



Zero Plan® Retailer Agreement

This Zero Plan® Retailer Agreement ("Agreement") by and between Universal Lenders, LLC an Illinois Limited Liability Company ("Universal") and the Parties named below ("Retailer") is effective as of _____.

WHEREAS, Universal is a premium payment plan provider in the business of purchasing Notes from Retailers who sell service agreements and other protection products ("PP"); and

WHEREAS, Universal is offering a program called The ZERO Plan® to finance the purchase of PPs sold to consumers by Retailers; and

WHEREAS, Retailer wishes to offer its customers the ability to finance the purchase of PPs using Universal's ZERO Plan® under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, Retailer and Universal agree as follows:

A. Retailer Representations

1. Each Note & Contract ("Note") offered to Universal for purchase arose from the purchase of a PP by a customer of Retailer.
2. The down payment disclosed on each Note was paid in cash or its equivalent and no part of it was loaned or financed, directly or indirectly, by Retailer to or for the customer.
3. At the time of purchase, the customer had the capacity to contract.
4. The signatures on each Note are genuine.
5. All contracts executed by customers shall comply with any State or Federal laws applicable to the customer or customers.
6. If the original documents were delivered to Universal in a digital format without a signature then the original customer executed documents will be retained by Retailer on behalf of Universal for a minimum of four years from the contract date found on the documents and Note. Verbal contracts secured by Retailer over the telephone will require the Retailer to keep a recorded record of the Customer acceptance for four years from the date found on the Note.

B. Mutual Representations

1. Retailer is not obligated to offer Notes for sale to Universal.
2. Universal is not obligated to purchase such Notes for PPs from Retailer.
3. Universal makes no representation or warranty as to the interpretation, enforceability or validity of the Note or any related form or document under any law(s) of any state(s) and Retailer hereby agrees to bear and to assume, the sole and exclusive risk of examining any local law(s) which may affect the interpretation, enforceability or validity of the Note.

C. **Retailer Responsibilities**

1. Retailer agrees to comply with Universal's current ZERO Plan® Terms, a copy of which is attached as Exhibit A to this Agreement, which Universal may revise from time to time giving Retailer a minimum of thirty days notice.
2. Retailer will only offer customers who desire to participate in the ZERO Plan® program PPs administered by organizations ("Administrators") which have been approved in advance by Universal.
3. Within ten business days of the date of execution, Retailer will present to Universal for assignment and payment executed Notes which use Universal's then current ZERO Plan® Note & Contract form.
4. Within ten business days of the date of execution, Retailer will present the PPs which are the subject of such ZERO Plan® Notes to Administrators with Universal noted as the Lien Holder and will provide a copy of the PP to Universal along with the Note.
5. Retailer will comply with all of the Administrator's terms and requirements for the PP and will present the PP to the Administrators in the time required by the Administrators.
6. Retailer agrees to fully comply with the Federal Truth In Lending Act and all applicable federal, state and local laws that pertain to consumer finance, premium financing and the financing of PPs. This includes any state required licensing needed to sell Notes to Universal.
7. The ZERO Plan® is intended to provide that the customer will incur no finance charge when purchasing a PP. Retailer accordingly agrees to offer customers the same price on all PPs whether they choose to participate in the ZERO Plan® to finance a portion of the price or they choose to pay the full price in cash or its equivalent. Retailer agrees that under no circumstances will there be a price reduction on a PP offered to a customer who elects not to participate in the ZERO Plan®.
8. Upon cancellation of a PP by the customer or for a default by the customer under the terms of the Note, Retailer agrees to timely issue a refund based on the Customer default account balance found on the books and records of Universal and after Universal has applied any proceeds of the pro rata refund issued by the administrator for the cost of the PP paid by Retailer.

The Retailer acknowledges that the responsibility and obligation of the Retailer to issue the above defined refund to Universal is not contingent on Retailer receiving any reimbursement from the Administrator, Warrantor, Manufacturer or insurer of the PP and that the refund amount described above may exceed the policy refund amount .

9. Retailer will pay to Universal all cancellation refunds upon demand. Should payment not occur within 30 days of demand a late payment fee will be assessed on the unpaid amounts of 2% per month of the unpaid amount until paid.
10. Retailer agrees to allow Universal to offset any amounts of money owed to Universal by Retailer against any monies Universal may owe Retailer. This includes, but is not limited to, offsetting amounts owed to Universal by Retailer for pro rata cancellation refunds against the proceeds from the purchase of a Note submitted by Dealer and due to be purchased by Universal.

D. **Universal Responsibilities for Payment**

1. Within seven business days after receipt of a Note and the required forms, and providing there are no material errors on the documents, Universal shall pay to the Administrator of the PP on the Retailer's behalf an amount equal to the cost of the PP financed on the Note.
2. At the same time Universal shall pay the Retailer the difference between the unpaid

balance found on the Note less the Retailer fee detailed in Exhibit A of this Agreement and the amount issued to the administrator detailed in D1.

- 3. Dealer acknowledges that payment to the Administrator of the PP on Dealer’s behalf is equivalent to Universal sending Dealer the payment.

E. Indemnification, Damages and Right of Offset

- 1. In the event of any breach of any responsibility or representation of the Retailer, Retailer will re-purchase and accept a re-assignment of the Note from Universal by paying to Universal any amount due from the customer at the time of the Retailer’s breach. The obligation of re-purchase and re-assignment includes, but is not limited to, where Retailer has failed to submit the subject PP to the Administrator or failed to pay the Administrator for the PP in a timely fashion or where Retailer fails to forward a refund triggered by a customer default or cancellation.
- 2. Retailer agrees to indemnify and hold Universal harmless from any and all claims, costs, and expenses, including reasonable attorney’s fees arising out of any customers’ and/or other third parties’ claim, action, suit or the like, relating in any way to the sale of a PP to the customer by the Retailer, including without limitation Retailer’s failure to submit a PP to the Administrator or to pay the Administrator for the full cost of the PP in timely fashion or the failure of Retailer to comply with any of the terms of sections A, B, and C above.
- 3. Universal shall be entitled to reasonable attorney’s fees and costs in any proceeding to enforce or collect under this paragraph and Agreement. Moreover, Universal shall be entitled to offset any amounts due it under this Agreement against any amounts that may be owed by Universal to Retailer. Furthermore, Retailer authorizes the Administrator of the PP at issue to pay Universal any amounts claimed by Universal against Retailer and for the Administrator to offset such amount paid to Retailer against any sums owed by Administrator to Retailer in any transaction between Retailer and Administrator.

F. Term and Miscellaneous

- 1. This Agreement shall be effective upon its execution by the parties and is binding upon the parties' successors and assigns.
- 2. Either party may terminate this Agreement without cause on thirty days' written notice.
- 3. All Parties named below acknowledge joint and several liabilities for all obligations of each party under this Agreement.
- 4. Universal may terminate this Agreement immediately upon Retailer’s breach of this Agreement, or for acts of fraud or intentional dishonesty directed to Universal or to Retailer’s customers, including without limitation Retailer's failure to submit a PP to the Administrator or to pay the Administrator for a PP in timely fashion.
- 5. The provisions of this Agreement, including without limitation provisions concerning PP cancellation refund checks, will continue to govern all PPs purchased by Universal under this Agreement and not reassigned to Retailer after this Agreement is terminated.

UNIVERSAL LENDERS, LLC

RETAILER _____
(Retailer legal name)

By: _____

By: _____

Title: _____

Title: _____

Printed Name: _____

Printed Name: _____