

# ZERO INTEREST PAYMENT ADMINISTRATOR AGREEMENT

Date: \_\_\_\_\_

This Zero Interest Payment Plan Agreement ("Agreement") between Interstate National Dealer Services, Inc. ("Administrator") and

\_\_\_\_\_  
("Seller")

shall be effective as of the above date.

**WHEREAS**, Seller sells Service Contracts ("Contracts") which are administered by Administrator:

**WHEREAS**, Seller wishes to participate in a Zero Interest Payment Plan ("Plan") for financing Contracts which is offered by Administrator

**WHEREAS**, Administrator is willing to allow Seller the ability to provide such Plans for customers purchasing ("Purchaser") the Seller's Contracts administered by Administrator under the terms and conditions set forth herein.

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

## 1. RESPONSIBILITIES AND WARRANTIES OF SELLER

- A. Seller may offer Plan on Contracts administered by Administrator only on forms approved and supplied by Administrator, and agrees to follow all policies and procedures specified by Administrator from time to time.
- B. Seller agrees to assign to Administrator any payments due to Seller on the sale of a Contract under Plan, and Seller agrees to report sales of Contracts on Plan to Administrator on a weekly basis including therewith all approved and required forms fully completed. Such reports will be separate from reports of Contracts not in Plan.
- C. Seller agrees, represents, and warrants to Administrator as follows:
  - i. Purchasers using Plan are intended to receive interest free payment terms, and therefore, it is a strict condition of this Agreement that each Purchaser shall be offered a Contract at one and the same price regardless of whether or not Purchaser elects to use Plan option and that no discount under any circumstances may be offered or made in any manner by reason of Purchaser electing to waive the use of Plan option.

In the event of a breach of this condition, Administrator shall have the right to cancel this Agreement and withhold from funds due Seller monies sufficient to reimburse Purchaser(s) having claims resulting from such breach.

Seller hereby indemnifies and holds Administrator 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 or their respective agents, employees, successors or its assignees due to the breach of this representation and warranty by Seller.

- ii. The Accounts are genuine in all respects and are what they purport to be and are not evidenced by a judgment.

Contracts submitted hereunder represent undisputed bona fide transactions completed in accordance with the terms and provisions contained in the Agreement and other documents relating thereto.

There are no set offs, counter claims or disputes existing or asserted with respect thereto and Seller has not made any agreement with any Purchaser for any deduction therefrom except as disclosed in Agreement.

Contract(s) submitted hereunder is not subject to any prior assignment by Seller; claim, lien, or security interest against Seller; and Seller 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.

## 2. RESPONSIBILITIES AND WARRANTIES OF ADMINISTRATOR

- A. Administrator shall provide Seller with all forms required to complete the sale and reporting of a Contract on Plan as required by rules and procedures established by Administrator.
- B. Administrator shall make all required payments as required under Plan, as described herein, including any required payments for insurance, reserves, administrative fee and Seller profit.
- C. Administrator will send to Seller on a monthly basis, a spreadsheet along with a check settling the amount owed to Seller as of the last day of the preceding month.

## 3. SCHEDULE OF PAYMENTS UNDER PLAN

The following schedule sets forth the required payments between Seller, Administrator and Purchaser under Plan.

- A. Administrator shall receive as a Service Fee ("Fee") for financing and administering Plan the sum of \$85 for each such Contract sold under Plan. This Fee and procedures may be modified at any time by Administrator upon (thirty) 30 days notice to Seller. This Fee will be non-refundable and will be considered fully earned by Administrator upon Seller's notification to create an interest free installment plan for Purchaser.
- B. Upon selling a Contract under Plan, Seller collects a down payment from Purchaser. This down payment shall be retained by Seller as part or all of Seller's profit, on the sale of Contract, depending on the total sale price.
- C. The amount to be financed must be equal to or greater than the sum of Seller cost for Contract plus Fee.
- D. Seller profit on the sale of Contract is limited to 200% of the total Seller cost of Contract. For example, if Seller cost of a particular Contract is \$600, then Seller profit is limited to \$1200 or a total selling price to Purchaser of \$1,800.
- E. The maximum amount that can be financed regardless of Paragraph 3.D. is \$3,000.

- F. The term of Contract sold must be for a minimum of 24 months. New Contracts sold under Plan must be on vehicles with some time or mileage remaining on the original full factory warranty.
- G. New Contracts may be financed for a maximum of 12 months. Used Contracts may be financed for a maximum of 8 months.
- H. After deducting the down payment the remaining balance will be payable to Administrator as Seller's agent on new Contracts in twelve equal monthly payments and on used Contracts in eight equal monthly payments, commencing in all cases not less than (thirty) 30 days nor more than (forty-five) 45 days from Contract sale.
- I. By signing the Zero Interest Payment Plan Agreement, Purchaser directs that payments be made to Administrator by pre-authorized charges to a credit or charge card of Purchaser acceptable to Administrator.
- J. Within (thirty) 30 days after the second payment is received by Administrator, Administrator shall forward payment as an advance to Seller in an amount equal to Seller's full profit on the sale less any down payment retained by Seller, less the Fee then in effect and net of any charge-backs. Although advanced to Seller, the money will not be considered earned by Seller until Purchaser has made all required payments in full. If such payments are not made in full, or Contract is canceled at any time or for any reason before all payments are made in full, then Seller agrees to repay to Administrator the above advance in full immediately upon demand. Seller authorizes Administrator to deduct amounts due it upon such cancellation from any payment due from Administrator to Seller based upon sales of other Contracts under Plan.

**4. CANCELLATION OF CONTRACTS**

- A. Administrator will retain a cancellation service fee based on the terms of Contract, except for flat cancellations.
- B. Except for cancellation for non-payment of periodic payments, it is Seller's responsibility to secure and forward each week to Administrator, Purchasers' signed written and dated requests for cancellations. All cancellation requests must include an odometer reading and effective date.
- C. Seller agrees to use the following language in his installment agreement with Purchaser – "Should Seller, or its respective agents, successors or assigns be unable to charge the credit card listed below, Purchaser hereby authorizes them to cancel Contract and retain all prior payments."

**5. TERM/TERMINATION**

- A. This Agreement shall commence as of the date shown above, and shall continue for an indefinite period until terminated in the manner prescribed in this paragraph.
- B. Either party may terminate this Agreement without cause by giving (thirty) 30 days written notice to the other of such termination.

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

- C. This Agreement may, at the option of Administrator, terminate immediately and without notice for cause upon the occurrence of any of the following events:
  - (i) Seller's assignment or attempted assignment of this Agreement or any portion of any interest in or any payment due under Plan without the express prior written consent of the Administrator;
  - (ii) The filing by Seller of a voluntary petition in bankruptcy or execution by Seller of an assignment for the benefit of creditors;
  - (iii) The filing of a petition to have Seller declared bankrupt, which is not vacated within (thirty) 30 days;
  - (iv) The material breach of any provision contained within this Agreement; or
  - (v) Seller's acts of fraud, defalcation, dishonesty or intentional misrepresentation.
  - (vi) Automatically terminate with the termination of the Administer Agreement. Except that the responsibilities of the parties will survive as relates to Contracts financed prior to such termination.

**6. PRINTED MATERIALS/ADVERTISING**

Administrator will furnish Seller with all supplies, forms, circulars, and all printed material it considers necessary and requisite for Plan. Seller agrees not to publish or distribute any other circulars, advertisements or other material relating to Plan 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 by Administrator with respect to Plan are the property of Administrator and shall be promptly returned to Administrator on request.

**Administrator:**

Interstate National Dealer Services, Inc.

333 Earle Ovington Blvd.

Uniondale, NY 11553

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

Title: \_\_\_\_\_

**Seller:**

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

Address: \_\_\_\_\_

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

Title: \_\_\_\_\_