

ARBITRATION AGREEMENT AND SUPPLEMENTAL DISCLOSURE

Vehicle: _____

1. **ARBITRATION.** Any claim, dispute or controversy ("Claim") arising from or connected with the Retail Installment Contract, pursuant to which Buyer(s) is purchasing the above Vehicle ("the RIC"), any security interest created by the RIC, any documents relating to the RIC, the collection of the RIC, the purchase of the goods and/or services pursuant to the RIC, or the enforceability, validity or scope of this arbitration clause or the RIC shall be governed by this provision. Upon the election of Buyer(s) or Dealer/Seller or any assignee of the RIC ("Holder") by written notice to the other party, any Claim shall be resolved by arbitration before a single arbitrator, on an individual basis, without resort to any form of class action ("Class Action Waiver"), pursuant to this arbitration provision and the applicable rules of the American Arbitration Association ("AAA") in effect at the time the Claim is filed. Any arbitration hearing shall take place in the county and state where the Buyer(s) maintains his or her residence or in which the Buyer(s) executed the RIC. At the written request of Buyer(s), any filing and administrative fees charged or assessed by the AAA which are required to be paid by Buyer(s) and that are in excess of any filing fee Buyer(s) would have been required to pay to file a Claim in that state's court shall be advanced and paid for by Holder. The arbitrator may not award punitive or exemplary damages against any party. **IF ARBITRATION IS CHOSEN BY ANY PARTY WITH RESPECT TO A CLAIM, NEITHER BUYER OR HOLDER WILL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR HAVE A JURY TRIAL ON THAT CLAIM, OR TO ENGAGE IN PRE-ARBITRATION DISCOVERY, EXCEPT AS PROVIDED FOR IN THE APPLICABLE ARBITRATION RULES. FURTHER, BUYER(S) WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO THAT CLAIM AND BUYER(S) WILL HAVE ONLY THOSE RIGHTS THAT ARE AVAILABLE IN AN INDIVIDUAL ARBITRATION. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING ON ALL PARTIES, EXCEPT AS PROVIDED IN THE FEDERAL ARBITRATION ACT ("the FAA").** This Arbitration Provision shall be governed by the FAA, and, if and where applicable, the internal laws of the State of residence of the Buyer(s). If any portion of this paragraph 1 of the Arbitration Agreement and Supplemental Disclosure (the "Agreement") is deemed invalid or unenforceable, it shall not invalidate the remaining portions of this paragraph 1 of the Agreement or the RIC, provided however, if the Class Action Waiver is deemed invalid or unenforceable, then this paragraph 1 of the Agreement shall be null and void and of no force or effect, but the remaining terms of this Agreement and the RIC shall remain in full force and effect. Judgment on any award may be entered by any appropriate court having jurisdiction.

If either Buyer(s) or Holder has submitted a Claim to the AAA which the AAA refuses to entertain without fault of either party, Buyer(s) and Holder shall nevertheless resolve such Claim by arbitration as provided below. For a period thirty (30) days after notice of such refusal, the parties shall in good faith attempt to agree on the selection of an individual successor arbitrator to arbitrate the Claim. The successor arbitrator shall be independent, neutral and qualified with experience in matters such as raised by the Claim and shall have no pre-existing relationship with any of the parties. The applicable rules of the AAA shall be applicable to the arbitration of the Claim. If the parties are unable to agree on the successor arbitrator within thirty (30) days following the rejection of the Claim by AAA, then on application by either party to a Court of competent jurisdiction with notice to the other party, the Court shall select such successor arbitrator. Except for the reference to the AAA in the foregoing paragraph, all the other terms and provisions thereof will be applicable to such arbitration by the successor arbitrator.

2. **SELLER NOT AGENT OF BUYER.** Buyer(s) understands and acknowledges that the RIC may be sold, assigned or otherwise transferred to a third party ("Holder") for an amount which is equal to, in excess of, or less than the Amount Financed as shown on the RIC. An assignee may calculate the amount to be paid to the Seller for the RIC in part on the amount of interest to be charged to Buyer(s). The Seller is not acting as an agent of Buyer(s) in any manner relating to the terms of financing in the RIC. Therefore, the Annual Percentage Rate may not be the lowest rate available and Seller may be retaining a portion of it. Buyer(s) is encouraged to seek alternative financing sources.

3. **ELECTRONIC CHECK CONVERSION.** When you provide a check as payment, you authorize us to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. In addition, when you authorize us by phone, in writing, or by computer to make payment(s) on your account with us from your financial institution, we will also use information from

your check or information which you give us to make (an) electronic fund transfer(s) from the financial account you specify and in the amount(s) you request. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution. If your payment is returned unpaid, you authorize us to make a one-time electronic fund transfer from your account to collect a fee. The fee will be determined by the maximum amount authorized by law. If your check payment is returned unpaid, we may elect to electronically re-present your check up to two more times.

4. Buyer(s) understands and acknowledges that we and our assignees may contact you in these and other ways at any address or telephone number, even if the telephone number is a cell phone number or the contact results in a charge to you. In our continuing effort to provide quality customer service your call(s) may be subject to monitoring or recording.

5. INSURANCE. Any insurance obtained through Seller will be issued through Hercules Insurance Agency LLC. Hercules is affiliated with Holder through common ownership and is also affiliated with Nationwide Acceptance Corporation (“Nationwide”). Buyers(s) acknowledge that Holder, Hercules, and Nationwide act SOLELY ON THEIR OWN BEHALF AND ARE NOT AGENTS OF THE BUYER(S). Each company receives remuneration from the sale of the proposed insurance. Purchase of insurance from Holder is not required to obtain credit. Buyer(s) may choose the person through whom any insurance is obtained.

6. DISHONORED FUNDS. To the extent permitted by law, if any check drawn by Buyer(s) given to Seller in connection with the RIC is not honored because of insufficient funds or uncollected funds or because no such account exists, Buyer(s) agree to pay Seller an amount not exceeding the maximum amount authorized to be charged by applicable law.

7. ELECTRONIC COMMUNICATIONS. You hereby consent to and acknowledge that Holder may play a pre-recorded message placed by an automated dialer system. In addition, you further expressly authorize Nationwide from time to time to place and send telephone calls, including commercial text messages and electronic messages to your computers, cell phones and pagers, including the use of an automated dialer system. You agree that you may be contacted or solicited in any manner contemplated in this section, even if your number is found on a do-not-call registry, in-house list, or similar registry.

8. PRIVACY POLICY. Your privacy is important to us. You may obtain a copy of the Seller or Holder’s Privacy Policy by calling them. If this contract is assigned to Nationwide, call them at 1-773-777-7600. As permitted by law, Nationwide may share information about their transactions and experiences with you with other companies affiliated with Nationwide and unaffiliated third parties, including consumer reporting agencies and other creditors. However, except as may be permitted by law, Nationwide may not share information which was obtained from your credit application, consumer report, and any third parties with companies affiliated with Nationwide if you tell Nationwide not to share this information. If you do not want Nationwide to share this information, you can notify them by calling 1-773-777-7600 or by writing to Nationwide, 3435 N. Cicero Avenue, Chicago, IL 60641. Please include your name, address, account number and last four (4) digits of your social security number so your request can be honored.

9. APPLICATION OF PAYMENTS. Until the RIC is fully paid, to the extent permitted by law, payments shall be applied to accrued fees and charges, if any, and then to: a) accrued interest with any remainder being applied to the principal balance, if the RIC is interest bearing; or b) the combined total of principal and precomputed interest, if the RIC is precomputed. To the extent permitted by applicable law, payments shall be applied in the order in which they become due except that any insurance proceeds received as a result of any claim made on any insurance, unless sufficient to prepay the contract in full, may be applied to the unpaid installments in inverse order.

10. OTHER. The provisions hereof shall be binding on and be for the benefit of the Buyer/Co-Buyer/Co-Signer and the Holder of the RIC and their respective permitted successors and assignees.

11. CONFLICT OF PROVISIONS. This Arbitration Agreement and Supplemental Disclosure (“AASD”) is hereby made a part of the RIC. In the event there is a conflict between the RIC and this AASD, the terms of this AASD shall govern. Any assignment of the RIC shall also constitute a contemporaneous assignment of this AASD.

Buyer(s) acknowledge they have read and voluntarily agreed to the foregoing and acknowledge receipt of a copy of this document.

Executed on _____, 20_____

BUYER / CO-BUYER I CO-SIGNER SIGNATURE

DEALER / SELLER / SIGNATURE

PRINTED NAME: _____

By: _____

BUYER / CO-BUYER / CO-SIGNER SIGNATURE

DEALER / SELLER / SIGNATURE

PRINTED NAME: _____

BY: _____