BUDCO FINANCIAL

INSTALLMENT PAYMENT PLAN

Aftercare

Interactive User Guide



Discover convenient, interest-free financing through IPP.

With this guide, you can walk through:

VSC Process | Dealership Information Sheet | Dealership Agreement

Take advantage of IPP today, to start increasing your VSC sales.

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dealer.budcopayplan.com

VSC PROCESS

Making IPP Work for You — Your Benefits

IPP is a solution that gives you, as a dealer, a solution to sell incremental vehicle service contracts (VSCs) and other F&I ancillary protection products by providing an interest-free installment payment method for your customers.

Program features include:

- ✔ No credit applications – everyone qualifies!
- ✔ Flexible payment term options: 6, 12, 18, 24, 30, & 36 months
- ✔ Consumer payment method options: recurring direct debit withdrawals or credit card auto-payments
- ✔ Interest free payments for the customer
- ✪ Dealership choice on minimal down payment required from consumer at time of purchase! See Dealership Information Sheet (pg. 7) for options
- ✪ No consumer late or NSF payment fees passed through to dealership!

Best Uses

IPP is a sales tool to use at both the time of vehicle sale AND post-sale! The areas below represent a few of the best uses to take advantage of IPP to increase your VSC sales.

Time of Sale



- ✔ For alternate finance (credit union, other lenders) or cash buyers, unable to roll the contract into vehicle financing.
- ✔ With customers at the limit of their vehicle loan amount.

Post Vehicle Sale



- ✔ For customers within their vehicle warranty visiting your service department.
- ✔ With dealer initiated CRM direct marketing to consumers not buying at delivery.

About Budco Financial

Budco Financial is a payment plan program management company specializing in comprehensive payment plan solutions in the automotive industry. Founded in Detroit, Budco Financial is rich with automotive industry knowledge, with over 15 years of experience working with major OEMs.

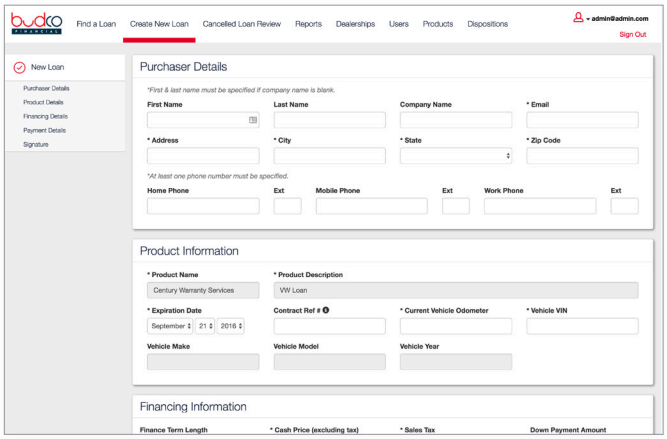
We deliver no-interest payment plan solutions designed to help you create new revenue streams through more VSC and product sales opportunities. We focus on integrated solutions that increase revenue, enhance brand loyalty and help retain customers.

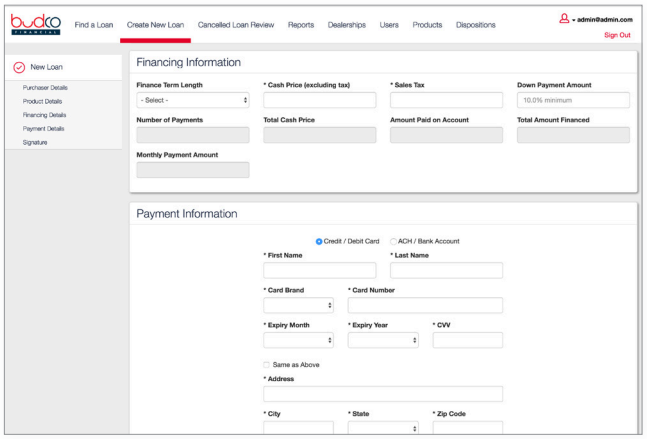
VSC PROCESS

VSC Financing with IPP — How It Works

1. Sell the contract and collect down payment from customer

2. Go to the BFS dealer portal at dealer.budcopayplan.com to complete the electronic Retail Installment Contract (eRIC)
   a. Finance term options will be presented to you based on consumer's VSC coverage term
   b. Attach a copy of the VSC Protection Plan PDF (or screenshot) to the eRIC page when submitting





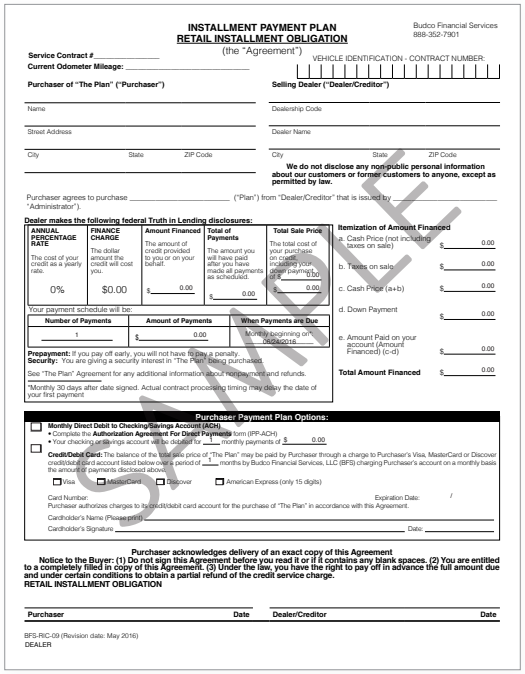
3. Or, you can manually fill in a PDF RIC and send to Budco Financial along with your VSC Protection Plan PDF copy by email or fax:

   Email: dealer@budcofinancial.com
   Fax: 888-846-9136

4. Customer pays the remaining balance to Budco Financial in monthly installment payments based on payment term and schedule.

5. Dealership choice on monthly or weekly settlement remittance following the booking of eligible payments
   a. See Dealership Information Sheet (pg. 7) for settlement period and payment method options

6. You can view your customer's personal, vehicle, and loan information 24/7 at dealer.budcopayplan.com. You can directly create and manage your login as soon as you register with us!



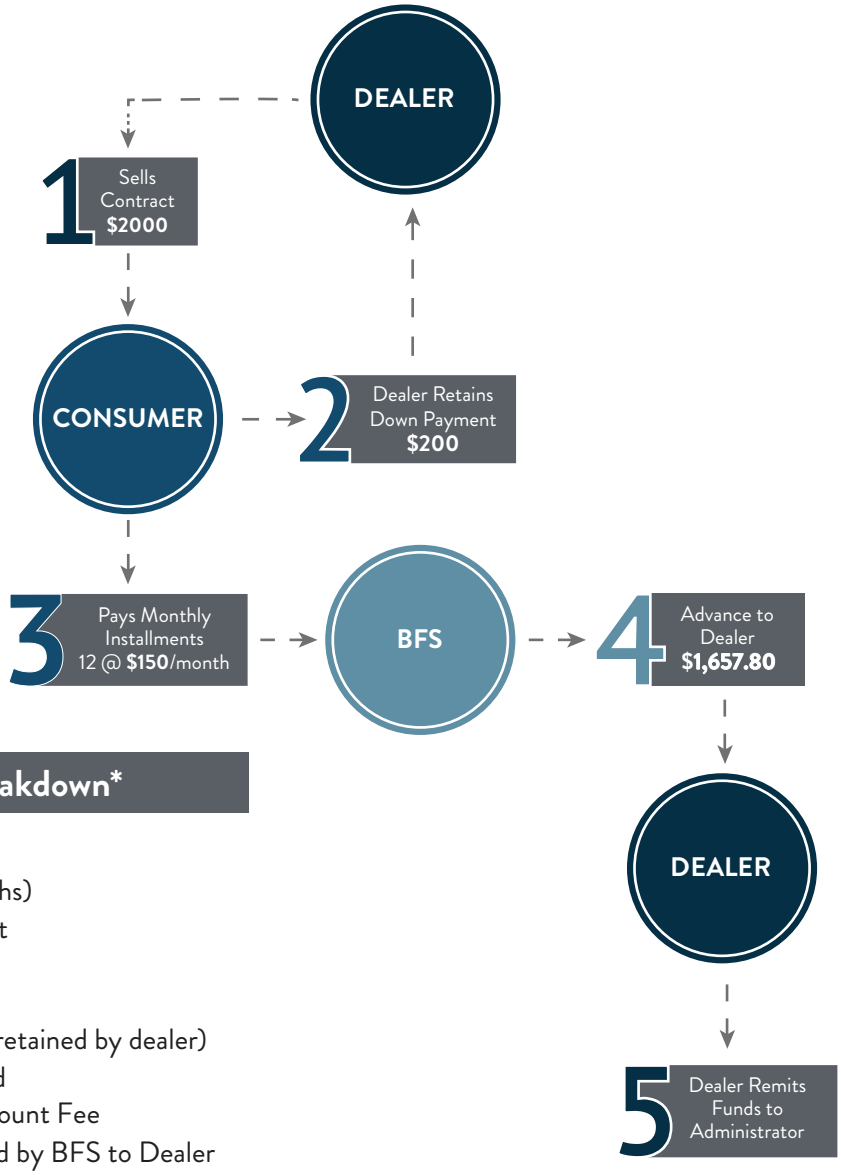
VSC PROCESS

Budco Financial Funds Flow Diagram – Contract Sale

VSC term: 24 months
Payment term: 12 installments

Reference numbered steps in illustrated flow on right.

1. Dealer sells contract to consumer
2. Dealer retains down payment amount
3. Consumer pays monthly installments to BFS
4. BFS advances contract sale price to dealer
5. Dealer remits contract cost to administrator



Sample Sale Contract Breakdown*

12	Installments
24	VSC Term (months)
$150.00	Monthly Payment
$2,000.00	Sale Price
-$200.00	Down Payment (retained by dealer)
$1,800.00	Amount Financed
- $142.20	BFS Earned Discount Fee
$1,657.80	Amount Remitted by BFS to Dealer
$1,657.80	Dealer Settlement Amount

*(example numbers for illustrative purposes)

Budco Financial Funds Flow Diagram – Contract Cancellation

VSC term: 24 months
Payment term: 12 installments

Reference numbered steps in illustrated flow on right.

1. Consumer contract is cancelled
2. Dealer delivers any refund due to consumer
3. Dealer delivers any refund due to BFS
4. Administrator returns funds to Dealer

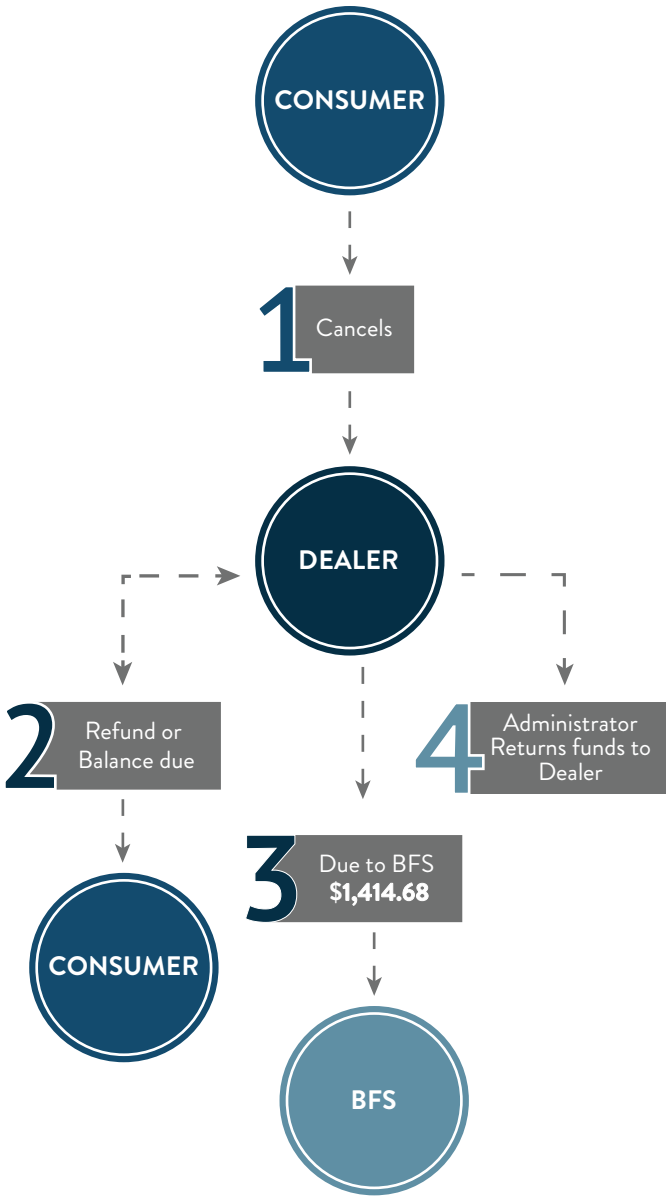
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*(example numbers for illustrative purposes)

Balance Due to Budco Financial Upon Cancellation

2	Installments
60%	Discount Fee Refund %
$1,800.00	Amount Financed to the Customer
-$300.00	Customer Paid to BFS
-$85.32	BFS Discount Fee Refund
$1,414.68	Balance due to BFS upon cancellation



DEALERSHIP ENROLLMENT

TO ENROLL

Please return completed / signed copies of all the following pages:

1. Dealership Information Sheet ..... pages 7 & 8

2. Authorization Agreement for Direct Debit Payments ..... page 9

3. BFS Discount Fees ..... page 10

4. Dealer Plan Enrollment & Participation Agreement ..... pages 11 - 15

There is no cost to enroll.

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DEALERSHIP ENROLLMENT

Attachment I – Dealership Information Sheet

Please submit this form along with all other enrollment information to your agent via:

- ✓ **Email:** dealer@budcofinancial.com
- ✓ **Fax:** 888-846-9136

To ensure timely processing, please print legibly.

Location Information

Dealership Name:

Legal Entity Type: ○ INC ○ LLC ○ CORP

State of Incorporation:

Group Name:

Owner First Name:

Owner Initial:

Owner Last Name:

Date of Establishment:

Address Line 1:

Address Line 2:

City:

State:

Zip:

Dealership Phone Number:

Dealership Fax Number:

Federal Tax ID:

F&I Information

F&I Menu Provider:

Brands of VSC:

Plans Sold*:

○ Mechanical Plans ○ Maintenance Plans ○ F&I Ancillary Products: _____ _____ _____ _____ _____ _____

**excluding GAP and ETCH products*

Dealership Options (Select Your Program Rules)

Please only check one per item.

Dealer Payment Method & Settlement Timing:

- ○ Weekly on Friday - BFS credits or debits dealer's bank account via ACH
- ○ Monthly on 15th - BFS credits or debits dealer's bank account via ACH
- ○ Monthly on 15th - BFS credits dealer's bank account via ACH if positive, if balance owed (negative) BFS will invoice dealer and expect manual check payment

Consumer Down Payment Option:

- ○ Minimum of 5% (Dealer can always collect above 5% if desired) -

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Attachment I – Dealership Information Sheet

Please submit this form along with all other enrollment information to your agent via:

- ✔ **Email:** dealer@budcofinancial.com
- ✔ **Fax:** 888-846-9136

To ensure timely processing, please print legibly.

Personnel / Users (at least one required)

Please fill out the following information for your personnel who will be using the system. General users have access to create loans, review consumer accounts, and review cancelled accounts. Admin users have access to the same features as general users, plus the ability to run reports, create/manage other users, and manage dealership store information. Only admin users will receive system email notifications for dealer action required items.

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

First Name: | Last Name: | Phone: | Email:

Title: | ○ General user ○ Admin user

Attachment II – Authorization Agreement for Direct Debit Payments

I authorize Budco Financial Services, LLC (BFS) to remit any payments due to my account indicated below at the depository financial institution named below, hereinafter called "bank," and to debit any amounts due to BFS from my account via ACH transaction. This authorization relates to all payments required by BFS. I acknowledge that by signing the below, I will be paying and receiving amounts to/from BFS via ACH. I am authorized to provide this information and verify that it is true and correct. This authorization will remain in full force and affect until BFS has received written notification from me of its termination in such time and in such manner as to provide BFS and bank a reasonable opportunity to act on my notice of termination. A written termination notice must be sent to BFS at: P.O. Box. 321067, Detroit, MI 48232

Dealer Information:

Dealership Name: _____ Dealer Number: _____

Name: _____ Title: _____

Date: _____ Email: _____

Signature: _____

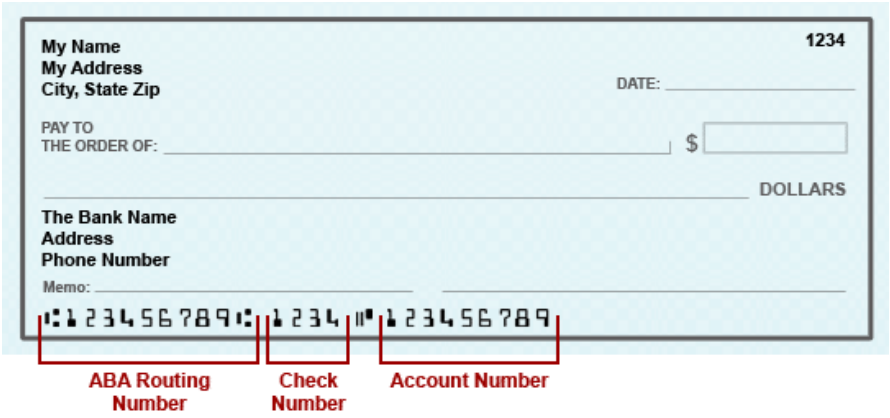
Bank Information:

Bank Name: _____ Bank City, State, Zip: _____

ABA Routing Number:
See example below

Account Number:
See example below

NOTE: DEBIT AUTHORIZATION MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



For questions regarding this form, please contact Budco Financial Services at: (888) 368-8462.

Please submit this form along with your Dealer Agreement to your agent via:
Email: dealer@budcofinancial.com or
Fax: 888-846-9136

Attachment 111 - BFS Discount Fees

Amount Financed Range	Payment Plan		
	6 Payments	12 Payments	18 Payments
$1 - $9,999.99	6.5%	8.5%	10.5%

Adjusted Discount Fee Amounts on Cancelled Accounts:

- If no funding and no payment, $0 of Discount Fee is earned by BFS.
- If funded and no payment collected, 10% of Discount Fee is earned by BFS.
- If cancelled 1 payment collected, 25% of Discount Fee is earned by BFS.
- If cancelled 2 payments collected, 40% of Discount Fee is earned by BFS.
- If cancelled 3 payments collected, 55% of Discount Fee is earned by BFS.
- If cancelled 4 payments collected, 70% of Discount Fee is earned by BFS.
- If cancelled 5 payments collected, 85% of Discount Fee is earned by BFS.
- If cancelled >5 payments collected, 100% of Discount Fee is earned by BFS.

Eligibility			
VSC Month Coverage	12	24	36
Allowed Monthly Finance Term	6	12	18

Dealership Name: _____

Signature: _____

Printed Name: _____

Date: _____

Dealer Plan Enrollment and Participation Agreement

The Dealership identified above ("Dealer") wishes to participate in the BUDCO FINANCIAL SERVICES INSTALLMENT PAYMENT PROGRAM (the "Plan") offered by Budco Financial Services, LLC, a Delaware limited liability company ("BFS"), to certain vehicle dealers and customers purchasing vehicle service contracts ("VSCs") from them. By signing this Dealer Plan Enrollment and Participation Agreement ("Agreement") below, Dealer shall be immediately enrolled in the Plan. The parties to this Agreement ("Parties") are BFS and Dealer.

1. General. During the term of Dealer's participation in the Plan, Dealer is authorized to offer the Plan to customers in the United States purchasing VSCs from it. In participating in the Plan, Dealer will at all times comply with this Agreement and the Budco Financial Services Installment Payment Program Guidelines, as such Guidelines may be amended from time to time (the "Plan Guidelines"). The Plan Guidelines in effect as of the date of this Agreement are attached hereto as Attachment 1.

2. Application of Installment Contracts. For each customer who chooses to pay for the purchase of a VSC sold by Dealer utilizing the Plan (each a "Customer"), Dealer will (concurrent with the customer's execution of the VSC):
a. Fully and truthfully complete a retail installment contract ("Installment Contract") with the customer's information, and making sure that BFS is identified on the Installment Contract and VSC as the "Lienholder";
b. Execute the Installment Contract and cause the purchasing customer to execute the Installment Contract;
c. Collect from the Customer the minimum down payment as required by the Plan Guidelines.

3. Assurances of Dealer. With respect to each Installment Contract, as of the execution thereof and continuing until it is fully paid, Dealer represents and warrants to BFS as follows:
a. The Installment Contract has been completed in accordance with the terms and conditions of the Plan Guidelines;
b. The VSC which the Installment Contract finances is a bona fide transaction by the Customer;
c. There are no defenses, set offs, counterclaims, or disputes existing with respect to any Installment Contract;
d. Dealer has not made any agreement with any Customer for any discount or deduction with respect to the Installment Contract;
e. The Installment Contract has not been assigned by Dealer to any party.
f. There are no claims, liens, or encumbrances (other than those of BFS) or security interests against any Installment Contracts or against Dealer that may cause any Installment Contracts to become subject to any levy, attachment, garnishment, or other judicial process;
g. The Customer has not been offered different pricing based on the decision to participate in the Payment Plan Program and no incremental charges may be assessed under any circumstances because the Customer has elected to utilize the Plan instead of paying cash;
h. The down payment stated in the Installment Agreement has been collected from the Customer.

4. Assignments. Upon the execution of a VSC and the related Installment Contract, Dealer will deliver to BFS a copy of the Installment Contract (electronic or fax). Upon execution, the Installment Contract will be

automatically assigned by Dealer to BFS in consideration of BFS' payment to Dealer of the Assignment Price therefor, and title to such accounts shall immediately vest in BFS, without further action by Dealer or BFS, effective upon such activation; BFS will be responsible for providing any notices to customers required by applicable law with respect to such assignment.

5. **Payment to Dealer of Assignment Price.**
   a. Upon the effective date of the assignment of an Installment Contract to BFS hereunder, receipt of a copy of the VSC, receipt of a copy of the Installment Contract, and confirmation by BFS that the VSC matches the Installment Contract, the Installment Contract will be activated and BFS will be obligated to pay to Dealer the "Assignment Price" for the Installment Contract as provided in the Plan Guidelines; The Assignment Price shall be equal to the price of the VSC charged to the Customer, plus any applicable sales tax; less the sum of: (i) the down payment plus; (ii) BFS's Administrative Fee as provided in the Plan Guidelines.
   b. After activating each Installment Contract and related VSC, BFS shall advance the Assignment Price to Dealer in accordance with BFS's payment process. The timing of advances to Dealer may be changed by BFS upon written notice. BFS reserves the right to delay or hold Dealer payment(s) if BFS determines, in its sole discretion, that Dealer will not perform its obligations hereunder.

6. **Cancellations.**
   a. If BFS or a Customer cancels an Installment Contract, Dealer shall pay to BFS a Cancellation Payment equal to the following: (i) the Amount Financed of the Installment Contract, less (ii) the sum of all payments received by BFS from the Customer less (iii) any unearned portion of the BFS Discount Fee. If BFS has reasonable cause to believe that payment of the Cancellation Payment may not be timely made, it may withhold any amounts due Dealer until BFS receives the Cancellation Payment.
   b. Payments under Section 6(a) will be handled on a net settlement basis with BFS, to the extent that there are sufficient payables due to Dealer from BFS to be netted against. If, however, there are insufficient payables due to Dealer from BFS to be netted against, Dealer shall pay the net amount of payments due and remit the same to BFS. Such payment will be made by electronic funds transfer in immediately-available funds within the weekly payment process.
   c. In the event an Installment Contract has been funded and BFS has been left in a deficit balance situation, such as, but not limited to (i) a contract cancels and the customer reverses a payment(s), (ii) Dealer offered customer a term extension whereby BFS Discount Fee is undercharged, BFS will have the ability to charge any deficit amount against the next Dealer Payment due, or seek payment directly from Dealer if any payment is insufficient to cover the deficit amount.
   d. Should any amounts payable by Dealer remain unpaid for 30 days after they become due, then: (i) such unpaid amounts shall accrue interest daily at the rate of 1% per month or the highest rate permitted by applicable law, whichever is less; and (ii) BFS may retain its Administrative Fee(s) as to the accounts involved. Dealer shall be responsible for any refunds due to the Customer and BFS shall have no responsibility or liability to the Customer or Dealer for such refunds.

7. **Warranties & Representations of Dealer.** Dealer agrees to, and represents and warrants each of the following to BFS:

a. That the Retail Sale Price (the aggregate of the price at which Dealer sold the VSC to the customer and the amount of applicable state sales tax incurred on the sale [if any]) of each VSC offered for sale to customers by Dealer utilizing the Plan will not vary depending upon whether the customer chooses to finance the purchase of the VSC utilizing the Plan instead of paying cash, no incremental charges may be assessed under any circumstances because the customer elects to utilizing the Plan
instead of paying cash, and no discount may be offered to the customer to entice the customer to pay cash as opposed to purchasing such VSC utilizing the Plan.
b. With respect to each Installment Contract assigned to BFS hereunder, that: (i) effective date of assignment of the Installment Contract, that the Installment Contract is free and clear of all mortgages, liens, charges, pledges, and encumbrances, and (ii) the Installment Contract has not been sold, assigned, or transferred (except with respect to the assignment made to BFS pursuant to this Agreement); and, (iii) effective during the time period beginning upon the date of such assignment and ending upon the date upon which the Installment Contract is fully paid, such warranties and representations of Dealer will remain true and correct.

8. Indemnification. Dealer hereby agrees to defend, indemnify and hold BFS and its directors, employees, members, and agents harmless from and against any and all claims, actions, losses, damages, costs, liabilities, and other charges, whether or not contingent, matured or known, and all expenses incurred (including but not limited to, actual reasonable legal fees) by such indemnified party in connection with or arising out of any of the following:

a. Dealer's breach of any of the terms of this Agreement;
b. Dealer's breach, or alleged breach, of any of the terms of, or obligations, act or omission arising out of, any VSC,
c. Any claim, legal or equitable action or proceeding by any third party arising out of or relating to the subject matter of this Agreement or
d. Any cancellation of any VSC by any of the following: Dealer, a Customer, any party to a VSC (including any insurer or underwriter) or BFS.

9. Term: Termination; Events of Default; Other Remedies.

a. Term. The term of this Agreement and Dealer's participation in the Plan will commence on the date it is executed by Dealer and continue until terminated in one of the following ways: (i) Either Dealer or BFS may terminate this Agreement and Dealer's participation in the Plan at will, and without cause, upon at least thirty (30) days prior notice to the other Party; or (ii) Dealer or BFS may terminate this Agreement and Dealer's participation in the Plan immediately upon written notice to the other Party in the event of the occurrence of an event of default by the other Party. With respect to a transaction or event occurring prior to the termination of this Agreement and/or Dealer's participation in the Plan, such termination will not affect or impair the rights or obligations of a Party under this Agreement, the Plan, or an Installment Contract relating to such transaction or event.
b. Events of Default. The occurrence of any of the following events will constitute an event of default of the Party with respect to which such event occurs or relates: (i) a breach by a Party of any of its material obligations under the Plan and such Party's failure to fully cure such breach within ten days after notice from the other Party of such breach; (ii) any material representation or warranty made or furnished by a Party to the other Party under the Plan becomes materially false or untrue; (iii) a Party becomes insolvent, files a voluntary petition in bankruptcy, an involuntary petition in bankruptcy is filed against such Party, a receiver or trustee is appointed for such Party, or such Party executes an assignment for the benefit of creditors; or, (iv) Dealer assigns or delegates any of its rights or obligations hereunder without the consent of BFS.

c. Compliance with Law; Control of Price; Other Remedies. BFS and Dealer will each comply with all applicable law, rules, and regulations in the performance of their respective obligations under this Agreement. In all cases Dealer will have and retain the authority to determine the price of VSCs sold by it; provided, however, that BFS will have no obligation to offer the Plan with respect to VSCs that are sold by dealer for a price in excess of $9,999.99.

10. Changes to Plan Guidelines, Forms, and Fees. The Attachments hereto (including, without limitation, any fees payable to BFS hereunder and the approved form of Installment Contracts) and the Plan Guidelines may be revised or amended from time to time by BFS upon notice to Dealer.

11. Notices. Any notice or other communication to be given under this Agreement will be in writing and will be sent to the address of the Party set forth below by: (i) hand delivery, with written acknowledgment of receipt; (ii) certified or first class mail; (iii) commercially recognized overnight delivery service, acknowledgment of receipt requested; or (iv) email; as follows (or to such other addresses as a Party may designate by written notice to the other Party):

<u>If to BFS, addressed to:</u>
BUDCO Financial Services, LLC,
333 West Fort Street, Suite 1750
Detroit, MI 48226

Attn: Mr. Gary Taylor
gtaylor@budcofinancial.com

<u>If to Dealer, addressed to:</u>
Dealer at the address or email address set forth on the Dealer Information Sheet.

Any such notice or other communication will be deemed given on the date of delivery.

12. Entire Agreement and Miscellaneous Matters. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties. All Attachments and the Plan Guidelines are an integral part of this Agreement and are incorporated herein. Unless the context requires otherwise, terms defined in this Agreement in the singular form will include the plural form, and vice versa. Except for permitted successors and Assigns, only the parties hereto, and no third parties shall have any rights under this Agreement.

13. Relationship. Each party's relationship to the other Party under this Agreement and the Plan will be that of an independent contractor and not an employee or agent, and a Party will not represent or hold itself out as having any relationship with the other Party other than that of an independent contractor. A Party will not be responsible for any tax levied on the other Party or its employees or representatives by any governmental authority relating to this Agreement or the Plan or income attributed to the other Party or its employees or representatives.

14. Confidential Information. For the purposes of this Agreement, the term "Confidential Information" includes the terms of this Agreement and all non-public information provided by each party to the other Party in connection with the performance of their respective obligations hereunder, financial information, information

related to the Plan and pricing, and such other materials, data and information that either party considers and identifies to be proprietary and confidential.

(a) Each party will hold in strict confidence Confidential Information and shall not, without the prior written consent of the other Party, (i) use the other Party's Confidential Information for any purpose other than in connection with the performance of its obligations under this Agreement, or (ii) disclose any portion of the other Party's Confidential Information to third parties.

(b) Notwithstanding the foregoing, the obligations of this Section 15 do not apply to information that (i) is or becomes generally available to the public through no fault or action of the receiving party, (ii) is or becomes available to the receiving party on a non-confidential basis from a source (other than the disclosing party) under circumstances not involving any breach of any confidentiality obligation, (iii) is already known to the receiving party or is already in the receiving party's possession other than where such knowledge or possession is based solely on previous disclosure by the disclosing party, (iv) is independently developed by the receiving party without reference to the Confidential Information, or (v) is required to be disclosed by applicable law, regulation or any order of a court, regulator or any governmental body or political subdivision thereof, provided that the receiving party provides the disclosing party with reasonable advance notice of such required disclosure.

15. Waiver; Amendment; Assignment. No waiver of any of the provisions of this Agreement will be considered, or will constitute, a waiver of any other provision, and no waiver will constitute a continuing waiver. No waiver will be binding unless executed in writing by the Party making the waiver. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the Parties, except as otherwise expressly provided for herein. No Party may assign any of its rights, or delegate any of its duties, under this Agreement or an Installment Contract without the prior written consent of the other Party; provided, however, that BFS may assign its rights under this Agreement and an Installment Contract to a third party bank providing funding to BFS.

16. Applicable Law. This Agreement will be construed in accordance with, and governed by, the laws of the State of Michigan, without regard to its conflict of laws principles. If a dispute arises between the parties arising out of or relating to this Agreement.

Dealership Name: _____

By: Signature: _____

Printed Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____