



Producer Agreement



PRODUCER APPLICATION GUARANTEED ASSET PROTECTION (GAP)

| |
|-------------------------|
| FOR OWNERGUARD USE ONLY |
| _____ - A _____ |

| APPLICANT INFORMATION | | |
|-------------------------------|-------|-----|
| OWNER / PRESIDENT | PHONE | FAX |
| OWNER/PRESIDENT EMAIL ADDRESS | | |
| KEY CONTACT (if different) | PHONE | FAX |
| KEY CONTACT TITLE | | |
| KEY CONTACT EMAIL ADDRESS | | |

| COMPANY INFORMATION | |
|--|---|
| COMPANY LEGAL NAME | |
| DOING BUSINESS AS ("DBA" NAME) | |
| CHECK APPROPRIATE BOX: <input type="checkbox"/> NEW – FRANCHISED DEALER <input type="checkbox"/> USED CAR DEALER ONLY | |
| FRANCHISE DEALERS – NAME(S) OF MANUFACTURERS REPRESENTED: | |
| CHECK APPROPRIATE BOX: <input type="checkbox"/> CORPORATION <input type="checkbox"/> LIMITED LIABILITY COMPANY ("LLC") <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> SOLE PROPRIETORSHIP | |
| IF PART OF CORPORATE GROUP, GROUP NAME | |
| FEDERAL TAX ID # | IF SOLE PROPRIETORSHIP, OWNER'S SOCIAL SECURITY # |
| PHYSICAL STREET ADDRESS | |
| MAILING ADDRESS | |
| WEBSITE ADDRESS | |

| BUSINESS INFORMATION | | |
|---|--|--|
| DESCRIPTION | NEW VEHICLES | USED VEHICLES |
| PROJECTED NUMBER OF GAP CONTRACTS MONTHLY | NEW: | USED: |
| AVERAGE DOWN PAYMENT | \$ | \$ |
| MAXIMUM TERM | MONTHS | MONTHS |
| MINIMUM TERM | MONTHS | MONTHS |
| AVERAGE TERM (AT ORIGATION) | MONTHS | MONTHS |
| MAXIMUM AMOUNT FINANCED | \$ | \$ |
| MINIMUM AMOUNT FINANCED | \$ | \$ |
| AVERAGE AMOUNT FINANCED | \$ | \$ |
| AVERAGE ADVANCE (INCLUDING ADD-ONS) | % MSRP | % MSRP |
| MAXIMUM ADVANCE (INCLUDING ADD-ONS) | % MSRP | % MSRP |
| AVERAGE INTEREST RATE | % | % |
| CREDIT QUALITY – WHAT PERCENTAGE OF THE PORTFOLIO FALLS IN THESE CATEGORIES? | "A" PAPER: _____ % "B" PAPER: _____ % | "C" PAPER: _____ % "D" PAPER: _____ % |
| Is PRODUCER affiliated with, related to, subsidiary of, parent to, or connected with in any other way, either directly or indirectly, any financing company, corporation, partnership, individual or other entity that acts as the lender/lessor on any or all of the loans/leases for which the Program will be offered? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| If the answer to the foregoing question is "Yes", please indicate the approximate percentage of loans that are funded through such financing company and outside finance companies. | _____ % related finance company _____ % outside finance company | |

FAILURE TO FULLY COMPLETE THIS APPLICATION MAY RESULT IN RETURN OR REJECTION OF APPLICATION.

PRODUCER AGREEMENT

THIS PRODUCER AGREEMENT ("Agreement") effective this _____ day of _____, 20____ ("Effective Date") is entered into by and between OwnerGUARD Corporation, a California corporation with its principal place of business located at 1775 Hancock Street, Suite 200, San Diego, California 92110-2036, hereinafter referred to as "OwnerGUARD" and PRODUCER, as stated below:

| | | |
|------------------|-------|-----|
| NAME OF PRODUCER | | |
| MAILING ADDRESS | | |
| CITY | STATE | ZIP |

RECITALS

WHEREAS, PRODUCER wishes to participate in program(s) offered by OwnerGUARD for which a fully executed "Schedule(s)" is/are attached hereto and made part of this Agreement, hereinafter the "Program(s)."

WHEREAS, OwnerGUARD wishes to authorize PRODUCER to participate in the Program(s) only on the terms and conditions in this Agreement.

AGREEMENT

NOW, THEREFORE, In consideration of the mutual covenants, promises and conditions contained in this Agreement, the parties agree as follows:

1. AUTHORITY

Upon full completion and submission of the Producer Application, this Agreement and each attached Schedule(s), PRODUCER is conditionally authorized to market and sell the non-insurance Program(s) solely at the agreed upon rate(s) in the attached Schedule(s). Upon approval of the Producer Application, PRODUCER shall be authorized to market and sell the non-insurance Program(s) solely at the agreed upon rate(s) in the attached Schedule(s). If a Program is insurance, then PRODUCER must complete the Producer Profile and Background Authorization form and all necessary paperwork, submit written proof of appropriate licensure and cooperate for a background check, if needed.

2. REMITTANCES

A. Fiduciary Duty

PRODUCER shall hold all funds collected for any Program(s) which are payable to OwnerGUARD or Program Insurer(s) in a fiduciary capacity.

B. Monthly Reporting and Remittance

PRODUCER must timely remit the "Administrator Copy" of Program contracts/policies and the appropriate fees pursuant to the Schedule(s) no later than the tenth (10th) day of the month following the month in which any Program contract/policy was sold. Remittance checks shall be made payable as set forth in the Schedule(s) and/or the Reporting Form. For non-insurance Programs, pursuant to the terms of the Contractual Liability Insurance Policy (CLIP), premium is due by this date and there is no coverage for any contract where PRODUCER fails to report and pay premium by this date. At our sole discretion, we may attempt to place coverage for late reported contracts, with the current remittance amount, along with an additional per-contract fee.

C. Offsets

PRODUCER shall not offset any amount due to OwnerGUARD or Program Insurer(s). Any payment or reimbursement due to PRODUCER from OwnerGUARD may be held by OwnerGUARD to offset any outstanding accounts receivable due to OwnerGUARD from the PRODUCER, including, but not limited to, cancellation refunds, cancellation fees, and premiums.

D. Acceptance Not a Waiver

Acceptance of any payment by OwnerGUARD shall not be deemed a waiver as to the amount of that payment, timeliness or as to the Program contract/policy form. PRODUCER shall remit any additional amount(s) owed upon written notice from OwnerGUARD. PRODUCER agrees to assist with the modification of any contract/policy submitted to OwnerGUARD that is not intended for use by the PRODUCER and PRODUCER shall take all necessary steps to effect such action.

E. Procuring Insurance

OwnerGUARD will procure insurance for contracts/policies under the Program, where full payment is received, any penalties are paid and the form is correct and meets current program underwriting guidelines. Any contract/policy that does not meet all criteria shall be ineligible for administration and insurance under the Program and PRODUCER will take all steps necessary to assist in effecting a rescission, including notification in writing of those affected, and providing OwnerGUARD with written proof of receipt of such notice.

3. PRODUCER COMPENSATION

The attached Schedule(s) contain the rate(s), which is the PRODUCER'S cost. The PRODUCER'S sole compensation for the Program for non-insurance Products shall be the difference between the retail sales price and the PRODUCER'S cost, as detailed in the attached Schedule(s). The PRODUCER'S sole compensation for the Program for insurance Products shall be the commission, as detailed in the attached Schedule(s), and pursuant to state law. PRODUCER is solely responsible for payment of compensation to employees or agents used by the PRODUCER in the performance of this Agreement.

4. CANCELLATIONS

If any Program contract/policy is cancelled and a refund is due, OwnerGUARD shall refund to PRODUCER any portion retained by OwnerGUARD and Program Insurer(s), after taking into consideration the cancellation/processing fee (if applicable), along with notice of the balance due from PRODUCER. If the portion retained by OwnerGUARD and the Program Insurer(s) is insufficient to cover the entire cancellation/processing fee, then PRODUCER shall remit to OwnerGUARD any remaining cancellation/processing fee amount from amounts PRODUCER retained from the consumer. PRODUCER shall timely refund any amount(s) received from OwnerGUARD along with the refund balance due from PRODUCER, to the contract/policy holder or lienholder, in accord with the Program contract/policy language.

5. WARRANTIES, REPRESENTATIONS AND DUTIES OF PRODUCER

A. Modification of Forms

PRODUCER shall not modify, waive, alter, or change, either orally or in writing, any Program contract/policy. PRODUCER shall not make any representation to a purchaser or potential purchaser that is inconsistent with the terms and conditions in a Program contract/policy; if any such representations are made, OwnerGUARD will pursue PRODUCER for any and all liability related to such representations. OwnerGUARD or Program Insurer(s) may revise any Program, including contract/policy forms, at any time, and such revision will take effect upon notice to PRODUCER.

B. Rules, Policies and Procedures

The rules, policies and procedures of OwnerGUARD communicated to PRODUCER from time to time, shall be binding on the PRODUCER. The Producer shall not market or sell any Program contract/policy except on the approved forms in effect at the time of such marketing or sale. Failure to adhere to any underwriting rule(s) may result in additional cost to PRODUCER, which shall be immediately payable upon written notice to PRODUCER.

C. Legal Compliance

PRODUCER is governed by this Agreement and is responsible for becoming familiar with and following the applicable law for the Program.

D. Licensing

PRODUCER and its employees, agents and contractors and anyone else involved with the Program on PRODUCER's behalf shall obtain and maintain all licenses necessary to do business in the state(s) of operation, including, if applicable, any licenses required to sell or lease vehicles, finance vehicles and any licenses required to sell, solicit or negotiate insurance.

E. Quantity and Quality of Business

PRODUCER shall not limit sales of the Program to any subset of PRODUCER'S business that is less favorable than PRODUCER'S overall business. The parties agree that no minimum number of Program contracts/policies must be sold each month. However, PRODUCER agrees that certain incentives may be available for average sales at a certain level and that average sales below a certain level may result in higher pricing.

F. Accuracy of Information

PRODUCER warrants that all representations made in this Agreement or in any future verbal or written statement delivered to OwnerGUARD, shall be true in all material respects.

G. Supplies

PRODUCER shall be provided with contracts/policies, marketing materials, and other forms required to market the Program(s). All contracts/policies, brochures, applications and other property of the Program must be kept in a secure location and all unused stock accounted for upon request and returned.

H. Software and Web Sites

Software and internet services, including access to ownerguard.com and membership in OwnerGUARD University, may be provided to PRODUCER. PRODUCER acknowledges that both ownerguard.com and OwnerGUARD University are the Intellectual Property of OwnerGUARD. If PRODUCER is granted access to ownerguard.com and/or membership to OwnerGUARD University, PRODUCER warrants not to use, for any purpose whatsoever or disclose, such Intellectual Property of OwnerGUARD, except in connection with the Program(s). PRODUCER further warrants that if PRODUCER is granted access to ownerguard.com and/or membership to OwnerGUARD University, then PRODUCER agrees to abide by all rules and regulations contained therein.

I. Expenses

PRODUCER shall pay all expenses related to PRODUCER'S performance of duties under this Agreement. PRODUCER agrees that OwnerGUARD shall not be responsible for any PRODUCER expenses. PRODUCER shall not charge or commit OwnerGUARD to any expense unless prior written approval is obtained from OwnerGUARD.

J. Additional Intellectual Property

Business plans, operating procedures, trade secrets, know-how and processes provided to PRODUCER are the Intellectual Property of OwnerGUARD. PRODUCER warrants not to use, for any purpose whatsoever or disclose, such Intellectual Property of OwnerGUARD, except in connection with the Program(s).

K. Advertising

No contract, policy, literature, circular, advertising material, or any similar material pertaining to any Program (including the OwnerGUARD name or logo or that of any Program Insurer(s)), shall be printed, posted, published, disseminated or used in any manner by PRODUCER, unless pre-approved in writing by OwnerGUARD.

L. Legal Notices

PRODUCER shall send to OwnerGUARD a copy of each and every legal notice, service of process or complaint from any state insurance department, other regulatory authority, or third party regarding any Program(s) covered by this Agreement within twenty-four (24) hours of receipt.

M. Records and Audit

Until the expiration or cancellation of every contract/policy sold under the Program(s), PRODUCER shall make available to OwnerGUARD, Program Insurer(s) and/or their designated representatives for inspection and copying, all books and records of PRODUCER that pertain to PRODUCER'S performance of and compliance with its obligations, representations, and warranties under this Agreement. Such inspection and copying shall occur during normal business hours at the PRODUCER'S place of business.

N. Cooperation

PRODUCER shall abide by any and all requests of OwnerGUARD in processing claims or cancellations and shall immediately supply any requested information or documents. PRODUCER shall not interfere with, disrupt or hinder the claims or the cancellation processes.

O. Claims

If PRODUCER receives notice of a potential claim under any Program contract/policy, PRODUCER must immediately report it directly to OwnerGUARD for investigation or settlement. OwnerGUARD shall have the sole discretion and responsibility for the authorization or denial of claims, transfers, and cancellations under any Program contract/policy.

6. TERM, TERMINATION AND DEFAULT

A. Term

This Agreement shall be in effect until terminated as follows: (i) unilaterally and without cause by either party with thirty (30) days advance written notice to the other party; (ii) immediately by either party upon the fraud or embezzlement of the other party; (iii) immediately by OwnerGUARD, if the PRODUCER: violates any applicable law for the Program; violates OwnerGUARD rules, policies and procedures; becomes insolvent, declares bankruptcy, reorganizes or similar proceedings are instituted by or against PRODUCER; sells all or substantially all of its business assets; or fails to remit an outstanding amount due to OwnerGUARD for a period of more than ninety (90) days.

B. Termination

Upon termination of this Agreement for any reason, PRODUCER shall cease immediately marketing and selling the Program(s). PRODUCER shall return all unused Program materials to OwnerGUARD immediately. In the event of termination of this Agreement, PRODUCER will promptly account for and remit outstanding fees, including, but not limited to, refund and Program fees for which PRODUCER may be liable. All Intellectual Property of OwnerGUARD shall be accounted for and returned to OwnerGUARD immediately upon termination of this Agreement.

C. Default

The occurrence of any of the following events or conditions shall constitute a default under this Agreement: (i) any breach or failure of either party to observe or perform any term, condition, law, statute or covenant required to be observed or performed under this Agreement, which breach or failure continues without cure for ten (10) days after written notice by the other party; or (ii) the breach of any warranty, or falsity of any material representation, made by either party in connection with this Agreement.

Upon the occurrence of any event of default, which is not cured within the periods specified, the non-defaulting party may, at its sole option, and without further notice or demand upon the defaulting party, exercise any or all of the following remedies: (i) immediately terminate this Agreement and declare the entire unpaid amount of funds payable to the non-defaulting party under the terms of this Agreement due and payable and thereafter pursue and enforce any and all other remedies available in its favor under any other provisions of this Agreement or existing at law, in equity or in bankruptcy; (ii) Continue performance of this Agreement without prejudice or waiving any rights to money damages caused by said default.

7. INDEMNITY

PRODUCER agrees to hold OwnerGUARD and Program Insurer(s), and their officers and agents, harmless from any claim, liability, damage, loss, or expense, including attorneys' fees, resulting from any negligence, act, omission, conduct or misconduct, or failure to act including, but not limited to, the failure to report and remit a Program contract/policy by PRODUCER and its employees, agents and contractors and anyone else involved with the Program on PRODUCER's behalf.

8. MISCELLANEOUS

A. Independent Contractors

This Agreement is not a contract of employment and nothing herein contained shall be construed to create the relationship of employer and employee between PRODUCER and OwnerGUARD. The relationship between PRODUCER and OwnerGUARD shall be that of independent contractors. PRODUCER enters this Agreement and will remain throughout the term of the Agreement, an independent contractor.

B. Waiver

No forbearance or neglect on the part of OwnerGUARD to enforce any or all of the provisions of this Agreement shall be construed as a waiver or estoppel of any rights or privilege of OwnerGUARD.

C. Entire Agreement and Amendment

This Agreement, the Producer Application and any attached Schedule(s) constitute the final, complete, and exclusive statement of the terms of the Agreement between the parties pertaining to the Program(s). No party is induced to enter into this Agreement by, nor is any party relying on any representation or warranty outside those in this Agreement. This Agreement shall not be amended by any verbal statement. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by OwnerGUARD and PRODUCER.

D. Governing Law and Venue

This Agreement shall be construed in accordance with the laws of the State of California, with venue in San Diego County. To the extent permitted by applicable law, the parties hereby waive their rights under any provision of law which renders any provision hereof nugatory or unenforceable in any respect, but if not permitted under applicable law, then the Agreement shall be reformed to the extent necessary to comply with the law, but in all other respects shall remain valid and enforceable as executed by the parties.

E. Attorneys' Fees

If any legal action, arbitration or other proceeding is brought to enforce this Agreement, or due to an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

F. Assignment

This Agreement may not be assigned by PRODUCER or OwnerGUARD without the prior written consent of the other. This Agreement is made solely for the benefit of PRODUCER and OwnerGUARD, except that all rights of OwnerGUARD shall inure to the benefit of any Program Insurer(s); no other person or entity shall have or acquire any right by virtue of this Agreement.

G. Survival

The rights and obligations of the PRODUCER under Paragraphs 2A, 4, 5H, 5J, 5L, 5M, 5N, 5O and 7 of this Agreement shall survive any termination of this Agreement.

H. Notice

Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed duly given if delivered personally or by overnight delivery service, signature required, or certified mail with a fully executed return receipt, to the party for whom it is intended at the address on the first page of this Agreement or such other address as the recipient may designate from time to time.

IN WITNESS HEREOF, the parties have duly caused this Agreement to be executed as of the Effective Date.

OwnerGUARD Corporation

Producer

By: _____

By: _____

Henry F. Jimenez
President

Title: _____

Title: _____

Date: _____

Date: _____

Executed at: _____ San Diego, California

Executed at: _____

FOR OWNERGUARD USE ONLY

Completed Producer Agreement Rate Card Code Profile/Background Authorization Form License (if applicable)

Agent Name _____ Agent Number _____

Received By _____ Date _____ Reviewed By _____ Date _____

License _____ Date _____ Policy # _____ Date _____



1775 Hancock Street, Suite 200 • San Diego, California 92110-2036
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