



## VSC SELLER/DEALER AGREEMENT

This VSC SELLER/DEALER AGREEMENT (this "Agreement") is made and entered into on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Vehicle Protection Plus, LLC ("VSC Seller/Dealer") and Mepco Insurance Premium Financing, Inc., a Michigan corporation ("Mepco").

VSC Seller/Dealer, as an agent for a third party provider or administrator (the "Administrator"), sells vehicle service contracts ("Vehicle Service Contracts"). The Vehicle Service Contracts provide for the repair or replacement of or reimbursement for certain repair and replacement costs for the automobiles owned or leased by purchasers of Vehicle Service Contract ("Purchasers"). The obligations under the Vehicle Service Contracts are secured by an insurance or indemnity policy (the "Coverage") from an insurance company or other party (the "Insurer"). The Coverage provides that Insurer shall pay to or on behalf of the Vehicle Service Contract obligor all amounts that the Vehicle Service Contract obligor has become obligated to pay as performance or reimbursement for performance of the Vehicle Service Contract obligor's obligations under the Vehicle Service Contracts.

Mepco owns, operates and administers a payment plan program that affords Purchasers the ability to pay the sales price thereof on an installment payment plan basis (the "Payment Plan Program"). VSC Seller/Dealer wishes to participate in the Payment Plan Program and Mepco is willing to provide VSC Seller/Dealer the ability to participate in the Payment Plan Program and provide installment payment arrangements for Purchasers of Vehicle Service Contracts under the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the aforesaid recitals and other good and valuable consideration the receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Duties of VSC Seller/Dealer.

a. VSC Seller/Dealer may offer Vehicle Service Contracts with an installment payment plan ("Extended Payment Contracts") to Purchasers only on forms which have been provided by Mepco for use in the Payment Plan Program.

b. VSC Seller/Dealer agrees to follow the policy and procedures issued by Mepco with respect to the Payment Plan Program and to properly use and complete the forms provided by Mepco with respect to the Payment Plan Program and any revisions or amendments thereto. Mepco shall receive for its services the applicable fee for the Payment Plan Program, as determined by Mepco from time to time (the "Service Fee"). The amount of the Service Fee and other operating procedures with respect to the Payment Plan Program may be amended from time to time by Mepco, upon at least 30 days prior written notice to VSC Seller/Dealer.

c. Upon execution of an Extended Payment Contract, Seller shall retain a minimum down payment of the purchase price for such Extended Payment Contract as required by the Payment Plan Program, as determined by Mepco from time to time. The amount financed by Mepco must be equal to or greater than the sum of all amounts paid to the Administrator in connection with such Extended Payment Contract and the Service Fee.

d. All Extended Payment Contracts and supporting documentation shall be submitted by VSC Seller/Dealer to Mepco. Mepco shall have the right, in its sole discretion, to reject any application for an Extended Payment Contract.

2. Payment to Administrator. Upon receipt of an executed copy of an Extended Payment Contract and all forms from Dealer, Mepco shall, submit to Administrator appropriate documentation and funds representing the insurance premium for the Coverage in connection with the Extended Payment Contract relating to such Extended Payment Contract, any reserves in connection with the Extended Payment Contract and any fees of Administrator in connection with such Extended Payment Contract.

3. Money Due VSC Seller/Dealer. On or about the 10th day of the month following the month in which Purchaser has made the 2nd installment due under the Payment Plan Program, Mepco will remit a check payable to VSC Seller/Dealer for the remaining funds due VSC Seller/Dealer after deduction of the Service Fee.

4. Cancellation. In the event that an Extended Payment Contract is canceled at the request of the Purchaser or Mepco, VSC Seller/Dealer shall refund Mepco, the following amount: (1) the amount financed by Mepco; plus (2) any late payment charges due to Mepco; less (3) payments Mepco received from the Purchaser; less (4) any amounts received by Mepco from Administrator with respect to the canceled Extended Payment Contract. Mepco may offset any unpaid refund amount with respect to such Extended Payment Contract from any amounts due to VSC Seller/Dealer by Mepco. Mepco shall give VSC Seller/Dealer notice of any such offsets. In the event Mepco deems itself insecure, Mepco shall have the right to retain any funds due Dealer until such time as Mepco deems itself secure or the Amount Financed has been paid in full. As security for the payment of refunds to Mepco, VSC Seller/Dealer hereby assigns and conveys to Mepco the right to receive any and all payments due from Administrator to VSC Seller/Dealer with respect to all Extended Payment Contracts sold by VSC Seller/Dealer which are administered by Administrator. In the event that Mepco does not receive any refund amount within 90 days following the date any Extended Payment Contract is canceled, VSC Seller/Dealer hereby authorizes Administrator, upon notice from Mepco, to remit such amount directly to Mepco out of any funds due from Administrator to VSC Seller/Dealer.

5. Term/Termination.

- a. This Agreement shall commence as of the date shown above and shall continue until terminated as set forth below.
- b. Any party may terminate this Agreement for any reason upon 30 days' written notice to the other parties. Notices to Mepco shall be addressed to Mepco at: 174 North Michigan Avenue, Chicago, Illinois 60601 or at such other place as Mepco shall direct.
- c. This Agreement may, at the option of Administrator or Mepco, terminate immediately upon the occurrence of any of the following events:
  - (i) VSC Seller/Dealer's assignment or attempted assignment of this Agreement or any portion of any interest in or any payment due under the Extended Payment Contracts without the express prior written consent of Mepco.
  - (ii) The filing by VSC Seller/Dealer of a voluntary petition in bankruptcy or execution by VSC Seller/Dealer of an assignment for the benefit of creditors;
  - (iii) The filing of a petition to have VSC Seller/Dealer declared bankrupt, which is not vacated within 30 days;
  - (iv) The material breach of any provision contained within this Agreement; or
  - (v) VSC Seller/Dealer's acts of fraud, defalcation, dishonesty or intentional misrepresentation directed to Administrator or Mepco.

6. **Warranties and Representations.** VSC Seller/Dealer hereby warrants and represents for the benefit of Mepco as follows:

- a. All Extended Payment Contracts are genuine in all respects and are what they purport to be and are not evidenced by a judgment.
- b. All Extended Payment Contracts represent undisputed bona fide transactions completed in accordance with the terms and conditions of the Payment Plan Program and the documents relating thereto.
- c. There are no set offs, counterclaims or disputes existing or asserted with respect to any Extended Payment Contract and VSC Seller/Dealer has not made any agreement with any Purchaser for any discount or deduction with respect to any Extended Payment Contract.
- d. No Extended Payment Contract is subject to any prior assignment by VSC Seller/Dealer, claim, lien or security interest against VSC Seller/Dealer and VSC Seller/Dealer will not make any assignment thereof or create any security interest therein, nor permit the same to become subject to any attachment, levy, garnishment, or other judicial process.
- e. Each Vehicle Service Contract shall (i) have a term of two years or more and (ii) be purchased with respect to a new or used automobile or truck.

7. **Pricing.** VSC Seller/Dealer agrees and understands that the Purchasers are intended to receive interest-free extended payment terms and therefore, it is a strict condition of this Agreement that each and every Purchaser shall be offered a Vehicle Service Contract at the same price, whether or not the Purchaser elects to participate in the Payment Plan Program. No discount under any circumstances may be or has been offered or made in any manner by reason of the Purchaser electing to not participate in the Payment Plan Program.

8. **Indemnities.** VSC Seller/Dealer hereby indemnifies and holds Mepco free and harmless from and against any and all claims, actions, demands or liabilities, including reasonable attorney fees, whether well founded or not that may be asserted against Mepco or agents, employees, successors or its assignees due to the breach of any term or representation of VSC Seller/Dealer in this Agreement. VSC Seller/Dealer further agrees to indemnify and hold Mepco free and harmless from and against any and all claims, actions, demands or liabilities arising out of any and all claims, actions, or demands, whether well founded or not, that may be asserted against Mepco or its employees, agents, successors, or assigns by any Purchaser or any third party regarding the Vehicle Service Contracts and performance thereunder; including, but not limited to any and all claims, actions, demands, liabilities for fraud, defalcation, dishonesty or intentional misrepresentation to the extent the same are also directed to Mepco, its agents, employees, successors or assigns.

9. **Governing Law.** This Agreement shall be construed in conformity with the laws of the State of Illinois. The parties hereto irrevocably agree that all actions or proceedings in any way, manner or respect, arising out of or from or related to this Agreement, shall be litigated only in courts having situs within Cook County, Illinois. Each party hereby consents and submits to the jurisdiction of any local, state or federal court located within Cook County, Illinois and waives any right it may have to transfer the venue of any such litigation. It is the intent of the parties that this Agreement be deemed to have been prepared by all of the parties and that no party shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

10. **Title to Accounts.** VSC Seller/Dealer hereby acknowledges and agrees that title to all Extended Payment Contracts and all amounts owing by a Purchaser thereunder shall at all times be vested in Mepco and its assignees, and VSC Seller/Dealer shall have no right, title or interest therein.

**VSC SELLER/DEALER:**

**MEPCO INSURANCE PREMIUM FINANCING, INC.**

By: \_\_\_\_\_  
 Its: \_\_\_\_\_  
 Dealership name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_

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