

CARS Program Facility Rate Agreement

Parts

New OEM: 5.0% Discount
LKQ: Invoice cost plus 20% or competitive industry pricing
Aftermarket: Invoice cost plus 20% or competitive industry pricing
Reconditioned: Invoice cost plus 20% or competitive industry pricing

Labor Rates

Sheet Metal: \$38.00 per labor hour
Paint: \$38.00 per labor hour
Mechanical: \$55.00 per labor hour
Frame: \$47.00 per labor hour
Dealer/Sublet: Per invoice with prior approval

Mark Up

Invoice cost plus 20% up to \$750.00 per vehicle and per claim for LKQ, Aftermarket and Reconditioned parts including but not limited to sublet service, parts and labor operations.

Sprayable Paint Materials

Sprayable Paint Materials: \$26.00 per paint labor hour

Approved Sprayable Paint Materials Thresholds

Two Stage: \$500.00 per vehicle
Three Stage: \$500.00 per vehicle

Mercury will approve sprayable paint materials billings up to the above indicated amounts based on the approved estimating application. In the event that an expense for additional sprayable paint materials is incurred for a vehicle repair in excess of the above amounts, contact to the facility's assigned CARS Reinspector or CARS Supervisor for review and consideration. The above indicated amounts are not "caps", however verifiable invoice documentation will be required for any additional sprayable paint material approvals in excess of the indicated amounts.

Procedures / Operations

LKQ Door Installation

Manual: 2.0 hours at sheet metal rate
Power: 3.0 hours at sheet metal rate

LKQ Part Trim Allowance

1.0 hours to 3.0 hours at sheet metal rate based on extent of preparation

LKQ Part Installation
 Times estimated as per the approved estimating application and assemblies guide

Clear Coat Labor
 Times estimated as per the approved estimating application and up to 2.5 hours at paint rate per vehicle

Color Match
 0.5 hour at sheet metal rate

Cover Car
 \$10.00 per vehicle

Color Sand and Polish
 0.3 to 0.5 hour at sheet metal rate per panel dependent on panel size and up to 3.0 hours at sheet metal rate per vehicle

Blend Refinish to Adjacent Panel
 50% of full estimating guide refinish time up to 1.0 hour at paint rate per panel

Spot Refinishing
 0.3 to 0.5 hour at paint rate per panel

Gravel / Stone Guard
 \$10.00 per panel and up to \$25.00 per vehicle

Undercoating
 \$10.00 per panel and up to \$25.00 per vehicle

Caulk / Seam Sealer
 \$15.00 per panel and up to \$35.00 per vehicle

Flex Additive
 \$8.00 per urethane/flexible panel

Paint Striping
 \$45.00 for first panel
 \$10.00 for each additional panel
 \$100.00 per vehicle

Tape Striping
 \$25.00 for first panel
 \$8.00 for each additional panel
 \$50.00 per vehicle

A/C Evacuation and Recharge
 R-12 System: \$120.00 per vehicle
 R-134 System: \$85.00 per vehicle

Suspension Alignments
 Two Wheel Alignment: \$55.00 per vehicle
 Four Wheel Alignment: \$85.00 per vehicle

Frame Set Up and Measure
 2.0 hours at sheet metal rate per vehicle

Lock Recoding
 \$35.00 per lock

Sound Deadening

\$8.00 per panel plus 0.2 hour at sheet metal rate

Coolant

Conventional: \$12.00 per vehicle

Extended Life: Per competitive invoice

Wheel Mount and Balance

\$15.00 per standard wheel

Vehicle Detailing

Interior Only: Approved based on extent of loss related clean up

Complete vehicle: \$100.00 per vehicle

(Vehicle detailing is limited to loss related clean up and not approved for general repairs or losses)

Approved CARS Facility:

The above-referenced approved CARS Facility (the "Facility") agrees to prepare estimates based on the rates and operations listed above. Estimates prepared for the companies of Mercury Insurance Group ("Mercury") and its customers by the Facility shall constitute agreements to these rates and each estimate shall represent an agreed price for vehicle repairs. The Facility agrees that estimates prepared will be done so with the intent to restore the vehicles to pre-loss condition utilizing only professional and appropriate repair techniques. By doing so, the Facility agrees to warranty vehicles repaired for Mercury and its customers for the life of the vehicle while under the same ownership with the exception of part and product warranty, wear, tear or use not associated to the workmanship performed by the Facility.

The Facility understands that participation with the Mercury CARS Program is "at will" and either the Facility or Mercury may terminate the partnership or agreement without notice and without any restrictions. As a participating CARS Facility, the Facility agrees to the indicated rates and the version of the California Approved CARS Facility Guidelines and Reference.

I have read and agree to the above rates, procedures and statements.

