



DEALER MARKETING AND ADMINISTRATION AGREEMENT

This Dealer Marketing and Administration Agreement (hereinafter "Agreement") is between Advance Protection Products International, Inc. and its affiliates (collectively hereinafter "APPI") and _____ (hereinafter "Dealer").

RECITALS

WHEREAS, APPI is a marketer and administrator of various automotive aftermarket products including but not limited to vehicle service contracts and lease protection contracts; and

WHEREAS, Dealer also issues certain aftermarket products and programs including but not limited to GAP programs and Limited Warranties, under which Dealer contractually obligates itself to certain consumers, for which APPI will serve as Dealer's administrator; and

WHEREAS, Dealer desires to market the various products and programs mentioned above (hereinafter collectively the "Products"), to consumers subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the of the foregoing premises and of the mutual covenants of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

APPOINTMENTS

- 1.1 APPI hereby authorizes Dealer to sell the APPI Products set forth in Attachment 1 to Dealer's customers. Products shall be sold only by Dealer's duly authorized and trained employees.
- 1.2 For Products under which Dealer contractually obligates itself to consumers such as GAP and Limited Warranties, Dealer appoints APPI to administer the Products listed in Attachment 1 hereto.
- 1.3 Prior to marketing the Products to Dealer's customers, Dealer shall submit a completed Dealer profile form, this executed Agreement and any requested copies of licenses to APPI.

DEALER'S OBLIGATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS

- 2.1 Dealer shall comply with all laws and regulations governing Dealer with respect to the business within the scope of this Agreement and the marketing of the Products, including but not limited to OFAC, The Equal Credit Opportunity Act, Truth in Lending Act, Credit Practices, FTC Safeguards Rule, and complying with any other laws and regulations governing Dealer's marketing of the Products.
- 2.2 Dealer shall comply with all policies, procedures, standards and specifications regarding the administration, representation, solicitation and/or sale of the Products as published from time to time by APPI in memorandums, bulletins, newsletters, or as may be conveyed as part of training. Dealer acknowledges that APPI may change, at its sole discretion, any of its forms or procedures at any time. Dealer shall promptly adjust its forms and materials inventory to ensure utilization of APPI's most current forms, marketing materials, supplies and software.
- 2.3 Dealer has no authority to authorize claims and shall make no promise, agreement or statement regarding the Products other than as specifically authorized in this Agreement.
- 2.4 Dealer will make available to customer at the point of sale a complete copy of the terms and conditions of the Products and shall obtain in some manner the customer's acknowledgement that he or she has been given the opportunity to read and understand the terms and conditions and all exclusions contained in the Products. In addition Dealer shall, obtain APPI's prior approval before the commencement of any repair for which reimbursement is sought from APPI; facilitate inspection by independent inspectors employed by APPI upon APPI's request; use sub-contracted repair services employed by APPI when applicable; guaranty

the workmanship in connection with a covered repair for a period of twelve 12 months after the date the repair is completed; not attempt to collect from the customer the cost of repairs authorized by APPI and payable to Dealer.

- 2.5 Dealer shall not sell any Product on behalf of APPI except on APPI's most current approved Product forms, or utilize marketing material not previously approved by APPI. Dealer shall not, without APPI's written permission, modify, waive, alter, or change, whether orally or in writing, any of the terms or coverage of APPI's Products.
- 2.6 Dealer shall make available all of its books and records relating to the business produced hereunder for examination and review by any authorized representatives of APPI or its insurer. Dealer will cooperate and render assistance in such examination.
- 2.7 Dealer and all employees through whom Dealer transacts sales hereunder shall procure and maintain in good standing all licenses and permits required under applicable laws and regulations and shall conduct sales in compliance therewith and shall not engage in unlawful discrimination, misrepresentation, or any unfair trade practice prohibited by applicable law in the conduct of Product sales. Dealer shall immediately notify APPI of the receipt of legal notices or service of process affecting APPI or its insurer and shall immediately forward same to APPI. Dealer shall cooperate with APPI in all aspects of Product sales and in the resolution of repair disputes, including, but not limited to, attending hearings and trials, giving and securing evidence, and obtaining attendance of witnesses.
- 2.8 Dealer warrants the accuracy of all information provided to APPI with respect to Product sales, including specifically, but without limitation, the number of Products sold, the Product retail sales price, the Product plan selected, vehicle and customer identification, claim submissions and cancellation requests, and all other information contained on the schedule portion of each Product sold by Dealer.
- 2.9 Dealer shall maintain in a secure and safe place and, upon request, shall account for all online login credentials and passwords, Product forms, applications, brochures, supplies, and other property received from APPI or APPI's agents.
- 2.10 Dealer shall abide by all current Product eligibility standards and underwriting guidelines, including all applicable Product specific obligations enumerated in any Attachment hereto and will ensure that no Product is sold to a customer who is not eligible for that Product or who will not receive any benefit under that Product.
- 2.11 Dealer shall be responsible for postal charges associated with the urgent or overnight delivery of forms, materials or durable goods.
- 2.12 Dealer shall comply with all privacy and data protection laws, rules and regulations which are or which may be applicable in the future. Without limiting the generality of the preceding sentence, Dealer agrees that any nonpublic personal information obtained in connection with this Agreement shall be used only for those purposes contemplated by this Agreement and as otherwise permitted by law, and Dealer shall implement and maintain an information security program designed to ensure the security and confidentiality of the information collected. This provision shall survive the termination or expiration of this Agreement.
- 2.13 In the event a regulatory authority or the insurer withdraws its approval of a Product or otherwise prohibits the sale of a Product, then Dealer shall immediately cease the sale of such Product upon notification by APPI.
- 2.14 Dealer shall perform repairs at no expense to the customer or APPI if Dealer is in violation of this Agreement, including failure to timely submit completed claim forms. Dealer will reimburse APPI for any payment made to a vehicle service contract (VSC) customer arising under these circumstances.

APPI'S OBLIGATIONS

- 3.1 APPI or its Agent will furnish Dealer, as agreed between the parties from time to time, with printed or electronic access to forms and other such supplies as may be necessary for Dealer to maintain programs.
- 3.2 APPI shall maintain appropriate insurance coverage for its obligations arising under the Products.
- 3.3 APPI shall perform administration services, including claim adjudication, in connection with the Products.
- 3.4 APPI shall keep records of all Product sales reported to APPI by Dealer and any claims made thereon.

- 3.5 APPI, or its designee, shall consult with, assist and provide training to Dealer and Dealer's employees in the sale and servicing of Products.

(THE FOLLOWING ARE APPLICABLE TO GAP AND LIMITED WARRANTY PRODUCTS ONLY)

- 3.6 APPI shall help arrange and procure insurance for the Products from a mutually acceptable insurer. The insurance coverage will insure Dealer's obligations as set forth from time to time by the insurer.
- 3.7 APPI shall input and maintain all data required to administer the Products.
- 3.8 APPI will promptly process all claims and submit to the insurer. APPI shall verify consumer claim eligibility and adjust claims in accordance with this Agreement, Product documents, insurance policies and any written operating procedures as agreed to between the parties from time to time.
- 3.9 Given that APPI as administrator has or will advance payment to the Dealer or a third party for claim payment(s), Dealer hereby assigns to APPI its rights to receive insurance proceeds for claims processed under insurance policies.

REPORTS AND REMITTANCES

- 4.1 Dealer shall report Product sales to APPI monthly, based on the remittance schedule sent by APPI or its agent annually, for Products sold by Dealer during the preceding month. Dealer shall remit sales in a manner acceptable to and as directed by APPI from time to time. APPI does not guarantee the processing of incomplete or incorrect remittances prior to month end.
- 4.2 Dealer shall report Product cancellation requests to APPI at least once per week for cancellation requests received in the preceding week.
- 4.3 All monthly remittance reports shall be accompanied by payment of Dealer's net cost for each Product as set forth in the current printed or electronic rating schedule for the Product(s), which may be revised by APPI at any time. Payment shall be submitted via electronic transfer or drawn on Dealer check stock and made payable as directed by APPI.
- 4.4 APPI shall assess vehicle and consumer eligibility for each Product remitted by Dealer and shall either accept or reject the Product. Dealer will be notified within 30 days of receipt of the contract, in the event of a Product rejection.
- 4.5 Dealer shall maintain a current online remittance register concurrent with the remittance schedule sent by APPI or its agent annually. APPI reserves the right to generate electronic remittances of completed and delivered product sales which have occurred more than sixty (60) days prior, for which Dealer will be held responsible for the Dealer's net cost as set forth during electronic rating.

FINANCE

- 5.1 Dealer shall retain as Dealer contingent compensation for each Product sale the difference between the retail sales price collected by Dealer on each Product and Dealer's net cost.
- 5.2 All funds collected by Dealer owing to APPI shall be held in a fiduciary capacity. Dealer shall not endorse any negotiable instrument made payable to APPI and/or its insurer.
- 5.3 APPI shall calculate the refund amount due a Product holder (or lienholder, if applicable) due to cancellation or surrender of a Product sold by Dealer. APPI shall forward the appropriately pro-rated Dealer net cost, less any applicable cancellation fee, to Dealer and Dealer shall refund the entire amount due, including the pro-rated Dealer compensation, to the Product holder (or lienholder, if applicable).
- A. Notwithstanding the foregoing, APPI may at its sole discretion opt to refund a Product holder (or lienholder, if applicable) directly in the event of cancellation or surrender of a Product sold by Dealer.
- B. In such a case, Dealer shall refund to APPI, or as directed by APPI, a pro-rata share of Dealer's compensation with respect to refund amounts paid by APPI. Refunds are due and payable 15 days following mailing of the invoice by APPI. A 1% late fee per month, or part thereof, will be added to refund obligations not post marked within the time permitted.

ONLINE CANCELLATIONS & ePAY

- 6.1 APPI provides an online cancellation processing and remittance system with an integrated electronic payment process (ePay) available. With online remittance of cancellations and ePay, Dealer is not required to forward cancellation documents, including but not limited to, the cancellation request form signed by the customer, odometer statement, repossession notifications, early payoff notifications, etc. ("Cancellation Documents") to APPI for processing. Dealer shall retain copies of any and all customer and Dealer executed APPI Product Cancellation Documents through the term of the original agreement or three (3) years, whichever is greater. Dealer agrees to provide APPI with a copy of all Cancellation Documents within seventy-two (72) hours of a written or verbal request by APPI. If Dealer fails to provide a requested copy of the Product Cancellation Documents within seventy-two (72) hours of such request, Dealer agrees to indemnify and hold harmless APPI against any and all costs, losses, liabilities, expenses (including reasonable attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with claims against APPI (collectively, "Losses") that result from Dealer's failure to honor APPI's request. APPI reserves the right to discontinue and/or withdraw electronic cancellation remittance availability at its discretion. APPI reserves the right to discontinue this process should the Dealer fail to honor the document retention requirements.

eCONTRACTING

- 7.1 For any applicable Product for which APPI authorizes and Dealer utilizes e-contracting, Dealer shall print and deliver to purchaser copies of any and all Products sold by Dealer, including Product registration or enrollment page, coverage terms and conditions, state requirements or provisions and privacy notices as may be applicable.
- 7.2 Dealer shall retain copies of any and all executed Product documents sold by Dealer ("Executed Agreements"). If Dealer remits electronically to APPI, Dealer agrees to provide APPI with a copy of any and all Executed Agreements sold by Dealer within seventy-two (72) hours of a written or verbal request by APPI. If Dealer fails to provide a requested copy of any and all Executed Agreements sold by Dealer within seventy-two (72) hours of a written or verbal request by APPI, Dealer agrees to indemnify and hold harmless APPI against any and all costs, losses, liabilities, expenses (including reasonable attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with claims against APPI (collectively, "Losses") that result.
- 7.3 APPI reserves the right to discontinue and/or withdraw eContracting availability at its discretion.

EFFECTIVE DATE AND TERMINATION

- 8.1 This Agreement shall not be effective until accepted and executed by APPI and shall remain continuously in effect until terminated in accordance with this section.
- 8.2 This Agreement may be terminated at any time for any reason by either party hereto upon 30 days advance written notice.
- 8.3 This Agreement shall automatically terminate if Dealer:
- A. commits fraud;
 - B. sells, transfers or merges the business to a successor person or entity (unless this Agreement has been assigned to such successor with the written consent of APPI);
 - C. files, or has filed against it, bankruptcy;
 - D. is insolvent and unable to pay its debts as due;
 - E. makes an assignment for the benefit of creditors;
 - F. has a receiver appointed to conduct its affairs;
 - G. has substantially all of its assets attached or levied against; or
 - H. fails to remit payments due to APPI under this Agreement when due.
- 8.4 Upon the effective date of termination, Dealer shall:
- A. cease the sale of Products for APPI and shall promptly remit all Net Dealer Costs and other sums due APPI;
 - B. return to APPI, or store in a safe place for pick-up by APPI's agent, informing APPI that it is doing so, all Product forms, applications, brochures, supplies, and other property furnished by APPI to Dealer;
 - C. continue to provide repair or maintenance services as set forth herein;

- D. be liable to APPI for refunds due to cancellations and surrenders until all Products produced by Dealer prior to termination have expired.

GENERAL PROVISIONS

- 9.1 Assignment. This Agreement may not be assigned by Dealer without the prior written consent of APPI.
- 9.2 Conformity with Law. In the event that any portion, term or provision of this Agreement is decided by any court to be in conflict with any law or regulation of a state or other jurisdiction, then the validity of the remaining portions, terms or provisions in that state or jurisdiction will not be affected in that state or jurisdiction. The illegal part, term or provision will be deemed not to be a part of this Agreement and this Agreement will be construed as if the provision had never been a part of it. If any material provision of this Agreement is stricken or declared invalid, the Parties agree to negotiate a mutually acceptable substitute provision.
- 9.3 Consent to Suit and Jurisdiction. In the event APPI initiates legal action against Dealer to obtain legal or equitable relief against Dealer for the breach of this Agreement, Dealer hereby consents to a court of competent jurisdiction in Hamilton County, Ohio or in federal court for the Southern District of Ohio, Western Division, and hereby waives any and all defenses or objections to such legal action based on lack of personal jurisdiction or improper venue. In any legal action, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorney fees.
- 9.4 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.
- 9.5 Delegation by APPI. APPI may delegate the performance of all or any portion of its duties and obligations under this Agreement.
- 9.6 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Ohio, without regard to their conflict of law principles.
- 9.7 Indemnification and Hold Harmless. Dealer and APPI agree to indemnify and to defend and hold the other harmless from and against any and all loss, claims, cause of action, liability, expense, cost or other damage of any kind or amount whatsoever, including without limitation reasonable attorney's fees, costs of court and other costs of defense or prosecution, which arise out of or result from their respective employees, partners or representatives (i) breach of or failure to perform any of its duties or obligations hereunder; (ii) acting beyond the scope of any authority as may have been granted herein; or (iii) negligence, omission or willful conduct. Dealer additionally agrees to indemnify, defend and hold APPI's insurer harmless from and against any and all loss, claims, cause of action, liability, expense, cost or other damage of any kind or amount whatsoever, including without limitation reasonable attorney's fees, costs of court and other costs of defense or prosecution, which arise out of or result from Dealer's employees, or representatives (i) breach of or failure to perform any of its duties or obligations hereunder; (ii) acting beyond the scope of any authority as may have been granted herein; or (iii) negligence, omission or willful conduct. This provision will survive termination of this Agreement.
- 9.8 Intellectual Property. APPI must approve in writing all materials used by Dealer utilizing APPI's or its insurer's name, trademarks, service marks, logos or trade names. This general proscription will specifically include, but shall not be limited to, business cards, web content, letterheads and promotional and/or advertising materials. All forms, records and supplies including, but not limited to insurance forms and rate charts, provided by APPI, are and will remain the property of APPI, and will be surrendered to APPI immediately upon demand of APPI. Dealer shall maintain positive control over all Product consumer forms and shall be and remain fully liable to APPI for any unauthorized use by any person of any forms provided by APPI to Dealer.
- 9.9 Modification. This Agreement and the Schedules, Addenda and Exhibits supersede all previous agreements, either oral or written, between the Parties hereto. This Agreement may not be modified verbally nor may it be modified by any subsequent practice or course of dealing by the Parties, or in any manner other than in writing signed by the Parties hereto, excepting that this Agreement may be modified from time to time by written APPI policies, procedures, standards and specifications.
- 9.10 Notices. All notices and other communications of APPI shall be in writing and shall be mailed to Dealer, postage prepaid, via overnight courier, to Dealer's address as shown in APPI's records.

- 9.11 Proprietary Information. Dealer acknowledges that all information obtained in the scope of its agency relating but not limited to the following: trade secrets, marketing strategy, customer lists, product performance data, past requirements of customers, and methods of doing business, to the extent that such information is not generally known by competitors, shall be deemed Proprietary Information of APPI and its insurer. As a condition of this authorization and thereafter, Dealer agrees not to make use of or disclose to any third parties, any Proprietary Information obtained as a result of or in connection with the relationship contemplated herein. All computer systems, procedures, forms, controls, methods, programs, software, hardware, reports, compilations, used or developed while an agent of APPI are the exclusive property of APPI or its insurer and may not be shared, sold, disclosed in any manner either during the term of this Agreement or at any other time thereafter. Dealer acknowledges that it is the intent of this paragraph to make APPI's insurer the beneficiary of the proscriptions with authority to take appropriate action at law or equity to enforce this provision.
- 9.12 Right of Offset: APPI shall have the right to off-set any sums which Dealer may owe APPI or its insurer, from any of Dealer's funds in its possession.
- 9.13 Status of Dealer. At all times while performing its marketing functions and other authorities granted herein, or otherwise, Dealer shall be deemed an independent contractor. Neither Dealer nor employees of Dealer shall be regarded as employees of APPI or its insurer. Dealer shall not market under any business name(s) which could mislead or confuse others as to the Dealer's relationship with APPI. Neither APPI nor its insurer shall be responsible for any expenses of Dealer, including but not limited to, expenses such as salaries, wages, commissions, rentals, transportation facilities, clerical help, attorneys' fees, postage, advertising, local license fees, federal, state, municipal or county taxes, occupational taxes, or any other office or business expense of whatever kind of Dealer.
- 9.14 Survival. Any provisions of this Agreement which impose an obligation or confer a right or benefit after termination or expiration of this Agreement will survive such termination or expiration and be binding upon the Parties.
- 9.15 Waiver. No forbearance or neglect on the part of APPI to enforce any of the provisions of this Agreement will be construed as a waiver of any of its rights or privileges hereunder, unless in each instance a written memorandum specifically expressing such waiver be made and subscribed to by an authorized representative of APPI. An election to exercise any remedy available by law or contract will not be deemed a waiver of nor preclude the exercise of any other remedy. No such waiver will modify this Agreement or affect the rights of APPI with respect to any subsequent default or failure of performance by Dealer.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date set forth below.

DEALER'S AUTHORIZED SIGNER

ADVANCE PROTECTION PRODUCTS INTERNATIONAL, INC.

Signed: _____

Signed: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Street Address: _____

Street Address: P.O. Box 232437

City, State, ZIP: _____

City, State, ZIP: San Diego, CA 92193

TIN: _____

**ATTACHMENT 1
TO
DEALER AGREEMENT
AUTHORIZED PRODUCT TYPES**

PLEASE CHECK BOXES FOR PROGRAMS YOU WISH TO PARTICIPATE IN	
<input type="checkbox"/>	MECHANICAL BREAKDOWN SERVICE CONTRACTS
<input type="checkbox"/>	TIRE AND WHEEL ("ROAD HAZARD") SERVICE CONTRACTS
<input type="checkbox"/>	ANCILLARY PRODUCT SERVICE CONTRACTS
<input type="checkbox"/>	THEFT DETERRENT SYSTEMS
<input type="checkbox"/>	CHEMICAL PROTECTION PRODUCTS
<input type="checkbox"/>	GAP AGREEMENTS (Dealer Appoints APPI to Administer)
<input type="checkbox"/>	LIMITED WARRANTY AGREEMENTS (Dealer Appoints APPI to Administer)

By your signature below, you acknowledge that you have read, understand, accept and will abide by the eligibility and underwriting guidelines for the program(s) indicated above.

DEALER'S AUTHORIZED SIGNER

Signed: _____

Printed Name: _____

Title: _____

Date: _____