

SUPPLEMENT TO ADMINISTRATOR OBLIGOR DEALER AGREEMENT

This SUPPLEMENT TO ADMINISTRATOR OBLIGOR DEALER AGREEMENT (this "Supplemental Agreement") made and entered into as of the ____ of _____, _____ at Napa, California between A.U.L. Corp. a Nevada corporation (hereinafter called the "Administrator"), and _____ (hereinafter called the "Dealer").

RECITALS:

WHEREAS, Dealer sells vehicle service contracts that are issued and administered by Administrator or an affiliate of Administrator (hereinafter called the "Vehicle Service Contracts") in accordance with a certain Administrator Obligor Dealer Agreement (hereinafter called the "Dealer Agreement") previously made and entered into by such parties.

WHEREAS, in accordance with the Dealer Agreement the Administrator arranges for the Vehicle Service Contracts to be insured by American Bankers Insurance Company of Florida or American Reliable Insurance Company, or another licensed insurance company and member of the Assurant group of insurance companies (hereinafter called the "Insurance Company").

WHEREAS, the Administrator and the Insurance Company have contracted with Service Payment Plan, Inc., an Illinois corporation, having a principal place of business at 303 East Wacker Drive, Suite 230, Chicago, Illinois 60601 (hereinafter called "SPP") for SPP to make available and administer a "no interest" extended payment plan program, as described below, for the purchase of each Vehicle Service Contract sold by Dealer (the "SPP Payment Plan Program").

WHEREAS, the Dealer wishes to participate in an extended payment plan program for the Vehicle Service Contracts that is being offered by SPP.

WHEREAS, Administrator is willing to consent to and permit the Dealer to provide extended payment arrangements for customers purchasing the 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 and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. SPP PAYMENT PLAN PROGRAM.** A description of the SPP Payment Plan Program will be detailed from time to time in the administrative guides and materials that Administrator furnishes to Dealer for the sale and purchase of Vehicle Service Contracts. SPP has furnished Administrator with a supply of forms captioned Retail Installment Contract, a copy of which is marked Exhibit "A" and attached hereto (the "Retail Installment Contract", and sometimes hereafter referred to as the "Payment Plan Agreement"). Administrator will furnish Dealer with a supply of the Payment Plan Agreement forms without cost. Each Vehicle Service Contract sold with a Payment Plan Agreement is hereinafter referred to as an "Extended Payment Terms Contract" and each prospective purchaser of a Vehicle Service Contract is hereinafter referred to as the "Purchaser". If Dealer offers a Purchaser the opportunity to pay for the Vehicle Service Contract with the Payment Plan Agreement, then Dealer hereby agrees to do so in accordance with the following terms and conditions set forth in this Supplemental Agreement.
- 2. DUTIES OF DEALER.** Dealer agrees to comply with the following terms and conditions when selling an Extended Payment Terms Contract:
 - a. Dealer shall require and receive from the Purchaser a minimum down payment of 10% of the Total Sale Price (defined below) for each such Extended Payment Terms Contract.
 - b. SPP shall be designated by the Dealer in the Lienholder section of the completed Vehicle Service Contract application for the transaction as the lienholder thereunder. SPP, as designated in the Retail Installment Contract, will be the recipient of the installment payments, and is given authorization by Purchaser to collect the same monthly by debit or charge, as applicable, to Purchaser's checking or credit card account.
 - c. Dealer shall forward to the Administrator, within seven (7) business days after the sale, the Vehicle Service Contract and such other items as are customarily provided when a Vehicle Service Contract is sold without the Payment Plan Agreement, together with the original executed copy of the Retail Installment Contract, the Lienholder's copy of the completed Vehicle Service Contract, and if applicable the Purchaser's voided check.
 - d. SPP and the Administrator shall then confirm with each other the issuance of such Vehicle Service Contract and the sale thereof with the Payment Plan Agreement.
 - e. The Account Price that Dealer will receive and the terms for payment thereof are set forth in Section 3 below.
 - f. SPP shall receive for its services the "SPP Fee" defined in Section 3 below.
 - g. Dealer shall only use forms that have been approved in writing by Administrator for use in SPP's payment plan program. Dealer agrees to follow the policy and procedures set forth in the Payment Plan Program Operations Manual issued by Administrator, and to properly use and complete the forms provided by Administrator and any revisions or amendments thereto. A copy of the currently effective Payment Plan Program Operations Manual is attached hereto as Exhibit "B" and incorporated herein by this reference. SPP and Administrator may amend the amount of the SPP Fee, and other operating procedures from time to time, upon at least 30 days prior written notice to Dealer.

- h. An Account having an Account Price of \$10,000 or more or that exceeds the higher of either of the following amounts (i) \$1,000 over the Dealer Cost or (ii) 200% of the Dealer Cost is not eligible for the SPP Payment Plan program.
- i. Dealer, at its expense, shall apply for, obtain and maintain any and all licenses required by the jurisdictions in which it is doing business, including but not limited to any license needed in order to be a seller of retail installment contracts.

3. PAYMENT OF THE ACCOUNT PRICE.

A. Defined Terms. For purposes hereof the following terms shall have the meanings ascribed to them herein.

"Account" shall mean each account arising from a Payment Plan Agreement that provides for SPP to receive the Amount Financed from the Purchaser pursuant to the Payment Plan Agreement.

"Account Price" shall mean the aggregate amount of the Initial Payment and the Final Payment described in Paragraph 3.B. below that SPP is to pay to or on behalf of the Dealer for the Account the Dealer generated.

"Amount Financed" shall be equal to the amount shown as the Amount Financed in the applicable Payment Plan Agreement, and shall mean the balance due from the Purchaser and payable in either 12 or 18 installments pursuant to the Payment Plan Agreement.

"Dealer Cost" shall have the same meaning as the term "Dealer Cost" in the Dealer Agreement, namely the amount in the Dealer Rate Guide that the Dealer is required to remit to Administrator for a particular Extended Payment Terms Contract.

"Down Payment" shall be equal to the amount shown as the Down Payment in the applicable Payment Plan Agreement, and shall mean the initial down payment deposit (minimum 10%) the Purchaser pays to the Dealer when he buys the Extended Payment Terms Contract and executes the Payment Plan Agreement.

"SPP Fee" shall mean the following applicable fee payable to SPP by the Dealer:

- 1) For the 12 month payment plan:
 - a) Available for Vehicle Service Contracts with a minimum remaining term of 24 months and 24,000 miles.
 - b) The SPP Fee is \$105.00 if the Amount Financed is less than \$1,750.00. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be \$50.00.
 - c) The SPP Fee is \$160.00 if the Amount Financed is \$1,750.00 or greater but less than \$2,750. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be \$100.00.
 - d) The SPP Fee is 10% of the Amount Financed if the Amount Financed is \$2,750.00 or greater. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be 5% of the Amount Financed
- 2) For the 18 month payment plan:
 - a) Available for Vehicle Service Contracts with a minimum remaining term of 36 months and 36,000 miles.
 - b) The SPP Fee is \$160.00 if the Amount Financed is less than \$1,750.00. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be \$100.00.
 - c) The SPP Fee is \$260.00 if the Amount Financed is \$1,750.00 or greater but less than \$2,750.00. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be \$150.00.
 - d) The SPP Fee is 12% of the Amount Financed if the Amount Financed is \$2,750.00 or greater. In the event the Vehicle Service Contract shall be cancelled during the payment term prior to SPP receiving the third monthly installment payment, the earned SPP Fee will be 6% of the Amount Financed

A chart describing the foregoing SPP Fees is set forth in Section 4 of this Supplemental Agreement.

"Total Sale Price" shall be equal to the amount shown as the Total Sale Price in the applicable Payment Plan Agreement, and shall mean the sale price plus the applicable state and local taxes being charged for the Extended Payment Terms Contract.

B. Payment of Account Price. Administrator will notify SPP of all Extended Payment Terms Contracts sold by Dealer on forms approved by SPP and Administrator, on weekly basis. After SPP receives the documentation from Administrator, SPP shall pay the Account Price for each Account by making the following two payments:

- (i) payment to Administrator on behalf of the Dealer of an amount equal to the Dealer Cost (such payment hereinafter called the "Initial Payment"); and
- (ii) payment to the Dealer of an amount equal to the Total Sale Price of the VSC Plan, less the Down Payment, less the Dealer Cost, and less the SPP Fee (such payment hereinafter called the "Final Payment").

SPP may refuse to accept any Account where (i) the Initial Payment is greater than the sum of the Amount Financed and the SPP Fee, or (ii) the Amount Financed is less than the sum of the Dealer Cost and the SPP Fee.

C. Initial Payment. The Initial Payment shall be sent by SPP on or about the following dates: (1) on the tenth (10th) day of each month for all Accounts assigned to SPP and received by SPP after the twenty third (23rd) day of the previous month and on or before the eighth (8th) day of the current month; (2) on the twenty fifth (25th) day of each month for all Accounts assigned to SPP and received by SPP on or after the ninth (9th) day and on or before the twenty third (23rd) day of the current month.

D. Final Payment. The Final Payment shall be sent by SPP promptly after and only when and if SPP shall have received from the Purchaser payment of at least two installments under the Payment Plan and in such event the Final Payment shall be made on or about the tenth (10th) day of each month for all Accounts that SPP has received a 2nd installment during the previous calendar month. In the event SPP, the Insurance Company or the Administrator ceases to accept new business from Dealer, the Final Payment shall be made on or about the 10th day of the month following the month in which the Purchaser has made the last and final payment payable to SPP under the Payment Plan Agreement. Dealer agrees to look solely to SPP for the Final Payment and not to the Administrator, or the Insurance Company. Although advanced to Dealer, Dealer shall not earn the Final Payment until the Purchaser has paid his Payment Plan Agreement in full.

4. CANCELLATIONS/REFUNDS/NOTICES. If during the term of the Payment Plan Agreement an Extended Payment Terms Contract shall be canceled, either at the request of the Purchaser or at the request of SPP, the SPP Fee will only be the earned SPP Fee, as described in Section 3 above for that contract, and the Dealer will credit SPP for the cancellation refund. The Administrator will credit SPP for the cancellation refund described in Administrator's agreement with SPP. In addition, the Dealer may be entitled to a credit from SPP or SPP may be entitled to debit the Dealer's account for a deficiency remittance depending upon the amount SPP has paid for the Account, and amounts the Dealer and the Purchaser have paid SPP, all as described more fully below:

A. Computation. The amount that the Dealer will owe SPP or that SPP will owe the Dealer is determined by the following calculation:

- (i) the aggregate amount paid by SPP as the Initial Payment and the Final Payment; less
- (ii) the amount of the cancellation refund SPP receives from the Administrator; less
- (iii) the aggregate amount of the monthly installment payments SPP received from the Purchaser; plus
- (iv) SPP Earned Fee; plus
- (v) the aggregate amount of the unpaid late charges the Purchaser failed to pay to SPP.

If the sum calculated in accordance with the foregoing is a positive amount, then Dealer will owe such amount to SPP (the "Dealer Deficiency Remittance"). If the calculated sum is a negative amount, then SPP will owe such amount to the Dealer (the "Dealer Credit").

If the Vehicle Service Contract shall be cancelled prior to SPP receiving three or more monthly installments. then the applicable portion of the SPP Fee previously paid to SPP shall be refunded to the Dealer. The SPP Fee shall be deemed to be fully earned after SPP shall have received three or more monthly installment payments, and in such cases SPP will not be refunding a portion of the SPP Fee to the Dealer.

The following chart sets for the applicable SPP Fees and cancellation return amounts:

SPP Payment Plan Options	Fee Structure <\$1,750 Amt. Financed	Fee Structure ≥\$1,750 <\$2,750 Amt. Financed	Fee Structure ≥ \$2,750 Amt. Financed	Minimum terms of coverage
12-Month	\$105.00 (\$55 returned if cancelled before the 3 rd payment)	\$160.00 (\$60 returned if cancelled before the 3 rd payment)	10% of Amt Financed (50% returned if cancelled before the 3 rd payment)	24 Months & 24,000 Miles
18-Month	\$160.00 (\$60 returned if cancelled before the 3 rd payment)	\$260.00 (\$110 returned if cancelled before the 3 rd payment)	12% of Amt Financed (50% returned if cancelled before the 3 rd payment)	36 Months & 36,000 Miles

Dealer authorizes SPP to net the Dealer Credits and the Dealer Deficiency Remittances against the Final Payment amounts SPP pays to the Dealer pursuant to Section 3 D. above. The following computations are examples of a Dealer Credit and a Dealer Deficiency Remittance calculation. In each example the Vehicle Service Contract, including applicable sales tax, cost \$1,000.00, the Purchaser paid a \$100.00 down payment to the Dealer and agreed to pay SPP \$900.00 in 12 monthly installments of \$75.00 each, which are to be debited monthly to the Purchaser's checking account. In Example No.1 the service contract cancelled after the Purchaser paid SPP one installment, and after SPP paid the Dealer an Initial Payment of \$600. In example No. 2 the Vehicle Service Contract cancelled after the Purchaser paid SPP six installments, and after SPP paid the Dealer the Initial Payment of \$600, and paid the Dealer the Final Payment \$195.

Example No.1- Dealer owes a Dealer Deficiency Remittance of \$35:

(i)	\$600.00; less
(ii)	545.00; less
(iii)	75.00; plus
(iv)	50.00; plus
(v)	<u>5.00</u>
	\$ 35.00

Example No. 2- SPP owes a Dealer Credit of \$20:

(i)	\$795.00; less
(ii)	475.00; less
(iii)	450 00; plus
(iii)	105.00; plus
(iv)	<u>5.00</u>
	\$(-20.00)

- B. Purchaser Refunds on Cancellation. Dealer shall continue to be responsible for paying the Purchaser any cancellation refunds due Purchaser based upon the payments Purchaser has actually paid to Dealer and SPP.
- C. Monthly Cancellation Computations by the Administrator. On or about the 6th day of each month, SPP shall notify the Administrator by fax of Accounts SPP deems canceled during the previous month. The Administrator shall compute and inform SPP by fax as to the pro rata refund factor based upon time in force since sale date for all Accounts that are canceled after the 1st installment has been paid by the Purchaser.
- D. Monthly Cancellation Statements to Dealer. SPP shall send the Administrator and Dealer a statement on or about the 10th day of each month setting forth the Accounts for the previous month, which SPP deems canceled, together with a schedule of the Dealer Credits and Dealer Deficiency Remittances. SPP shall add the Dealer Credits to and deduct the Dealer Deficiency Remittances from the Final Payments check due Dealer in accordance with Paragraph 3D. In the event Dealer is owed no money from SPP but owes a Dealer Deficiency Remittance to SPP, SPP shall apply the amount due SPP to the next final payment check due Dealer. SPP reserves the right to offset against any amount it owes to Dealer any amount owed to SPP by the Administrator or the Insurance Company for the Accounts of Dealer, which are the result of SPP not receiving a pro rata refund of the Dealer Cost (the Initial Payment) SPP advanced on the Extended Payment Terms Contract.

5. WARRANTIES AND REPRESENTATIONS REGARDING ACCOUNTS. For each Account assigned to SPP, Dealer hereby warrants and represents for the benefit of the Administrator, the Insurance Company and SPP, and their respective successors and assigns as follows:

- a. The Account is genuine in all respects and are what they purport to be and are not evidenced by a judgment;
- b. The Account represents an undisputed bona fide transaction completed in accordance with the terms and provisions contained in the Payment Plan Agreement and other documents relating thereof;
- c. There are no set offs, counter claims or disputes existing or asserted with respect thereto and the Dealer has not made any agreement with any Purchaser for any deduction therefrom except as disclosed on the Payment Agreement Plan;
- d. The Account is not subject to any prior assignment by the Dealer, claim lien or security interest against the Dealer and the Dealer will not make any further assignment thereof or create any further security interest therein, nor permit its right therein to be reached by attachment, levy, garnishment, or other judicial process; and
- e. The Account arises from the sale of a Vehicle Service Contract having the following terms:
 - (i) the remaining term of the Vehicle Service Contract is two (2) years and 24,000 miles or more if the 12 monthly payments option is selected, and three (3) years and 36,000 miles or more if the 18 monthly payments option is selected; and
 - (ii) the Vehicle Service Contract is for a new or used automobile or truck.
- f. A minimum of 10% of the Total Sales Price of the Vehicle Service Contract has been paid to the Dealer by the Purchaser, and the Amount Financed is less than \$10,000.00, and does not exceed the higher of either of the following amounts (i) \$1,000 over the Dealer Cost or (ii) 200% of the Dealer Cost.

6. PRINTED MATERIALS/ADVERTISING. Administrator will furnish Dealer with all supplies, applications, circulars, and all printed material it considers necessary and requisite for SPP's Payment Plan Program. Dealer agrees not to publish or distribute any other circulars, advertisements or programs of such organization without first securing written approval from Administrator, and to cease using such material immediately upon the written instructions of Administrator. All printed matter and supplies furnished are authorized by SPP or Administrator with the respect to SPP's Payment Plan Program and are the property of Administrator or SPP and shall be promptly returned to Administrator and SPP on request.

7. TERM/TERMINATION.

a. This Supplemental Agreement shall commence as of the date first shown above, and shall continue for an indefinite period until terminated in the manner prescribed in this paragraph. Notwithstanding any termination or expiration of this Supplemental Agreement, any and all warranties, representations or agreements to hold harmless shall survive such termination and remain in full force and effect.

b. Any party may terminate this Supplemental Agreement without cause by (i) giving 30 days' written notice to the other of such termination and (ii) giving a copy of such notice thereof to SPP. Notices to SPP shall be addressed to SPP at:

**Service Payment Plan, Inc.
Attn: Mr. Robert A. Hymen
303 East Wacker Drive, Suite 230
Chicago, Illinois 60601.**

Notice may be mailed to the address designated in this Supplemental Agreement and shall be effective 30 days after the date of delivery or mailing, whichever is earlier.

c. This Supplemental Agreement may, at the option of Administrator, terminate immediately and without notice for cause upon the occurrence of any of the following events:

- (i) Dealer's assignment or attempted assignment of this Supplemental Agreement or any portion of any interest in or any payment due under the Extended Payment Term Contracts without the expressed prior written consent of SPP and Administrator;
- (ii) The filing by Dealer of a voluntary petition in bankruptcy or execution by Dealer of an assignment for the benefit of creditors;
- (iii) The filing of a petition to have Dealer declared bankrupt, which is not vacated within 30 days;
- (iv) The material breach of any provision contained within this Supplemental Agreement; and
- (v) Dealer's acts of fraud, defalcation, dishonesty or intentional misrepresentation directed to Administrator, the Insurance Company, or SPP, and their respective agents or employees.

d. Dealer hereby agrees to at all times indemnify and hold Administrator, the Insurance Company and SPP, and their respective employees, agents, successors and assigns, free and harmless against any and all losses, judgments, defense costs or other liabilities arising out of any and all claims, actions, or demands, whether well founded or not, that may be asserted against all or any of them by any Purchaser, or any third party, regarding the Extended Payment Terms Contracts and performance by Dealer thereunder, including but not limited to any and all losses, judgments, defense costs or other liabilities for cancellation refunds, or for fraud, defalcation, dishonesty or intentional misrepresentation to the extent the same are also directed to Administrator, the Insurance Company, SPP, or their agents, employees, successors or assigns.

8. HOLD HARMLESS RE SALE PRICE CONDITION. Dealer agrees and understands that the Purchasers are intended to receive interest-free extended payment terms, and therefore, it is a strict condition of the SPP payment plan program that each Purchaser shall be offered the Vehicle Service Contract at the same sales price regardless of whether or not the Purchaser elects the Payment Plan Agreement option, and that no discount under any circumstances may be offered or made in any manner by reason of the Purchaser electing to waive the Payment Plan Agreement option. In the event of a breach of this condition, Administrator or SPP shall have the right to cancel this Supplemental Agreement and withhold from funds due the Dealer monies sufficient to reimburse the Purchasers having claims resulting from such breach. Dealer hereby indemnifies and holds Administrator, the Insurance Company and SPP, and their respective employees, agents, successors and assigns, free and harmless against any and all claims, actions, demands or liabilities, including reasonable attorney fees, whether well founded or not that may be asserted against all or any of them by reason of or relating to the breach or alleged breach of the foregoing condition.

9. DEALER HOLD HARMLESS REGARDING UNREPORTED CONTRACTS. The Dealer hereby indemnifies and holds Administrator, the Insurance Company and SPP, and their respective employees, agents and assigns, free and harmless against any and all claims, actions, demands or liabilities, including reasonable attorney fees, whether well founded or not that may be asserted against all or any of them by reason of or relating to any Extended Payment Terms Contract sold or allegedly sold by Dealer and not reported to the Administrator.

10. APPLICABILITY OF DEALER AGREEMENT. Except as expressly contradicted or superseded herein, all terms and conditions contained within the Dealer Agreement executed by and between the parties hereto shall apply with full force and effect between the parties contemplated under such agreement.

DEALER:

Signature: _____

Printed Name: _____

Title: _____

ADMINISTRATOR:

A.U.L. Corp.,
1250 Main Street, Suite 300
Napa, CA 94559

Signature: _____

Printed Name: _____

Title: _____

DEALER DATA REPORT

Dealership Name: _____

Address: _____

City/State/Zip: _____

Dealer ID Number: _____ Agent Number: **1186 (PFL LLC)**

EXHIBIT A
TO
SUPPLEMENT TO DEALER AGREEMENT

[RETAIL INSTALLMENT CONTRACT FORM]

EXHIBIT B
TO
SUPPLEMENT TO DEALER AGREEMENT

[PAYMENT PLAN PROGRAM OPERATIONS MANUAL]