

# AUTOSAVE<sup>®</sup>

## ENGINE & TRANSMISSION WARRANTY

### Automotive Product Warranty Program Dealer Agreement (Plus)

**THIS AGREEMENT**, (Agreement), is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_, by and between Charter Warranty Services, Inc. (Administrator) Lock Box 2425, Farmington Hills, MI 48333-2425 and

herein referred to as Dealer (Dealer);

**WHEREAS**, ADMINISTRATOR (Administrator) is engaged in the business of providing administrative and claims handling services and is Administrator of the authorized Insured Automotive Product Warranty Program for engines and transmissions known as Autosave (Program).

**WHEREAS**, Dealer (Dealer) desires to market the Program to customers ("Purchasers") in their business to be administered by Administrator and underwritten by Insurer as defined below. Dealer agrees to abide by Section 3 Responsibilities of Dealers set forth herein for the Program.

**NOW, THEREFORE**, and in consideration of the mutual promises and covenants contained herein, the parties do hereby acknowledge and agree as follows:

**1. TERM.** The term of this Agreement shall commence on the date hereof and continue until cancelled as provided herein. Administrator may terminate this Agreement by written notice of termination to the Dealer. This Agreement shall be terminated upon provision of such notice.

**2. RESPONSIBILITIES OF ADMINISTRATOR.** Administrator shall administer the Program and adjudicate claims, which shall include performing its obligations under the Administration Agreement with Insurer. Administrator shall be responsible for the following tasks in the conduct of the Program.

**A. INSURANCE.** Administrator shall maintain an Insurance policy from a carrier with a B or above rating according to A.M. Best (Insurer). Dealer may obtain an accord form or proof of Insurance (declarations page) from Administrator provided such request is in writing and sent to Administrator's designated Lock Box address.

**B. ENROLLMENT.** Administrator shall process eligible Program Purchaser registration forms received from Dealer and distribute the Autosave product to all eligible Purchasers within 30 days of receipt of full Dealer remittance and customer registration form as stated in Section 4 (Program Remittance). Concealment of a material fact does not alleviate cancellation from Administrator at a later date.

**C. COMMUNICATIONS.** Administrator shall maintain a claims call center for all inbound and outbound service calls in connection with the Program, Monday through Friday, 9:00 a.m. to 5:30 p.m. EST, excluding holidays, 800-684-1175. Faxes can be received in such claims center at 800-785-3607. Administrator's answering service will answer all calls when Administrator is unavailable and forward as necessary.

**D. CLAIMS.** "Claims" shall include the request by the Dealer's customer for repair of a covered item, the actual authorized repair or replacement service(s) performed on the covered item, and payment of invoices from the servicers provided to Administrator for authorized repair/replacement services under the Program. Administrator must determine (A) the nature of the customer's initial inquiry, and (B) whether that inquiry is eligible to become a claim under the Program(s) terms and conditions. Administrator shall make all reasonable efforts to utilize a preferred service provider. Administrator shall request and review all required maintenance documentation in determining whether a claim is eligible under the Program. If all maintenance documentation is in order as outlined in the customer contract, and all other Program requirements have been satisfied, Administrator will pay approved Claims received under the Program, at Administrator's national hourly rate and parts determination payment plan (new, used or LKQ). Documentation that is fraudulent from anyone associated in the claims process is cause for contract termination with no refund to Dealer, leinholder or Purchaser.

**F. REPAIRS.** Dealer acknowledges that Administrator assumes no obligation for the workmanship, quality of repairs, or replacement of parts, nor for any bodily injury or property damage caused directly or indirectly by mechanical failure or malfunction, or any other cause of a vehicle failure or any part thereof related in any way to a vehicle repaired under the Program. Repairs completed by any service or repair facility will be warranted by that facility for fit and finish, wear, durability and all industry standard workmanship quality. Any service or repair related issues are the repair facility's responsibility. Customer is responsible for normal maintenance or other part repairs not covered under the Program.

**3. RESPONSIBILITIES OF DEALER.** Dealer shall be generally responsible for all costs and marketing the Program at its business or Internet portal and at its sole expense. Dealer also agrees as follows:

**A.** Dealer shall offer the Program to its new and used vehicle retail Purchasers on all eligible mechanically sound vehicles with no pre-existing conditions at the time of sale throughout the term of this Agreement.

**B.** Dealer shall comply with all Program requirements of Administrator at all times and shall complete all required forms and remittance costs supplied by Administrator. Such requirements will determine which vehicles are eligible for the Program. Dealer additionally agrees to help Administrator, if a customer registration form should be returned by Administrator to Dealer, to either correct an error which caused the decline and then resubmit the customer registration form to Administrator once Program purchaser has re-signed that new customer registration form. If customer's vehicle is non-eligible in accordance with Administrator's requirements, Administrator and Dealer agree to refund to customer any monies tendered with respect to such rejected customer registration form. Furthermore, Dealer will refund to leinholder the Dealer's proportionate retail share from the difference of the wholesale remittance cost as indicated in Section 4 (Program Remittance), in the event of a cancellation of the Program at the Leinholder's request due to a verified total loss or repossession of the vehicle registered under the Program. All financed calculations will be based on the amount of months financed through the lender up to 60 months or less if applicable less any fees. If the Program was not financed through any type of financial Institution and falls within the refund guidelines, selling Dealer agrees to refund to the Purchaser their proportionate refund share of their commission for Program. The refund for said Program will be the same proportionate share of the Program as calculated by Administrator

**C.** Dealer agrees that "eligible vehicles" includes only those vehicles that qualify per Administrator's guidelines and which are otherwise in good operating mechanical condition at time of sale with no pre-existing mechanical defects and/or title defects. Any misrepresentation or concealment of a material fact by selling Dealer for the purpose of securing participation in or sale of the Program shall negate Administrator's responsibility for that purchasers Program. Dealer agrees that Administrator will not refund any funds to dealer, leinholder or customer under those circumstances. Commercial use vehicles of any kind are not eligible for the Program.

**4. PROGRAM REMITTANCE.** Dealer shall remit to the Administrator's lock box before the tenth of every month for the previous month's business at the Reseller Cost as specified below for the Program(s) remittance rate for each eligible Purchaser that purchases either a 1,3 or 5 year warranty at the following base costs, 1 year = \$275.00. 3 year = \$325.00 and a 5 year is \$398.00 US Dollars for the Program(s) plus all applicable surcharges that are incurred per warranty. Dealers that elect to sell the additional three coverage options for the 1-3-& 5 year Program(s) can only participate in these additional Program(s) sales electronically thru the AUTOSAVE website. **A.** 5 Year/100,000 Mile Product Warranty Program, **B.** 3 Year/45,000 Mile Product Warranty Program, **C.** 1 Year/15,000 Mile Product Warranty. Program Administrator will collect prospective customer data as supplied by Dealer and process eligible warranty applications as necessary, as outlined in Section 3 B & C and in accordance with Program(s) terms and conditions. Reporting by selling Dealer to Administrator of all sold Program remittances

shall be on a monthly basis no later than the tenth of the following month of the Program sale. Dealer shall also remit at that time to Administrator the cost(s) for the applicable surcharge(s) amounts for the following items, **D.** All Wheel Drive (AWD)/4WD \$95.00, **E.** Luxury vehicles \$100.00, **F.** Air Conditioning option \$100.00, 5 year cost, \$75.00, 3 year cost, \$50.00, 1 year cost, **G** Electrical option \$100.00, 5 year cost, \$75.00, 3 year cost, \$50.00, 1 year cost, **H.** Seal & Gaskets \$125.00. 5 year cost, \$100.00, 3 year cost, \$50.00, 1 year cost. These applicable surcharge cost(s) must be paid in full as provided under this Agreement for Program. Missing surcharges will be billed or ACH'ed to Dealer upon discovery of such missing cost(s) and Program will not be accepted until such surcharges have been remitted, selling Dealer will be responsible for any repairs. The aggregate values of the above options are defined in Section 5 of the Agreement as well as each of the Program(s) 5 -3 & 1 year registration forms. The additional surcharge coverage's are only effective if paid in full when warranty is purchased and remitted in FULL to Administrator at the time of purchase, no add-ons will be allowed at a later date.

**5. FEES AND TERMS OF THE PROGRAM.** Dealer agrees that Administrator's limit of liability for any eligible vehicle covered under the Program shall be in accordance with the applicable term and aggregate for that Program and the respective surcharges that were added on to the Program. The Administrator and Dealer acknowledge that the fee for the Program has no suggested retail pricing. The fee that applies to the Dealer is the Dealer's wholesale cost; any profit thereafter would be the result of the Dealers own profit margin. The Dealer may not change the wholesale remittance cost or surcharge rates payable to Administrator. Dealer is responsible for any and all taxes or documentation stamps, etc. Dealer agrees that Administrator's limit of liability for any eligible vehicle covered under the Program shall be in accordance with the following **A.** Five Year/100,000 Mile Product Warranty Program, 90 day and 1,000 mile vesting period and a total aggregate limit of Five Thousand \$5,000.00 Dollars, of which Three Thousand \$3,000.00 Dollars is per engine and Two Thousand 2,000.00 Dollars is per transmission. Vehicles under the Program that have paid the following surcharge(s) are described herein shall also have a One Thousand Five Hundred (\$1,500.00) Dollar for the Transfer Case, a One Thousand (\$1,000.00) Dollar per limited air conditioning option, a One Thousand (\$1,000.00) Dollar per limited electrical option and a One Thousand (\$1,000.00) Dollar per limited seals & gaskets option (aggregate) only, when the applicable surcharge(s) have been remitted. **B.** 3 Year/45,000 Mile Product Warranty Program, 60 day and 900 mile vesting period and a total aggregate limit of Three Thousand Five Hundred \$3,500.00 Dollars, of which Two Thousand \$2,000.00 Dollars per engine and One Thousand Five Hundred \$1,500.00 Dollars is per transmission. Vehicles under the Program that have paid the following surcharge(s) are described herein shall also have a One Thousand \$1,000.00 Dollar aggregate for the Transfer Case a Seven Hundred Fifty (\$750.00) Dollar per limited air conditioning option, a Seven Hundred Fifty (\$750.00) Dollar per limited electrical option and a Seven Hundred Fifty (\$750.00) Dollar per limited seals & gaskets option (aggregate) only, when the applicable surcharge(s) have been remitted. **C.** 1 Year/15,000 Mile Product Warranty Program, 45 day and 750 mile vesting period and a total aggregate limit of Two Thousand Five Hundred \$2,500.00 Dollars, of which One Thousand Five Hundred \$1,500.00 Dollars per engine and One Thousand \$1,000.00 Dollars is per transmission. Vehicles under the Program that have paid the following surcharge(s) are described herein shall also have a One Thousand \$1,000.00 Dollar repair value for the Transfer Case, a Five Hundred (\$500.00) Dollar per limited air conditioning option, a Five Hundred (\$500.00) Dollar per limited electrical option and a Five Hundred (\$500.00) Dollar per limited seals & gaskets option (aggregate) only, when the applicable surcharge(s) have been remitted.

**6. INDEMNITY.** Dealer agrees to hold harmless, indemnify and defend Administrator and/or Representative against all claims, liability, damage, costs, expenses or attorney fees caused by any act or omission written/oral or otherwise of Dealer and/or Dealer's agents, employees or representatives related to the acceptance of any Program application or vehicle that does not meet the requirements of the Program, or a customer registration form that is not reported and/or paid with good funds to Administrator as required per this entire Agreement under Section 4 of this Agreement, or any act which is the result of any negligent, fraudulent or intentional act or failure of Dealer or Dealer's agents, employees or representatives, including but not limited to failure to follow Administrator's eligibility, underwriting and procedural guidelines. Administrator at their sole discretion can refuse to accept any Program application from Dealer.

**7. DEALER REMITTANCE COST.** Dealer's remittance obligation under this Agreement shall be to remit to Administrator the Program cost(s) and applicable surcharge(s) in full as provided in Section(s) 4 & 5 of this Agreement. Dealer shall otherwise be liable for any other costs in performing its responsibilities specified in Section(s) 3, 6 & 7 of this Agreement.

**8. GOVERNING LAW AND FORUM SELECTION.** This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Michigan, without regard to the principles of conflicts of law thereof. Dealer agrees and acknowledges that any action arising under this Agreement shall be brought in the State of Michigan.

**9. NO PARTNERSHIP OR JOINT VENTURE.** Administrator and Dealer hereby acknowledge that this Agreement is not intended to and does not create any partnership, joint venture, or other entity among the parties and that Dealer is an independent contractor.

**10. MODIFICATIONS, WAIVER, CONSTRUCTION ASSIGNABILITY.** No modifications of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Legal counsel, in the review hereof, has represented each party in review and revision of this Agreement and each party agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement. This Agreement is assignable only by Administrator. Dealer shall not have any right of assignment of this Agreement. However, corporate name changes for Administrator or Dealer shall not be considered an assignment provided prior written approval is obtained by Dealer from Administrator.

**11. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties, whether oral or written.

**IN WITNESS WHEREOF,** the parties have executed this Agreement as the date first above written.

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

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL \_\_\_\_\_

OFFICE MGR/CONTROLLER/CFO EMAIL: \_\_\_\_\_

NAME AND TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

print name and title

**DEALER SIGNATURE:** \_\_\_\_\_

BY: \_\_\_\_\_

Witnessing Agent Name

Agent #

CHARTER WARRANTYSERVICES, INC.