



## Zero Plan Dealer Agreement

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

WHEREAS, Universal is a sales finance agency in the business of purchasing Notes from vehicle dealers who sell vehicle service agreements and other protection products ("VSA"); and

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

WHEREAS, Dealer wishes to offer its customers the ability to finance the purchase of VSAs 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, Dealer and Universal agree as follows:

**A. Dealer Representations**

1. Each Note & Contract ("Note") offered to Universal for purchase arose from the purchase of a VSA by a customer of Dealer.
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 Dealer 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 Dealer on behalf of Universal for a minimum of four years from the contract date found on the documents and Note. Verbal contracts secured by Dealer over the telephone will require the Dealer to keep a recording of the Customer acceptance of the contract terms and conditions for four years from the date found on the Note.

**B. Mutual Representations**

1. Dealer is not obligated to offer Notes for sale to Universal.
2. Universal is not obligated to purchase such Notes for VSAs from Dealer.
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 Dealer 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. **Dealer Responsibilities**

1. Dealer agrees to comply with Universal's current ZERO Plan® Note Terms, a copy of which is attached as Exhibit A to this Agreement, which Universal may revise from time to time giving Dealer a minimum of thirty days notice.
2. Dealer will only offer customers who desire to participate in the ZERO Plan® program VSAs administered by organizations ("Administrators") which have been approved in advance by Universal.
3. Within ten business days of the date of execution, Dealer 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, Dealer will present the VSAs 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 VSA to Universal along with the Note.
5. Dealer will comply with all of the Administrator's terms and requirements for the VSA, will present the VSA to the Administrators in the time required by the Administrators and will pay the full cost of the VSA in the time required by the Administrators.
6. Dealer agrees to fully comply with the Federal Truth In Lending Act and all applicable state and local laws that pertain to consumer finance and the financing of VSAs. 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 VSA. Dealer accordingly agrees to offer customers the same price on all VSAs 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. Dealer agrees that under no circumstances will there be a price reduction on a VSA offered to a customer who elects not to participate in the ZERO Plan®.
8. Upon cancellation of a VSA by the customer or for a default by the customer under the terms of the Note, Dealer agrees to timely issue a full pro rata refund of the VSA retail sales price based upon time, and not upon elapsed miles, made payable solely to Universal or to cause the Administrator to timely issue a full pro rata refund of the VSA retail sales price based upon time, and not upon elapsed miles, to Universal regardless of the terms and conditions of the VSA. Dealer acknowledges that Universal may agree to finance VSAs that contain no cancellation provisions. In these cases the Dealer agrees to issue a pro rata refund of the retail selling price of the non-cancellable VSA. In all cases where a VSA is financed with no cancellation provision the Dealer agrees to use a 60 month term to calculate the pro rata cancellation refund.

**In addition, should the terms of a VSA call for a reduction in the pro rata refund amount for any claims paid or pending under the policy, Dealer agrees to disregard these terms and pay the full pro rata refund without regard to the reduction of the refund amount by the amount of any claims paid or pending. The Dealer acknowledges that the responsibility and obligation of the Dealer to issue the above defined full pro rata refund to Universal is not contingent on Dealer receiving any reimbursement from the Administrator, Warrantor, Manufacturer or insurer of the VSA.**

Dealer also acknowledges that under the Portfolio program there is an Affiliated Reinsurance Company set up that is owned by the dealer principal or by persons designated by the Dealer. This ARC holds the claims reserves for the Portfolio VSA's sold by the Dealer. In the case of Dealer default under this section 8 of this agreement, Dealer hereby gives Universal a right to the reserve funds held in this ARC to the extent of the amount due Universal due to any Dealer default of this section 8 of this agreement.

9. Dealer 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.

**D. Universal Responsibilities**

1. Within seven business days after receipt of a Note for a VSA and the required forms, and providing there are no material errors on the documents, Universal shall pay to Dealer an amount equal to the unpaid balance on each Note for a VSA it elects to purchase from Dealer, less the servicing and origination fees.

**E. Indemnification, Damages and Right of Offset**

1. In the event of any breach of any responsibility or representation of the Dealer, Dealer 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 Dealer's breach. The obligation of re-purchase and re-assignment includes, but is not limited to, where Dealer has failed to submit the subject VSA to the Administrator or failed to pay the Administrator for the VSA in a timely fashion or where Dealer fails to forward a refund triggered by a customer default or cancellation.
2. Dealer 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 VSA to the customer by the Dealer, including without limitation Dealer's failure to submit a VSA to the Administrator or to pay the Administrator for the full cost of the VSA in timely fashion or the failure of Dealer 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 Dealer. Furthermore, Dealer authorizes the Administrator of the VSA at issue to pay Universal any amounts claimed by Universal against Dealer and for the Administrator to offset such amount paid to Dealer against any sums owed by Administrator to Dealer in any transaction between Dealer 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 Dealer's breach of this Agreement, or for acts of fraud or intentional dishonesty directed to Universal or to Dealer's customers, including without limitation Dealer's failure to submit a VSA to the Administrator or to pay the Administrator for a VSA in timely fashion.
5. The provisions of this Agreement, including without limitation provisions concerning VSA cancellation refund checks, will continue to govern all VSAs purchased by Universal under this Agreement and not reassigned to Dealer after this Agreement is terminated.

**UNIVERSAL LENDERS, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**DEALER** \_\_\_\_\_

(Dealer legal name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Multiple Business Entity Signatures:**

**DEALER** \_\_\_\_\_

(Dealer legal name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**DEALER** \_\_\_\_\_

(Dealer legal name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**DEALER** \_\_\_\_\_

(Dealer legal name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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**DEALER** \_\_\_\_\_

(Dealer legal name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_