

Servicing Agreement

Service Agreement dated as of _____, is made between North South Lease Management Inc., with offices at 33100 Groesbeck, Fraser, Michigan 48026 and _____, a _____ (Corporation, Partnership, LLC or Sole Proprietorship) located at _____ City, State and Zip _____.

Recitals

WHEREAS, North South Lease Management (“NSLM”) is a specialized financial services company that accepts commercial sales contracts for servicing, administration and collection;

Definitions:

Actual Cash Value means the net cash value, with no over allowance, of the vehicle traded in by Lessee as Down payment towards the purchase of a Leased Vehicle.

Cost includes all cost outside of normal internal collection cost. Any Money paid to outside vendors, state or local agencies to assist in collections as well as lawyer fees that are charged to NSLM.

Documentation means all written literature, whether in hard copy or stored on an electronic storage media created and offered by NSLM to Dealer that relates to or affects the Program, including, but not limited to all origination, collection, training, servicing, and user manuals; all status and performance reports; and all updates, new releases, improvements and/or derivative works related to the Documentation.

Down Payment means the amount of “cash” plus the Actual Cash Value of any “trade” paid by and Lessee with respect to the purchase of a Leased Vehicle.

Fraud is defined as a false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive another so that he shall act upon it to his legal injury.

Collections means all net monies received from customers to servicer with respect to the accounts of selling dealer.

Program means the administration, servicing and collection services offered by NSLM to Dealers whereby Dealers can offer financing to lessees with limited access to credit and all associated funding or advanced programs

Receivable refers to all contracts that are executed with a customer and sent to NSLM for funding and/or servicing.

Net refers to monies collected after unpaid or insufficient funds checks or money orders, and/or expenses for collections and/or legal fees, as well as NSLM Collection Fees.

Default is when Lessee becomes 60 days past due on making agreed lease payment.

Dealer Compensation is the amount of income Dealer will collect after a deal is funded by NSLM. This is calculated at up to the amount funded plus 50% of any residual income.

Agreement:

Down Payment: Dealer understands that the amount of Down Payment paid by the Lessee is an integral element of the NSLM Program and that the Dealer must not misrepresent the amount of the Down Payment paid by the Lessee in connection with the purchase of a Leased Vehicle. To the extent that the Dealer accepts a vehicle in trade towards, in whole or in part, the Lessee's Down Payment, Dealer agrees to apply only the Actual Cash Value of that vehicle to the Down Payment. Dealer agrees to disclose on credit application any and all rebates paid to Buyer, as well as sources of Down Payment. Dealer warrants not to purchase any item, transfer funds, include any post dated checks, rebates, side notes or installment notes to Lessee for use as Down Payment or for any other reason related to the purchase of a Leased Vehicle, and that the Down Payment has been collected in full prior to assignment to NSLM.

Receivable Acceptance: Any and all of the contracts that are submitted from Dealer must be accurate and the Dealer will be responsible for accuracy of the contracts and any accompanying documents that is required by the applicable state and/or any other regulatory agency.

Right of Collection: NSLM will have, and may exercise, all rights and remedies to collect all monies owed to NSLM, including but not exclusive to the Michigan Uniform Commercial Code.

Lease Sales Tax: Sales tax shall be collected on each lease transaction and noted on invoice on all sales unless otherwise noted.

All other taxes: The Dealer is responsible for all other taxes, other than monthly sales tax, for leases, which will be deducted from the payment each month by NSLM.

Outside Collection: If a Lease is in Default, NSLM may, at its discretion, turn the account over to an outside collection agency, and the cost of said outside collection shall be the responsibility of Dealer.

Repossession of Vehicle: If the vehicle has been repossessed, the Dealer shall repay to NSLM the vehicle cost, plus any reconditioning costs, less the amount of payments received. This repayment is to be made within 90 days of the vehicle being repossessed.

Duties of the Selling Dealer: The Dealer represents that all documents and statements made in any transaction are true and correct. NSLM will from time to time inspect contracts delivered from the selling dealer. If NSLM does not feel the deal is as represented, NSLM may reject the lease contract. If inaccuracies are missed in the initial inspection of the paperwork, the selling dealer is responsible for all errors and liabilities related to the contracts and paperwork. NSLM will also have the right to accept or reject any and all contracts. In the event there is any misrepresentation (fraud), the selling dealer is held responsible and will be in violation of this contract if not corrected within 7 days.

Organization in Good Standing: The Dealer is duly organized and is validly existing as a legal entity (corporation, partnership, sole proprietor, LLC, etc.) in good standing under the laws of the state in which it operates, with full power and authority to own its properties and to conduct its business, and had at all relevant times, and shall have power, authority, and legal right to sell vehicles. The Dealer is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification. The individual signing this Agreement on behalf of the Dealer has the power and authority to execute and deliver this Agreement and to carry out its terms and if the Dealer's corporate by-laws require board approval to enter into the Agreement that said approval has been received.

Acceptance of contracts/receivables: Upon the acceptance by NSLM of a Contract, NSLM *may*, in its discretion, make an advance. The amount of the Advance will be determined by the applicable advance program or credit score currently in use by NSLM and made available to the Dealer at the time the Contract is submitted to NSLM. *NSLM reserves the right to modify its funding methodology from time to time, without any prior notice to Dealer.*

Indemnities: The selling dealer will hold harmless the servicer from any and all cost claims and liabilities arising out of, or resulting from, collections of contracts and/or repossession. NSLM will be responsible for collections.

Confidentiality: Any authorized Dealer must keep all materials and information confidential and under no circumstances disclose any information to anyone outside of the Dealer's organization without express written consent from NSLM. Violation of the confidentiality clause is a material breach of this agreement.

Violation of Contract/Servicing Agreement: Any violation of the service contract will result in loss of any additional revenues earned through NSLM. The Dealer will be required to pay NSLM all cost plus 20% servicing fees of the entire accounts receivable for any violation.

Successors/Assignment: NSLM reserves the right to assign this contract to its successors or assigns.

Delegation of Duties: NSLM may at its discretion hire outside agencies to assist in collections and/or repossessions.

Complete Agreement: This agreement is the complete agreement and supersedes any and all prior agreements, oral or written. This agreement may not be altered without the written consent of both parties. This agreement is to be governed by the laws of the State of Michigan; any disputes arising from this agreement shall be brought in the 16th Circuit Court for the State of Michigan.

This agreement is EFFECTIVE only when both parties have signed this agreement. The parties hereto have duly executed this Agreement effective as of the date of their respective signature. Each of the parties acknowledge that they have thoroughly read and understand this agreement and that they have been advised of their right to consult with and have consulted with an attorney, or knowingly and voluntarily wave such right, and have chosen to execute this Agreement.

By signing this agreement the parties have caused this agreement to be executed by their respective officers as of the day and year these agreements are signed.

Dealership: _____

Signed By: _____ Date: _____

Title: _____ Print Name _____

North South Lease Management

Signed By: _____ Date: _____

Title: _____ Print Name: _____

Dealership Name

Resolved that the president of this corporation be and hereby is authorized and empowered to enter into a contract for services with NSLM, in the name and in behalf of this corporation, upon such terms and conditions as may be agreed upon between him and NSLM.

I, _____ do hereby certify that I am the duly elected and qualified Secretary and the keeper of the records and corporate seal of _____ (dealership name) a corporation organized and existing under the laws of the State of _____, and that the above is true and correct copy of a resolution duly adopted at a meeting of the Board of directors thereof, convened and held in accordance with law and the by laws of said corporation on _____ (date) and that such resolution are now in full force and in effect.

In WITNESS WHEREOF, I affixed my name as Secretary and have caused the corporate seal of said Corporation to be hereunto affixed this _____ day of _____ year of _____

Secretary

Resolution of Board of Directors of _____
Dealership Name

Resolved, that the proposed contracts between this corporation and NSLM submitted to this meeting, be and it hereby is accepted, that _____ President and _____, Vice President, be and they hereby are authorized to execute in the name and behalf of this Corporation, a contract substantially in the form submitted to this meeting.

I, _____ do hereby certify that I am the duly elected and qualified Secretary and the keeper of the records and corporate seal of _____, a corporation organized and existing under the laws of the State of _____, and that the above is true and correct copy of a resolution duly adopted at a meeting of the board of Directors thereof, convened and held in accordance with the laws and by laws of said corporation on _____ day of _____.

Secretary

Both resolutions must be signed if a dealership is a corporation