



DEALER ADMINISTRATION AGREEMENT

CS/SA 9/04

This Administration Agreement (herein referred to as the "Agreement") is executed this _____ day of _____, 200__ by and between:

Company: Dimension Service Corporation
400 Metro Place North, Suite 300
Dublin, Ohio 43017

and

Dealer: _____

WHEREAS, Dimension Service Corporation (herein referred to as the "Company") provides product warranty administration on behalf of Warranty Source Corporation under the name "Cool Source"™ which are marketed by various retail automobile Dealers to automobile purchasers; and

WHEREAS, the above designated Dealer desires to market the Program(s) in conjunction with retail vehicle sales; and

WHEREAS, the Dealer has reviewed and approved the Program(s) and desires the administrative services of the Company; and

WHEREAS, the Company desires to assist the Dealer by providing administration for Program(s);

NOW THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

I. DEFINITIONS

The following words and phrases shall have special meanings when used in this Agreement:

1. "Program" means Company designed services, including the Company's system of administration of Product Warranties;
2. "Warranty Remittance" means the fee payable to Company as specified in the Dealer Cost Guide in force on the effective date of each Product Warranty. The fees which constitute the Contract Remittance are subject to revision at any time, upon notice to Dealer, at the sole option of Company.
3. "Proprietary Information" means individually and collectively all information, know-how and trade secrets relating in any way whatsoever to any of Company's programs, and any other information disclosed to or learned by Dealer concerning Company's programs, which is not known in the trade industry, during, or as a result of, information conceived, originated, discovered or developed by Company either solely or jointly with others, and includes trade secrets, know-how, computer software, technical matters, such as processes, compositions, methods, products, ideas and research. It further includes business matters, such as plans, books, financial information, customer lists, suppliers, product sources, prices, costs, discounts and sales, and such other information that relates to Company the disclosure of which may be harmful to the interest of Company.
4. "Warranty" means the Product Warranty issued by Dealer under this Agreement;
5. "Warranty Holder" means the customer to whom a Warranty was issued covering the vehicle sold by the Dealer;

II. TERM OF AGREEMENT

1. This Agreement shall be effective on the date stated at the beginning of this Agreement and shall continue in force until terminated on the following conditions:
 - A. The mutual agreement of the Company and the Dealer;
 - B. Either party giving the other party not less than thirty (30) days advance written notice of desire to terminate this Agreement;
 - C. The material violation of this Agreement by the Dealer, in which case, at the option of the Company, termination shall be effective immediately. Material violations include, but are not limited to, fraud or misconduct on the part of the Dealer, the failure to maintain appropriate licenses, filing of a petition in bankruptcy by or against the Dealer, assignment for the benefit of creditors, the sale of stocks or assets which constitute the Dealer's business, or merger or transfer of Dealer's business to a successor person or entity;
 - D. If any regulatory agency requires the termination of this Agreement, in which case termination shall be effective immediately.
2. In the event of termination of this Agreement, all existing obligations of the Dealer and the Company under this Agreement shall continue with respect to Warranties issued prior to the termination date, provided that properly completed applications and Warranty Remittances have been received and approved by the Company. Should this Agreement be terminated pursuant to Section 1(C) or 1(D) or as a result of any other breach by Dealer of this Agreement, Dealer shall have no right to offer any Warranties.

III. RESPONSIBILITIES OF COMPANY

1. The Company will require Warranty Source Corporation prepare and supply to the Dealer all reasonably required quantities of Warranty applications, promotional materials, and other necessary materials and forms required to implement the Program(s).

2. Company shall make available a telephone number to enable Dealers or Warranty Holders to contact Company and Company shall investigate and arrange for any necessary repair of a Warranty Holder's vehicle to the extent that it is covered under the applicable Warranty.

3. The Company shall provide reasonable assistance requested by Dealer for administration of the Program(s) selected by the Dealer.

4. The Company shall be under no obligation to accept a Warranty application or, investigate or arrange for payment of repairs of any vehicle if:

A. The vehicle did not qualify under the then current eligibility guidelines of the Company; or

B. The Dealer prepared a Warranty application in error or contrary to instructions; or

C. Within forty five (45) days of the date of the application, the Dealer failed to report the Warranty application and the Warranty Remittances to the Company.

5. Company shall indemnify and hold harmless Dealer from any and all claims, suits, damages, costs, judgments or awards that Dealer incurs as a result of the determination that the written practices or procedures provided by Company to Dealer and strictly followed by Dealer were violative of applicable state or federal laws, rules or regulations, the failure of Company to perform pursuant to the provisions, promises and terms of this Agreement, or resulting from any negligent or wrongful acts, failures to act, representations, misrepresentations or omissions of Company in connection with the administration, payment, denial or adjustment of claims under any Product Warranty. The obligation of Company contained in this Section shall survive any termination of this Agreement.

IV. RESPONSIBILITIES OF DEALER

1. Dealer has read and understands the Cool Source™ Procedure Manual provided by Warranty Source Corporation and will follow the instructions and procedures as set forth therein, including any and all additions, deletions, amendments or alterations to the Procedure Manual as may be specified from time to time.

2. Dealer will provide Program(s) to every retail customer who purchases a qualifying vehicle as defined by the Procedure Manual. For each Warranty provided, Dealer agrees to remit the charges set out in the Dealer Cost Guide in force on the Warranty date.

3. For each Warranty provided under the Program(s), Dealer will pay the proper Warranty application Remittance and report to Company on the fifteenth (15th) and thirtieth (30th) day of each month, on forms furnished by Warranty Source Corporation and in the manner prescribed in the Procedure Manual. All Warranty Remittances by Dealer shall be made exclusively with checks payable to the Program Insurer.

4. Each Warranty submitted by Dealer to Company will represent a bona fide sale of a vehicle to a retail customer. The retail customer named in the Warranty shall represent the actual Warranty terms of the legal obligation to the Warranty Holder named therein, will be valid and enforceable in accordance with its terms and will remain free from any claims or defenses.

5. The Dealer agrees to notify the Company and request authorization before making any covered vehicle repairs or replacements under the Program(s). Dealer will invoice Company for the amount of such covered repair authorized by Company.

6. Dealer agrees to allow Company or Warranty Source Corporation to enter Dealer's place of business upon reasonable notice and during normal business hours to access all records pertaining to this Agreement, and to make such audits as Company deems necessary.

7. Dealer understands that Company alone will determine whether a claim is approved or denied under the applicable Warranty.

8. In the event of a Warranty cancellation, the Dealer agrees to refund to Company the portion of the Contract charge retained by Dealer if any according to the then current refund method established by the Company. Dealer shall submit cancellation request forms to Company within sixty (60) days from date cancelled.

9. In servicing, maintaining, or repairing vehicles under the Warranties, Dealer agrees to warrant its workmanship and quality of repairs to the Warranty Holder. Should a Contract or Warranty Holder make a subsequent claim arising out of faulty service or repairs performed by the Dealer, such claim shall not be covered under the Warranty, and the Dealer shall be solely liable for the cost of such service or repairs.

10. Dealer agrees to use Warranty applications and other Program materials in such form as is supplied by Warranty Source Corporation and understands that Dealer has no authority to make, alter, modify, waive, or discharge any terms or conditions of the Warranty, or such materials, or to make any representation inconsistent with the Warranty, or such materials, nor to incur any liabilities on behalf of the Company or its Insurer(s).

11. Dealer acknowledges and agrees that the following vehicles are ineligible for the Product Warranty Program: Acura NSX, all 4100 Cadillac and all Diesel Engines produced before 1990, all commercial applications with snow removal. Mitsubishi 3000 GT, Dodge Stealth, Nissan 300 ZX, and 350 Z, all 12 cylinder engines, all Peugeot, Porsche 911, 928, 930 or 993 all Renault, Dodge Viper, Dodge RT-10, all Diahatsu, Mustang Saleen, Ford Lightning trucks, GMC Cyclone and Typhoon, BMW Z8, Mercedes AMG models, all lifted or lowered vehicles, all wheel combinations other than OEM, and all antique vehicles (older than 25 model years).

12. Dealer agrees that, except as otherwise provided in the Procedure Manual, Dealer has no authority to use the Company or its Insurers names, trade names, or logos without prior written approval from the Company.

13. Dealer shall comply with all laws, rules, and regulations and licensing requirements pertaining to the sale of motor vehicles, Program(s), and any other related products and services in the state where Dealer does business under this Agreement. Dealer is familiar with, holds and possesses all licenses necessary to sell motor vehicles and Programs, and to execute Warranties. Such licenses are in good standing, are not suspended, not subject to any claim or violation or proceeding to terminate pursuant to applicable Law, and copies will be provided to Company upon request.

14. Dealer will not disclose, during the term of this Agreement or any time thereafter, any confidential, business, financial or proprietary information concerning the Company, its affiliates, and subsidiaries, or concerning Warranties which Dealer has acquired during the term of this Agreement.

15. Dealer shall indemnify and hold harmless Company and its employees, agents and representatives from any and all claims, suits, damages, costs (including reasonable attorneys' fees), judgments or awards arising from Dealer's failure to perform its responsibilities in accordance with the provisions, promises and terms of this Agreement, or resulting from any negligent or wrongful acts, failures to act, representations, misrepresentations or omissions of Dealer. The obligations of Dealer contained in this Section shall survive any termination of this Agreement.

V. GENERAL PROVISIONS

1. Dealer and Company agree that they shall first engage in a good faith effort to negotiate all disputes, controversies or claims of any kind or nature between them arising out of or in any way related to this Agreement, its interpretation, performance or breach. Said negotiations may be verbal or written. To the extent they are verbal, they should be confirmed in writing.

If the above stated negotiations are unsuccessful, Dealer and Company shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules or such other mediation rules as the parties may otherwise agree to choose.

If the above stated mediation is unsuccessful, the dispute shall be submitted to arbitration, with one arbitrator to be chosen by Company, one by Dealer, and a third arbitrator who is neither an officer of a vehicle service contract/warranty administrator nor a Dealer of motor vehicles, but who is familiar with the automobile service contract/warranty business, is to be selected by the two arbitrators. The arbitrators are relieved from all judicial formalities. They shall interpret this Agreement as a binding agreement, and their decision shall be final and binding upon both parties.

Each party shall bear the expense of its own arbitrator, and shall jointly and equally bear with the other the expenses of the third arbitrator and of the arbitration. If either party fails to name its arbitrator within thirty (30) days after receiving the written request by registered or certified mail, return receipt requested, of the other party to do so, the latter shall name both arbitrators, and they shall select an arbitrator as stipulated herein.

This Agreement is made in and shall be governed by and construed in accordance with the laws of the State of Ohio. Any arbitration shall take place in Columbus, Ohio, unless otherwise mutually agreed, and the decision of the arbitrators concerning this Agreement or the business or transactions contemplated under this Agreement shall be enforceable in a court of competent jurisdiction with venue in the State of Ohio, County of Franklin.

2. In the event of any legal proceeding to enforce or defend any rights under this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable, expenses and attorney's fees actually incurred by the prevailing party in connection therewith.

3. Company reserves the right to offset any amounts due to Dealer under this Agreement against any amounts due from Dealer under this or any other Agreement(s) Dealer may have from time-to-time with Company or any of its subsidiaries or affiliates.

4. All written notices required under this Agreement shall be deemed to be sufficiently given and effective if a copy thereof has been mailed by United States registered mail, return receipt requested, in an envelope properly stamped and addressed. Notice to the parties, directed to the attention of the signing representative, shall be sent to the following addresses, or such other addresses either party may theretofore have furnished by written notice to the other party:

If to Company:

Dimension Service Corporation
400 Metro Place North, Suite 300
Dublin, Ohio 43017

If to Dealer:

5. If any provision of this Agreement, or the application thereof to any entity or circumstance, shall to any extent be held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement, which can be given effect without the invalid provision, and to this end the parties agree that the provisions of this Agreement are and shall be severable.

6. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had all signed the same signature page.

7. This Agreement constitutes the entire agreement between the parties with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties.

8. This Agreement shall inure to the benefit of and be binding upon permitted successors, legal representatives, and assigns of the parties. The rights and obligations of Dealer under this Agreement shall not be assigned without the prior written consent of Company. Company may assign this Agreement without Dealer's consent.

9. No waiver or failure on the part of either party to this Agreement to enforce or insist upon compliance with any of the terms or provisions of this Agreement shall be construed as or constitute a waiver of said terms or provisions, nor shall it be construed as or constitute a waiver of any other term or provision. Any waiver of a right or remedy under this Agreement, or otherwise, must be given in writing and shall not be deemed as a waiver of any future rights or remedies.

10. Dealer and Company shall make and maintain all records and other documents relating to the transactions contemplated by this Agreement for the period of time required to comply with applicable federal and state laws.

11. Dealer and Company shall comply with all privacy and data protection laws, rules and regulations which are or which may in the future be applicable. Without limiting the generality of the preceding sentence, Dealer and Company agree 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 each party shall implement and maintain an information security program designed to ensure the security and confidentiality of the information collected. The provisions contained in this Paragraph shall survive the termination or expiration of this Agreement.

12. Neither this Agreement nor any action pursuant hereto shall make the parties to this Agreement the agent for the other for any purpose other than the limited purposes set forth in this Agreement and neither party is granted any express or implied right to bind the other in any manner whatsoever.

IN WITNESS WHEREOF, the parties have hereunder executed this Administration Agreement on the date first stated at the beginning of the Agreement.

Dealer (Dealership Name)

Authorized Signature (Title)

Dealer Account Number

Dimension Service Corporation

Authorized Signature (Title)

Warranty Source Corporation

Authorized Signature (Title)

Agency Name

Authorized Signature Agent Account Number