

DEALER TERMS AND CONDITIONS

The following terms and conditions ("Agreement") set out below govern your use of and participation in the PartProtection, LLC ("PartProtection") Service Contract Program ("Program").

1. EXCLUSIVITY

1. While you are participating in the Program, you will exclusively recommend, market, endorse and sell the PartProtection extended OEM Part Only, Wholesale, and Service point-of-sale extended coverage plans (the "Extended Coverage Plan") and the PartProtection Limited Lifetime Battery Warranty (excluding vehicle sale warranties, manufacturer-sponsored sites and manufacturer-sponsored warranties, unless otherwise agreed to by the manufacturer) in the Service Department and/or Parts Department.

2. CHANGES

1. PartProtection reserves the right to modify or add to these terms and conditions and the pricing at any time. Such additions and modifications are effective immediately and are incorporated into these terms and conditions. Modifications in pricing and compensation will be noticed to you through an email or pop-up notice screen, thirty (30) days in advance of when such rate change or modification takes effect. Your continued participation in and use of the Program after the effective date of such rate change or modification will be considered your acceptance of any such modifications or additions. If you do not agree with a modification in the Agreement or Rate Sheet, you must immediately cease participation in and use of the PartProtection Extended Coverage Program. Any remaining fees due to Participant will be paid according the terms set forth in Section VIII below.

3. COVERAGE TERMS AND PRICING

1. Pricing and compensation for the Extended Coverage Plan in the Program are contained in your agreement, which may be changed from time to time by PartProtection in accordance with the paragraph herein titled "Changes."
2. The Extended Coverage Plan will be marketed under the PartProtection product name and sold connected to a particular part in a Customer's order from Participant, as the following:
 1. **Part Only Coverage Plan:** 24 month extended Coverage on a new, OE-branded, manufactured automobile part. Extends the manufacturer's warranty up to 60 months by offering an additional 24 months/unlimited miles coverage to the manufacturer's original warranty, from the date of purchase. This policy is available on applicable OEM parts purchased over the counter or online from a participating dealership, and covers up to the price paid by the customer and listed on the PartProtection Registration Page.
 2. **Service Part(s) and Labor Coverage Plan:** 24 month extended Coverage on a new, OE-branded, manufactured automobile part plus labor. Extends the manufacturer's warranty up to 60 months by offering an additional 24 months/unlimited miles coverage to the manufacturer's original warranty,

from the date of purchase. This policy is available on applicable OEM parts and labor purchased in the Service Drive from a participating dealership, and covers up to the price paid by the customer and listed on the PartProtection Registration Page.

3. **Wholesale Coverage Plan (sold to Wholesale Customers):** Allows the participating dealer the ability to provide 24 months/unlimited miles, parts and labor coverage on parts sold to Independent Repair Facilities (IRF's). Extends the manufacturer's warranty up to 60 months by offering an additional 24 months/ unlimited miles coverage to the manufacturer's original warranty, from the date of purchase. Labor rates are paid at \$85/hour, labor coverage begins 31 days after the date of purchase, and the policy covers the price listed on the PartProtection Registration Page.
4. **Wholesale Coverage Plan (Self Sale) -** Allows the participating dealer the ability to purchase a PartProtection Wholesale policy from PartProtection in the dealer's own name. The dealer may then offer their customer an increased store warranty. This Wholesale policy extends the manufacturer's warranty up to 60 months by offering an additional 24 months/ unlimited miles coverage to the manufacturer's original warranty, from the date of purchase. Labor rates are paid at the dealer's posted labor rate, and the policy covers the price listed on the PartProtection Registration Page.
 1. **Note:** If your dealership chooses to adopt PartProtection on all eligible sales, you must embed the cost of the plan in the price for the part and/or service that the customer is purchasing. You **cannot** charge a separate fee for the extended coverage, and no PartProtection paperwork can be provided to the customer.
 2. The longer warranty that your dealership is providing is between your dealership and the customer. PartProtection strongly advises that you consult your legal department to assure compliance with any state insurance regulations regarding the warranty you provide to your customers.
5. **Limited Lifetime Battery Warranty –** Allows the participating dealer the ability to provide a limited lifetime warranty on any non-EV battery with an underlying manufacturer's full replacement warranty of at least twenty four (24) months and with a dealer cost of less than \$275. This warranty includes two (2) Jumpstarts per battery for the life of the warranty. This warranty is non-transferrable.

4. RESTRICTIONS

1. You will not offer or sell any other Extended Coverage like the PartProtection Extended Coverage Plan to on-line customers purchasing new OE-branded manufactured automobile parts while you are participating in the Program, aside from manufacturer warranties. If you violate the terms of this paragraph, PartProtection may terminate your participation in the Program immediately upon learning of such breach.
2. You will not, directly or indirectly, during the term of this Agreement, enter into any agreement, association or partnership with any other entity, for the purpose of developing a business relationship substantially similar to that set forth herein.
3. You may not sign contracts, negotiate prices, terms, or schedules, or otherwise create any obligation, whether express or implied, for PartProtection. You will be liable for any obligations, proceedings and/or damages resulting from actions

undertaken by you that are either prohibited by under or not included under these terms and conditions.

5. RELATIONSHIP OF THE PARTIES

1. The parties hereto are separate and independent legal entities. Nothing herein contained will be construed or deemed hereby to create a principal/agent relationship between the parties, legal partnership (as contemplated in the Uniform Partnership Act) between the parties, or any form of partnership or joint venture between the parties.

6. TERMINATION

1. You may terminate this Agreement at any time by ceasing to participate in the program by sending a 10-day written notice to PartProtection.
2. Your participation in the program is subject to early and immediate termination by PartProtection if you (i) make any material false representation to PartProtection or any third party, (ii) engage in any criminal or grossly negligent conduct, (iii) become bankrupt or insolvent, (iv) breach this Agreement or any other Agreements between yourself and any of the Parties hereto and fail to cure such breach within twenty (20) days of receipt of notice of such breach, (v) violate paragraph IV.A. above, or (vi) attempt to assign rights or duties in this Agreement to another party other than as permitted herein.
3. Upon termination, you shall (i) immediately cease all promotion of the Part Protection Extended Coverage Plan, (ii) immediately cease use of any and all PartProtection trademarks, and (iii) return all property and confidential material, whether in original or duplicate form, that has been provided by and/or is the property of PartProtection.

7. RESPONSIBILITIES

1. Participator Agrees to:
 1. Bear any and all costs or expenses incurred by Participator to perform the obligations under this Agreement;
 2. Comply with all relevant tax regulations, and collect and pay all required state taxes. Participator acknowledges and agrees that PartProtection bears no responsibility for collection and payment of taxes on Extended Coverage Plans, Limited Lifetime Battery Warranties, parts, or services.
2. PartProtection agrees to:
 1. Provide Extended Coverage Plans backed by at least an 'A-rated' insurer for the parts for which customers purchased them;
 2. In the event of a Warrantied part's failure, PartProtection agrees (upon claim approval by PartProtection's Claims Administrator) to buy that same part, or parts & labor, for its replacement to Customer at the price which is listed on the PartProtection Registration Page, from Participator, or, if notified by Participator that the same price does not apply anymore, will fulfill the Extended Coverage Plan on the terms provided to the Customer;
 3. PartProtection, LLC. at its sole discretion will determine eligible parts to be covered under the PartProtection Extended Coverage Plan.

8. COMPENSATION:

1. Participator will charge its customers at least the minimum according to the Rate Card provided by PartProtection. Participator will receive the fees stated on the Rate Card when a Participator's customer purchases a Part with a Parts Only, Wholesale, or Service Coverage Plan. Participator will retain any amounts it charges for the Extended Coverage Plans which are above the Rate Card and remit the rate card fees to PartProtection upon receipt of the appropriate semi-monthly or monthly statement sent by PartProtection. Participator will have the option to either submit ACH routing information to PartProtection or provide Participator's valid credit card number, in order to have the rate card fees withdrawn on a semi-monthly basis by PartProtection pursuant to the semi-monthly statements, or pay a monthly statement by company check.
2. Return Policy. If the Customer returns a part for which the Customer had purchased an Extended Coverage Plan, thereby resulting in a cancelled PartProtection policy, Participator will reimburse the Customer for the cancelled policy. Then, Participator will notify PartProtection immediately through the designated channels, and if PartProtection has received the fee payment from Participator, PartProtection will remit the fees received from Participator for that particular Coverage purchased, to Participator, within 15 days of PartProtection's receipt of the notice from Participator.
3. Order Terms. Participator shall ensure that its disclosures to Customers have the language from Exhibit A ([attached hereto](#)), in connection with the sale of Extended Coverage Plans and Limited Lifetime Battery Warranties for parts and/or labor (as applicable).

9. DISPUTE RESOLUTION

1. If a dispute over the payments due in any one month or quarter and/or the number of newly purchased Extended Coverage Plans in any one month or quarter arises, the Parties shall use their best efforts to settle such dispute, claim, question or disagreement. The Parties shall consult and negotiate with each other in good faith, and, recognizing their mutual interests, attempt to quickly reach a just and equitable resolution satisfactory to both parties.
2. Limitation of Damages Provision: The limit of any claim or cause of action arising under this Agreement is the amount of compensation payable from PartProtection to Participator under Section VIII that is in dispute.

10. TRADEMARKS AND OTHER INTELLECTUAL PROPERTY

1. PartProtection claims trademark rights in PARTPROTECTION, and the PartProtection logo (the "PartProtection Trademarks"), and grants a limited license to Participator to use the PartProtection Trademarks in the promotion of the Extended Coverage Plan and Limited Lifetime Battery Warranties to Prospects.
2. Nothing in this Agreement shall be deemed to grant Participator an ownership interest in the PartProtection Trademarks, or other intellectual property of PartProtection. Nothing in this Agreement shall be deemed to grant PartProtection ownership interest in the Participator's trademarks, or other intellectual property of Participator.

11. INDEMNITY

1. Each party (an "Indemnifying Party") agrees to indemnify, defend, and hold the other party (an "Indemnified Party") and the Indemnified Party's successors, officers, directors, and employees harmless from any and all actions, causes of action, claims, demands, costs, liabilities, expenses and damages (including reasonable attorneys' fees) arising out of, or in connection with, any breach of this Agreement by the Indemnifying Party.
2. Participator will indemnify, defend and hold harmless PartProtection, its affiliates, successors, officers, directors, and employees from any claim, liability and expense, including reasonable attorneys' fees, arising out of any claim against Participator unrelated to the provision of the Extended Coverage Plan, including but not limited to any claim related to or arising out of the performance, suitability, or manufacture of the parts themselves.
3. PartProtection will indemnify, defend and hold harmless Participator and their successors, officers, directors, and employees from any claim, liability and expense, including reasonable attorneys' fees, arising out of any claim against fulfillment of the Extended Coverage Plans, provided that Participator notifies PartProtection in a timely fashion of such claim. Participator shall provide PartProtection with reasonable assistance for the defense of any such claim. PartProtection shall have sole control of the defense of any claim and all negotiations for settlement or compromise. PartProtection shall have sole discretion to enter into settlement of any such claim.

12. DATA

1. Use of any Data obtained by PartProtection in connection with the PartProtection program and via dealer's DMS is limited to sending, receiving and otherwise using the Data in connection with providing required information to PartProtection's underwriter and claims administrator, and for reporting to the enrolled dealer. PartProtection acknowledges and agrees that it will not sell or license any Data obtained from dealer, or dealer's DMS, to any outside entity.
2. PartProtection, LLC shall use the mobile platform technology through its affiliate Watch Out!, Inc., or other approved third party mobile applications as a digital data repository for each policy issued to the consumer. The digital data repository purpose is to electronically alert the consumer of any manufacturer recall notification, maintenance schedule or other information that may affect the performance or operation of the vehicle.

13. MISCELLANEOUS

1. **Confidentiality.** The Parties agree that the terms of this Agreement and all exhibits hereto will be considered confidential and will not be disclosed to any third parties except to the extent it might be required by a court of law. The existence of this Agreement may be publicized, but all terms and conditions are confidential. Specific provisions of this Agreement may be disclosed or publicized only upon the written agreement of the parties.
2. **Audit Rights.** All Parties shall maintain complete and accurate records to document the Extended Coverage Plans sold and the fees received from PartProtection. Each Party shall upon written request from the other Party at a mutually agreeable time, provide access to such records during regular business

hours at the audited Party's place of business to an independent auditor chosen by the particular Party for the purposes of audit. The request for an audit must be made at least thirty (30) days in advance. The auditor must agree to sign a non-disclosure agreement acceptable to both Parties. The scope of the audit shall be limited to the records described in this paragraph. Each Party has the right to conduct such audits no more than once in any one calendar year.

3. **Governing Law; Jurisdiction.** This Agreement shall be construed and controlled by the laws of the State of California. The parties agree to submit any dispute, which arises out of this Agreement or the relationship between the parties which is not governed under Paragraph V to the jurisdiction and forum of the state and federal courts located in the Central District of California, county of Los Angeles.
4. **Attorneys' Fees.** In the event any litigation, arbitration or other proceeding is brought by either party arising out of or relating to this Participator Agreement, the prevailing party in such litigation, arbitration or other proceeding shall be entitled to recover from the other party all costs, reasonable attorneys' fees and other expenses incurred by such prevailing party in such litigation, arbitration or proceeding.
5. **Transfer, Assignment and Sub-Coverageing Prohibited.** Participator may not transfer, assign, or sub-contract this Agreement. Notwithstanding the foregoing, either party may assign this Agreement to any entity that is owned or controlled by such party, or to a successor in interest by merger, operation of law in connection with a merger, consolidation, or sale of a controlling interest of the capital stock of the party, or sale of all or substantially all of the assets of the party, so long as the assigning party notifies the other party at least thirty (30) days in advance of such assignment.
6. **Entire Agreement, Amendment, Waiver.** This Participator Agreement and its Exhibits constitutes the entire agreement between the parties with respect to the subject matter hereof. This Participator Agreement shall not be modified except by a writing dated subsequent to the date of this Participator Agreement and signed by authorized representatives of both parties. None of the provisions of this Agreement shall be waived by any act or acquiescence on the part of a party, its directors, or employees, but only by an instrument in writing signed by an authorized officer of party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision(s) or of the same provision on another occasion.
7. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall in no manner affect the validity or enforceability of any other provision hereof.
8. **Counterparts.** This Participator Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. An electronic signature or signature transmitted by electronic means or facsimile shall be deemed to be, and shall have the same legal effect as, an original signature.
9. **Interpretation.** The terms and provisions hereof shall not be interpreted against the drafter regardless of any law or rule to the contrary, and regardless whether any term or provision is determined to be ambiguous. The headings and captions

of this Agreement are provided for convenience only and are intended to have no effect in construing or interpreting this Agreement.

10. **Notices.** Any notice, request, consent or approval required or permitted to be given under this Agreement or pursuant to law shall be sufficient if in writing and when sent by next day delivery services with proof of receipt such as FedEx and UPS, or by courier with proof of receipt to Participator's principal business address, to PartProtection's principal office, as the case may be, **and** by facsimile or electronic mail to each party.

To agree to the terms below, check the "I Agree with the PartProtection Dealer Terms and Conditions" box. If you do not agree with these terms, do not check the box and do not use the service. By clicking "Agree", you represent that you have the authority to enter into agreements on behalf of the dealership, which will be participating in the Program.