERVICE CONTRACT.
- The COMPANY shall not be responsible, and assumes no obligation, for loss arising out of any Service Contract which is issued by the INSURED which is not reported to the COMPANY and for which premium due the COMPANY is not paid within 15 days after the end of the month in which the Service Contract became effective.

### LIMIT OF LIABILITY

The total liability of the COMPANY for all loss sustained by the INSURED per repair visit shall not exceed the limits stated in the Declarations.

### LABOR AND PARTS COST COVENANT

The INSURED covenants that his customer labor rate for which reimbursement is sought from the COMPANY under this policy shall be his ordinary and customary customer labor rate, and that such rate shall not exceed the customary labor rate charge by comparable repair facilities in his trade area, that his current labor rate is the rate per hour stated in item 4 of the Declarations and that he will notify the COMPANY at least thirty (30) days in advance of any subsequent changes in such rate. The INSURED agrees to accept the labor time as published in the factory "Suggested Flat Rate Manual", unless other flat rate manuals are approved by the COMPANY for the INSURED'S use on APPROVED SERVICE CONTRACT claims. The INSURED further agrees to maintain a "parts holdback" upon request by the COMPANY for a period not to exceed ninety (90) days from date of all claims submitted. INSURED is not authorized by the terms of this policy to act as an agent or claims adjuster for the COMPANY.

## CONDITIONS

1. **POLICY TERRITORY.** This insurance applies only to loss for repair, replacements, towing or car rental occurring in the Continental United States of America or Canada.
  2. **INSPECTION AND AUDIT.** The COMPANY may examine and audit the named INSURED'S books and records at any time during the POLICY PERIOD and within three years after the termination of this policy, as far as they relate to the subject matter of this insurance.
  3. **DECLARATIONS.** By acceptance of this policy, the INSURED named in item 1 of the Declarations agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the COMPANY.
  4. **NOTICE.** In the event of loss, the INSURED shall notify the COMPANY in accordance with reporting procedures prescribed by the COMPANY.
  5. **ASSISTANCE AND COOPERATION OF THE INSURED.** The INSURED shall cooperate with the COMPANY, and upon request shall make vehicles, repair records, and parts available for inspection by the COMPANY, attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits against the COMPANY.
  6. **ACTION AGAINST COMPANY.** No action shall lie against the COMPANY unless, as a condition precedent thereto, the INSURED shall have fully complied with all the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been fully determined either by actual judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant, and the COMPANY.
- No person or organization shall have any right under this policy to join the COMPANY as a party to any action against the INSURED to determine the INSURED'S obligation to pay, nor shall the COMPANY be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED'S estate shall not relieve the COMPANY of any of its obligations hereunder.
7. **INSURED'S DUTIES WHEN LOSS OCCURS.** When it has been determined that required repairs may be covered by the Service Contract:
    - (a) Check to determine that the new vehicle owner has service receipts showing the vehicle has received the manufacturer's required maintenance service, or if the vehicle was sold "used" and the manufacturer's requirements are not known, the minimum service shown in the Service Contract.
    - (b) Permit an inspection by the COMPANY before repairs are completed if requested by the COMPANY.
    - (c) Run a Factory oil consumption test if excessive use of engine oil is reported.
    - (d) File Service Contract Proof of Claim with the COMPANY within thirty (30) days after date of repair, attaching thereto the signed repair order, service receipts showing the required maintenance, receipts for substitute transportation, and receipts for towing.
    - (e) Maintain a parts hold-back for thirty (30) days or in accordance with the instructions from the COMPANY of all parts removed from the repaired vehicle and replaced.
  8. **APPRAISAL.** If the INSURED and the COMPANY fail to agree as to the amount of loss, either may, within 60 days after proof of claim is filed, demand an appraisal of the loss. In such event, the INSURED and the COMPANY shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of covered loss and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The INSURED and the COMPANY shall each pay his chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.
- The COMPANY shall not be held to have waived any of its rights by any act relating to appraisal.
9. **PAYMENT OF LOSS.** The COMPANY may settle any claim for loss directly with the INSURED, or, if the vehicle is repaired by a repairer other than the named INSURED, the COMPANY may settle directly with that repairer or with the Purchaser named on the Service Contract. Payment for loss may not be required nor shall action lie against the COMPANY unless, as a condition precedent thereto, the INSURED shall have fully complied with all the terms of this policy nor until ninety (90) days after Proof of Claim is filed and the amount of loss determined as provided in this policy.
  10. **SUBROGATION.** In the event of any payment under this policy, the COMPANY shall be subrogated to all the INSURED'S rights of recovery therefore against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing to prejudice such rights.
  11. **PREMIUM.** The premium for this policy shall be based on the charge per APPROVED SERVICE CONTRACT listed in the COMPANY'S rate manual. The total premium due under this policy shall be the sum of all such premiums for APPROVED SERVICE CONTRACTS issued by the INSURED during the POLICY PERIOD.
  12. **ASSIGNMENT.** Assignment of interest under this policy shall not bind the COMPANY until its consent is endorsed hereon.
  13. **OTHER INSURANCE.** This insurance shall be excess over any other valid and collectible insurance available to the INSURED.

14. CHANGES. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the COMPANY from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy and signed by a duly authorized representative of the COMPANY.

15. NO BENEFIT TO WARRANTOR. The Insurance afforded by this policy shall not enure directly or indirectly to the benefit of any manufacturer or warrantor (other than the INSURED) of the vehicle.

16. SPECIAL REPORTING EXCEPTION. The requirement that Service Contracts be reported, and premium due thereon be paid to the COMPANY within 15 days after the end of the month in which such contracts became effective if coverage is to apply hereunder shall be considered satisfied on:

- 1 New vehicle Service Contracts having an issue date up to 180 days subsequent to the date of delivery of the COVERED MOTOR VEHICLE, or
- 2 New vehicle Service Contracts issued on eligible demonstrator vehicles.

if such Contracts are reported to the COMPANY and premium due thereon is paid to the COMPANY within 15 days after the end of the month in which such Contracts were issued.

17. INSURED INSPECTION OF USED VEHICLES. INSURED warrants that prior to the issuance of an APPROVED SERVICE CONTRACT on a used vehicle that such vehicle has been inspected by a competent mechanic in accordance with the

inspection form approved by the COMPANY, that such vehicle was found to be in acceptable mechanical condition, and that such inspection form is properly completed and forwarded to the COMPANY together with the COMPANY'S copy of the applicable APPROVED SERVICE CONTRACT. If the INSURED fails to comply with the above, the Company shall not be liable nor have any obligation with respect to said APPROVED SERVICE CONTRACT for any LOSS arising out of a mechanical breakdown occurring during the first 30 days immediately following the date of delivery.

18. CANCELLATION. This policy may be cancelled with respect to the acceptance of additional APPROVED SERVICE CONTRACTS by:

- a. The INSURED, by surrender thereof to the COMPANY or any of its authorized agents or by mailing to the COMPANY, written notice stating when thereafter the cancellations shall be effective, or;
- b. The COMPANY, by mailing notice to the address shown in this policy, stating when not less than thirty (30) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice.

Deliver of such written notice either by the INSURED or by the COMPANY shall be equivalent to mailing.

In the event of such cancellation by the INSURED or COMPANY there will be no tender of unearned premiums. The COMPANY will remain liable for losses covered by this policy until the expiration of all APPROVED SERVICE CONTRACTS covered by this policy.

In witness where, the COMPANY has caused this contract to be executed and attested, but this contract shall not be valid unless countersigned on the Declarations Page by a duly authorized agent of the COMPANY.

  
SECRETARY

  
PRESIDENT

### IMPLIED WARRANTY ENDORSEMENT

In consideration of the premium charged this policy is endorsed to cover the insured's legal liability for repairs or replacement of defective workmanship or defective parts of the entire vehicle on which an APPROVED SERVICE CONTRACT has been sold by the INSURED, which is not otherwise covered under an APPROVED SERVICE CONTRACT covered by this policy.

Implied Warranty Liability Coverage is subject to the following limitations, exclusions, and conditions:

1. Repair and/or replacement is limited to that required by the imposition of law under implied warranty incurred by the INSURED as a result of having issued an APPROVED SERVICE CONTRACT.
2. In the event of any claim made against the INSURED which would be covered under this endorsement, or if the INSURED has any knowledge of facts which he may reasonably expect to result in a claim, written notice containing particulars sufficient to identify the owner of the APPROVED SERVICE CONTRACT and all reasonably obtainable information with respect to the time, place, and circumstances of such claim or potential claim shall be given to the COMPANY by the INSURED within 15 days of the time such knowledge came to the INSURED. It is understood that the INSURED is to undertake no repair or replacement work nor assume any obligation unless and until authorized to do so by the COMPANY. If claim is made or suit is brought against the INSURED he shall immediately forward to the COMPANY every demand, notice, summons, or other process received by him or his representative.  

The COMPANY may, at its sole option negotiate or settle any claim prior to or during any suit made against the INSURED. The COMPANY may, at its sole option, take control of any litigation and impose therein counsel of its own choosing and at its expense.
3. Each claim for loss under this endorsement shall be adjusted separately and a deductible of \$100.00 shall apply to each claim.

4. Coverage under this endorsement shall not apply to:
  - A. Repair or replacement of any part which was not attached to and a part of the COVERED MOTOR VEHICLE at the time of issuance of the APPROVED SERVICE CONTRACT.
  - B. The repair or replacement of any part, the defective nature of which was known to the INSURED or of which the INSURED may reasonably have been expected to have had knowledge at the time of sale of the COVERED MOTOR VEHICLE.
  - C. Any liability for bodily injury or for damage to any property except defective parts of COVERED MOTOR VEHICLE, or for liability for consequential damage or loss of any nature whatsoever.
5. The extension of coverage under this endorsement shall apply as to each COVERED MOTOR VEHICLE from the time of sale of such COVERED MOTOR VEHICLE until the expiration, either by time or mileage, of the APPROVED SERVICE CONTRACT covering said COVERED MOTOR VEHICLE or for the period of time imposed by law for implied warranty, whichever first occurs.
6. The COMPANY shall not be liable hereunder unless and until a court of competent jurisdiction shall have rendered a judgement for such liability against the INSURED, and then the limit of the Company's liability shall be the lesser of:
  - A. The actual cost of the INSURED of the repair or replacement,
  - B. The actual cash value of the COVERED MOTOR VEHICLE at the time of the mechanical breakdown out of which the loss arises,
  - C. The purchase price of the COVERED MOTOR VEHICLE less all previous claims paid with respect to such COVERED MOTOR VEHICLE under this policy, and
  - D. The actual amount of the judgement.

UNIVERSAL UNDERWRITERS INSURANCE COMPANY

AMENDATORY ENDORSEMENT

The following policy terms and conditions are changed as follows:

DEFINITIONS. Item APPROVED SERVICE CONTRACT is deleted and replaced with the following:

APPROVED SERVICE CONTRACT means an API Service Contract:

- a. issued by Dahl Motors, and
- b. underwritten by Marathon Risk Retention Group.

This does not include any API Service Contract agreement to make any Guaranteed Price Refund.

DEFINITIONS. Item LOSS, the following is added:

This does not include any agreement to make any guaranteed price refund.

EXCLUSIONS. Item 2 is deleted and replaced with the following:

2. The COMPANY shall not be responsible, and assumes no obligation, for loss arising out of any Service Contract which is issued by the INSURED which is not an APPROVED SERVICE CONTRACT.
3. The COMPANY shall not be responsible, and assumes no obligation, for loss arising out of any Service Contract which is issued by the INSURED which includes an agreement to make any Guaranteed Price Refund.

Condition 11. PREMIUM is deleted and replaced with the following:

The premium for this policy shall be as determined by the COMPANY.

Condition 16. SPECIAL REPORTING EXCEPTION is hereby deleted.

All other terms and conditions of this policy shall remain unchanged.