



SPORT LEASING DEALER AGREEMENT

This Dealer Agreement is between SPORT AUTOMOBILE BROKERAGE CORPORATION, dba SPORT LEASING, a California corporation, ("Purchaser") and the undersigned motor vehicle dealer ("Dealer").

RECITALS

WHEREAS, from time to time Dealer will wish to sell to Purchaser and Purchaser will desire to purchase from Dealer a lease consummated between Dealer and a lessee of Dealer, together with the vehicle covered by the lease; and

WHEREAS, Purchaser and Dealer agree that each such sale and purchase of a lease and the related vehicle subsequent to the date hereof shall be governed by the terms of this Agreement; and

WHEREAS, Dealer has no obligation to submit any lease transaction to Purchaser for its credit approval, and Purchaser has no obligation to approve the credit as to any lease transaction submitted by Dealer.

NOW, THEREFORE, the parties agree as follows:

1. **Lease Documentation.** With respect to any lease Dealer wishes Purchaser to purchase hereunder, Dealer shall before either execution of lease or vehicle delivery furnish Purchaser with the transaction's proposed terms, any credit information Dealer has regarding the lessee, and such other information as Purchaser shall request. Purchaser's approval of a transaction shall be indicated by Purchaser advising Dealer of Purchaser's written lease approval on Purchaser's Standard Lease Approval Sheet. All approvals are subject to Purchaser's independent verification prior to funding by Purchaser that all of the information on the proposed lessee's credit application is accurate and that the references provided are close personal references, and are reachable, helpful, and knowledgeable about the lessee and that information obtained from the references confirms the information Purchaser has on lessee. Following learning of Purchaser's approval of a transaction, Dealer shall procure all documents listed on Purchaser's Lease Approval Sheet and Purchaser's Stip Sheet furnished to Dealer by Purchaser in connection with the proposed Lease and any further documents requested by Purchaser. In such regard, it is understood that in all instances Dealer shall, unless otherwise directed by Purchaser, use as the lease a lease form approved by Purchaser. Dealer shall make certain that the documents and showings required by Purchaser comply with Purchaser's program guidelines and are procured prior to delivery to the lessee of the vehicle. Upon receipt by Dealer of the documents required by Purchaser and any further documents required by Dealer, each properly executed by the lessee and/or each other party thereto, and Dealer's approval of the documents, Dealer shall execute each of the documents as they are to be executed by the lessor and shall thereafter deliver the vehicle to the lessee. Execution by Dealer of the lease following written approval of the lease by Purchaser and written approval of Purchaser's independent credit verification shall constitute the sale by Dealer to Purchaser of the lease and related vehicle and an assignment to Purchaser of all Dealer's rights under other instruments executed in connection with the lease. Following such execution and subsequent vehicle delivery, Dealer shall promptly forward to Purchaser the materials contemplated in Paragraph 2 hereof.

2. **Purchase Price Payment.** Purchaser shall pay the purchase price for the lease and vehicle only upon receipt of the following, completed in accordance with Purchaser's prior instructions within thirty (30) days of Purchaser's approval of the transaction:

- a. The lease and all other documents required by Purchaser or Dealer;
- b. Evidence satisfactory to Purchaser that the lessee has in effect insurance providing the coverage required under the lease and providing Purchaser the rights contemplated to be available to the lessor under the lease; and
- c. All monies received by Dealer with respect to the lease prior to its transmittal to Purchaser shall be retained by Dealer and/or forwarded to such motor vehicle department to effect titling and registration of the vehicle, such sums to be credited against the purchase price for the lease and vehicle. Purchaser shall not be responsible for checks received from any lessee.

The purchase price for a lease and the related vehicle shall be an amount agreed upon between Purchaser and Dealer and shall be paid by Purchaser to Dealer promptly following satisfaction of the provisions of Paragraph 2 hereof.

3. **Insurance Proceeds Deficiency Liability Release.** Dealer is authorized to sell to its Lessees the Deficiency Release Coverage described in Paragraph 5 of the Closed End Vehicle Lease Agreement on a non-exclusive basis upon remitting the sum of \$500.00 to Purchaser upon the sale of the vehicle and lease to Purchaser. Dealer shall have the option of including the retail price of the Deficiency Release in the Lease payments pursuant to paragraph 5b. In the event the retail cost of the Deficiency Release has been included in the Lease, and the Lessee defaults and does not pay the balance of the unearned amortized portion of the Deficiency Release, the Dealer shall refund to Purchaser the unearned amortized portion of the amount by which the retail price of the Deficiency Release exceeds the Dealer cost of the Deficiency Release, as of the date of last Lease payment by the Lessee. Such amount shall be payable on demand by Purchaser.

4. **Dealer's General Warranties.** Dealer makes the following continuing warranties and representations to Purchaser:

- a. This Agreement and the leases have each been duly authorized by Dealer and when executed and delivered by Dealer will constitute the valid and binding agreements of Dealer; and
- b. Dealer has in full force all business permits, licenses, and other operating authorities which may be required in connection with Dealer's entrance into a lease or sale of a lease and vehicle.

5. **Dealer's Specific Warranties.** Dealer warrants that as of the sale of each lease and the related vehicle to Purchaser:

- a. Dealer will have caused title to the lease and vehicle, free in either instance of any lien or encumbrance, to be conveyed to Purchaser;
- b. The lease will have been duly authorized, executed, and delivered by the lessee, will constitute the lessee's valid and binding agreement, and will have been duly executed by Dealer;
- c. Each other instrument executed in connection with the lease giving rights to Dealer will have been duly authorized, executed, and delivered by each party thereto and will constitute each party's valid and binding agreement;
- d. All agreements of Dealer relative to the vehicle, other than agreements relative to its acquisition by Dealer, will be contained either in the lease or in this Agreement, and Dealer will have made all disclosures required by applicable law or



regulation to be made in connection with the lease including disclosures required in any advertisement of the lease transaction and related purchaser order;

- e. The lease will not be in default on the date Dealer has transferred the applicable lease and title to the vehicle to the Purchaser;
- f. Dealer will have caused an application for title and registration to the vehicle to be submitted to the appropriate governmental agency showing the interests in the vehicle as directed by Purchaser;
- g. Except for monies which Purchaser has agreed are to be retained by Dealer, Dealer will not have received, and shall not have received prior to transmittal to Purchaser of the lease, any monies which Dealer shall not have transferred to Purchaser with the lease, properly endorsed to Purchaser where appropriate;
- h. Dealer will have furnished Purchaser all credit information received by Dealer relative to the lease, and such information will be, to the best of Dealer's knowledge, true, complete, and accurate;
- i. All terms, amounts, and disclosures inserted or required to be inserted on the lease by Dealer will be correct, complete, and accurate; and
- j. If Dealer entered into the lease under a fictitious name, Dealer will have complied with all related governmental prerequisites to the enforcement of the lease by Dealer.
- k. Dealer warrants that if an unconditional guarantee is used on any deal, that the unconditional guarantee has been signed prior to or at the same time as the lease is signed.
- l. Dealer warrants that the vehicle being sold to Purchaser is not a lemon law buy back, a frame damaged vehicle, or a vehicle with a salvaged title.

6. **Dealer Indemnity.** Dealer shall indemnify and hold Purchaser harmless from any claim, suit, loss, liability, or expense, including court costs and attorneys' fees, incurred by Purchaser in connection with a lease or the related vehicle arising out of or relating to (a) any claim based on misrepresentation or lack of disclosure by Dealer in connection with the Lease, and/or (b) any breach of any warranty or representation made by Dealer in connection with this Agreement.

7. **Fax Consent.** Dealer agrees to receive notices, advertisements, announcements, brochures and other information from Purchaser via facsimile, telephone or email. Dealer further agrees that its express permission to receive fax, telephone or email of such notices and other information will continue and have no date of expiration. Current Dealer Fax Numbers are _____.

8. **Nonwaiver.** No failure or delay by Purchaser to exercise any right or remedy hereunder, to require the existence of any condition, or to require the performance of any obligation of Dealer hereunder shall operate as a waiver thereof, and such right, remedy, obligation, or condition shall remain in full force and effect as if such failure or delay had not occurred.

9. **Termination.** This Agreement may be terminated by either party upon written notice to the other. No termination shall affect the rights and obligations of the parties as to any lease or the related vehicle which existed prior to the effective date of termination.

10. **Notices.** Notices hereunder shall be in writing addressed to the respective party at the appropriate address set forth at the end of this Agreement or such other address of which the party may give the other party notice and shall be mailed by U.S. mail with first-class postage prepaid. Notices shall be effective two (2) days after mailing. Each party shall provide the other party written notice of a change in such party's address.

11. **Amendments.** This Agreement may be amended by a writing signed by the parties or by Purchaser on notice to Dealer with the terms of the amendment to be accepted by Dealer as provided in this paragraph. Dealer's acceptance of an amendment made by Purchaser on notice to Dealer shall be manifested by and be effective upon the date of the first sale to Purchaser of a lease and the related vehicle following such notice.

12. **General.** This Agreement constitutes the entire agreement of the parties as to the subject matter hereof. This Agreement shall be governed by the law of the State of California. Venue for any action related to this Agreement will be in San Mateo County, California. In any action related to this Agreement, the prevailing party shall be entitled to its related court costs and reasonable attorneys' fees. It is the intent of the parties that this Agreement be enforced to the fullest extent, and any provision of this Agreement deemed by a court to be unenforceable shall be deemed deleted to the extent only of such unenforceability. This Agreement inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors, and assigns of the parties, it being understood, however, that Dealer may not assign its rights or duties hereunder without the prior written consent of Purchaser. Time is of the essence for this Agreement.

DATED: _____

SPORT AUTOMOBILE BROKERAGE CORPORATION, dba SPORT LEASING

By: _____ Its: _____
Address: 901 Mariner's Island Blvd., Suite 600, San Mateo, CA 94404

DATED: _____

(Dealer's Full Legal Name)

By: _____ Its: _____
Owner or Corporate Officer

Address: _____

* The Purchaser acknowledges that Dealer is not responsible if lessee defaults on lease.



DEALER PARTICIPATION ADDENDUM TO SPORT LEASING DEALER AGREEMENT

THIS ADDENDUM TO DEALER AGREEMENT ("Addendum") is made by and between SPORT AUTOMOBILE BROKERAGE CORPORATION dba SPORT LEASING (hereinafter "Purchaser") and _____ (hereinafter "Dealer").

WHEREAS, Purchaser and Dealer have entered into a Dealer Agreement governing the sale of Leases between Dealer and a lessee of Dealer to Purchaser, together with the vehicle covered by the Lease; and

WHEREAS, Purchaser desires to offer and Dealer desires to earn Dealer Participation with respect to said Leases;

NOW THEREFORE, in consideration of the mutual promises of the parties, Purchaser and Dealer agree as follows:

1. **Definitions.** For purposes of the Sport Leasing Dealer Agreement, the following definitions shall apply with regard to Participation payable to Dealer on Leases:

Purchaser Lease Factor- shall mean a factor Purchaser uses to calculate the minimum acceptable dollar amount of the average monthly lease charge component of the monthly lease payment for an individual Lease as established by Purchaser from time to time at Purchaser's sole discretion.

Dealer Lease Factor- shall mean a factor used by Dealer to calculate the dollar amount of the actual average monthly lease charge component of monthly lease payment for an individual Lease. The Dealer Lease Factor shall apply only with respect to Leases when the lessee qualifies for Tier 1, Tier 2, Tier 3 or Tier 4 credit pursuant to the credit criteria established by Purchaser from time to time. The Dealer Lease Factor shall be established at the discretion of Dealer, but shall not exceed the Purchaser Lease Factor by more than .0015.

Dealer Participation- shall mean 55% of the amount, computed on a monthly basis over the full term of the Lease, which is equal to the difference between the average monthly lease charge to the lessee based on the Dealer Lease Factor and the average monthly lease charge based on the Purchaser Lease Factor (both of said average lease charges to be computed as specified in the individual Lease).

Flat Rate Participation- shall mean the sum of \$250. The Flat Rate Participation shall apply with respect to Leases when the lessee(s) qualifies for Tier 5 credit pursuant to the credit criteria established by Purchaser from time to time.

2. **Payment of Participation.** As long as Dealer is not in default under the terms of the Dealer Agreement and provided that an Event of Default (as defined in Paragraph 3 of this Addendum) has not occurred, Purchaser shall pay the Participation amount which is payable on a Lease Contract assigned by Dealer to Purchaser on the 91st day after the Lease Contract Date. In no event shall the amount of Participation paid on any Lease exceed the maximum (if any) permitted by applicable state law.

3. **Events of Default.** Purchaser shall have no obligation to pay Participation to Dealer on a Lease Contract if, during the first 90 days from the Lease Contract Date, any of the following events occurs: (i) the Lease is terminated, whether by early termination, exercise of the purchase option (if any), early pay off of the Lease Contract, or otherwise; (ii) lessee is in default of any of the terms and conditions of the Lease Contract; (iii) a bankruptcy action is filed by or against lessee; (iii) Purchaser repossesses the vehicle, whether due to default in the terms of the Lease or by a voluntary repossession at the request of the lessee; (iv) lessee fails to make a lease payment within 20 days of the scheduled due date; or (iv) the vehicle is declared a total loss, whether due to theft, accident or otherwise.

4. **Dealer Statement.** Purchaser shall provide Dealer with a written statement evidencing the amount of any Participation paid to Dealer. Dealer agrees that Purchaser's proffer of its written statement shall be sufficient to satisfy Purchaser's burden to prove both the amount of Participation. Dealer shall be deemed to have waived all objections to the amount of Participation paid, unless within 30 days of Purchaser's mailing the statement, Purchaser receives written notice from Dealer objecting to Purchaser's calculation of the same or requesting clarification of the same.

5. **Modification of Participation.** Purchaser reserves the right to change the method or amount of the Participation payable to Dealer upon written notice to Dealer and such changes shall be applicable to all Leases purchased by Purchaser from Dealer thereafter. Notice of a change to the method or amount of the Participation payable to Dealer may be delivered to Dealer via facsimile, electronic mail, or by U.S. Mail. Notice delivered via facsimile or electronic mail shall be effective upon delivery. Notice delivered via U.S. mail shall be effective two (2) days after mailing.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by an authorized official on this _____ day of _____, _____.

SPORT AUTOMOBILE BROKERAGE CORPORATION dba SPORT LEASING

DEALER: _____

By: _____

By: _____

Its: _____

Its: _____