

LEMON PROOF PRE-PAID SERVICES CONTRACT

This Pre-Paid Service Contract (this “*Agreement*”) is between Lemon Proof LLC, a Texas limited liability company having its address at P.O. Box 132575, Dallas, Texas 75313-2575 (“*Lemon Proof*”) and you, as the owner of the following new vehicle (the “*Vehicle*”):

Vehicle Year: _____

Vehicle Manufacturer: _____

Vehicle Model: _____

Vehicle Identification Number (VIN): _____

Vehicle Purchase Date: _____

Vehicle Mileage on Your Purchase Date: _____

1. For the good and valuable consideration of \$399 USD paid by you to Lemon Proof, Lemon Proof agrees to provide you, as the original Vehicle owner, with specific services for the Vehicle as set forth in this Agreement. These services will include reviewing the Vehicle repair history and contracting with attorneys (with specific experience in handling vehicle breach of warranty claims) selected by Lemon Proof to help you pursue a breach of warranty settlement with, or lawsuit against, the Vehicle manufacturer.
2. If the Vehicle qualifies as a Lemon in the future (see below for what constitutes a “Lemon”), Lemon Proof agrees to provide you with an attorney that has experience handling vehicle breach of warranty claims and to pay for all attorney fees and costs, which will be billed directly to Lemon Proof. You agree that Lemon Proof has the right under the terms of this Agreement to select an attorney to represent your interests throughout the process of submitting a breach of warranty claim. You acknowledge that this Agreement does not allow you to select an attorney different from the attorney of Lemon Proof’s choosing.
3. Lemon Proof agrees to provide you with customer service agents available Monday through Friday (except on national holidays) from 9:00 a.m. until 6:00 p.m., Central Standard or Daylight Savings Time via telephone or electronic mail to handle your inquiries regarding whether the Vehicle qualifies as a Lemon.
4. A “*Lemon*”, under the terms of this Agreement, is an automobile with repeated, unfixable problems that qualifies as a lemon under the Texas Lemon Law. To qualify as a Lemon, the Vehicle must have a “substantial defect” both covered by warranty and not repairable after a reasonable number of attempts. A “*substantial defect*” is defined as a problem that affects the car’s operation, value or safety, such as, but not limited to, faulty brakes, defective transmission or defective steering. To be qualified as a Lemon under this Agreement, a certified manufacturer’s dealer authorized to sell and service the manufacturer’s new vehicles must fail to repair the substantial defect after three separate independent repair visits made for the expressed purpose of fixing the substantial defect. Additionally, if the Vehicle is in the service/repair department of a certified manufacturer’s dealer for 30 days or more due to a substantial defect, it also qualifies as a Lemon.

5. Once Lemon Proof objectively determines that the Vehicle qualifies as a Lemon, Lemon Proof will contact an attorney with specific experience in handling breach of warranty claims to represent you against the Vehicle manufacturer. The attorney will then timely contact you to enter a formal attorney-client relationship with you. Lemon Proof is not a party to that attorney-client relationship, but Lemon Proof, and not you, will be directly responsible for paying the attorney fees and reasonable costs for handling your Lemon/breach of warranty claim. You will not be responsible for any deductible or copayment of the attorney fees and reasonable costs. Lemon Proof does not make any representations or warranties regarding whether you will be successful in your claim.
6. You agree to cooperate in all reasonable respects with the attorneys handling your claim. This may include providing all relevant information and records or executing sworn affidavits or consents to obtain Vehicle service records.
7. In the event the filed case is not settled prior to trial, you agree that your attorneys shall seek their reasonable and necessary attorney fees and costs directly from the manufacturer. In no event shall you be responsible for paying the reasonable and necessary attorney fees and costs incurred in pursuing a qualified Lemon/breach of warranty claim. If you win your lawsuit at trial, you will receive in full all damage amounts awarded by the judge or jury and specifically paid by the vehicle manufacturer, including any interest earned and paid, that are not damages for reasonable and necessary attorney fees and costs.
8. If a judge or jury awards reasonable and necessary attorney fees and costs at the trial in your favor, you agree that those reasonable and necessary attorney fees specifically paid by the Vehicle manufacturer, including any interest earned and paid, shall be paid directly to the attorney representing you and not to you personally.
9. If in a hearing or at trial, a judge or jury finds for the Vehicle manufacturer and awards the Vehicle manufacturer any attorney fees or costs, neither Lemon Proof nor your attorney will be responsible for paying the Vehicle manufacturer's fees or costs. In such an event, you may be responsible for paying such fees and costs directly.
10. This Agreement does not cover appellate related representation—if you or the Vehicle manufacturer elects to appeal any decision made by the trial court, your legal fees in connection with the appeal will not be paid by Lemon Proof. You will have to pay the fees of the law firm or obtain other counsel, in either case, at your expense.
11. In the event you decide to not use the attorney selected by Lemon Proof, Lemon Proof has no further obligation under this Agreement to supply you with a different attorney, or to pay for the services of an attorney selected by you. You may cancel this Agreement at any time; however, you will not be given a refund of any amounts you have paid.
12. Lemon Proof's communications and actions should not be considered legal advice. Legal decisions are to be made strictly by you and your attorney.
13. **LEMON PROOF DISCLAIMS ALL WARRANTIES WITH REGARD TO THIS AGREEMENT, WHETHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.**

14. You may not transfer your rights under this Agreement to any other person, including anyone who might purchase the Vehicle from you. No other person, other than you as the original owner of the Vehicle, has any rights under the terms of this Agreement.
15. This Agreement is governed by the laws of the State of Texas.
16. **THIS AGREEMENT IS SUBJECT TO MANDATORY ARBITRATION.** In the event of any dispute between you and Lemon Proof regarding any provision of this Agreement, or your or Lemon Proof's conduct under this Agreement, the parties shall first consult one another in any attempt to resolve such dispute. In the event the dispute is not resolved, the parties agree to submit any dispute first to mediation. If mediation is unsuccessful, the parties agree to resolve any disputes through binding arbitration. Mediation of disputes under this Agreement shall be conducted in Dallas, Texas using an agreed upon neutral mediator. In the event the parties cannot agree on a neutral mediator, the parties agree to allow the then duly elected TTLA President to recommend three mediators, from which the parties shall select a mediator. If the parties are still unable to agree to a mediator from the TTLA President's three mediator list, the parties agree that the then duly elected TTLA President may select a mediator from the mediator list previously provided and that the mediator shall mediate between the parties. In the event arbitration is required, arbitration of any disputes under this Agreement shall be by written submission before an agreed-upon neutral arbitrator. In the event the parties are not able to reach agreement on a neutral arbitrator, the arbitrator will be selected by the TTLA President. Any dispute shall be considered submitted to arbitration, only after an unsuccessful mediation followed thereafter by the receipt by all parties of a written communication specifically demanding the dispute be submitted to arbitration. Each of the parties shall be jointly responsible for the cost of the arbitration. Each party shall bear their own attorney fees and costs related to mediation and arbitration. **NOTE: By entering into this agreement both parties agree that they are waiving their respective rights to a trial by judge or jury.**
17. Lemon Proof will not be liable for any damages, fees or penalties you may suffer as a result of your pursuit of a claim with respect to your Vehicle and, other than its obligation to pay your legal fees, Lemon Proof will have no financial liability to you under any legal theory. Any damages, fees or penalties that may be owed to you by Lemon Proof under this Agreement under any theory shall be limited to the amount you paid Lemon Proof under this Agreement. Furthermore, without limitation of the foregoing, Lemon Proof will have no liability for consequential or other indirect damages, or exemplary, special, incidental or punitive damages, even if it has been advised of the possibility of such damages.
18. In any arbitration proceeding, the arbitrator will not have the authority to consolidate the claims of other persons who are parties to agreements similar to this Agreement into a proceeding originally filed by either Lemon Proof or you. The arbitrator may hear only your individual claims and does not have the authority to fashion a proceeding as a class or collective action or to award relief to a group or class of parties to a contract with Lemon Proof in one arbitration proceeding.
19. In the unlikely event you make installment payments of the \$399 purchase price, you must make all the payments to receive the consideration Lemon Proof offers under this

Agreement. If you fail to make any installment payment, you agree that any previous payments shall not be refunded and the Agreement will be terminated.

20. You acknowledge and certify that to your knowledge the Vehicle described above is either: (1) a brand new vehicle (never previously titled to another owner) with an existing manufacturer's warranty and less than 10,000 miles on the odometer purchased by you within the last 30 days from an authorized manufacturer's new vehicle dealer; or (2) a certified pre-owned vehicle with an existing manufacturer's warranty and less than 10,000 miles on the odometer purchased by you within the last 30 days from an authorized manufacturer's pre-owned vehicle dealer. You further acknowledge that the Vehicle has not required any service or repairs since you purchased the Vehicle. In the event it is determined that the Vehicle had been in a service or repair shop for any matter relating directly or indirectly to a substantial defect, the Agreement will terminate immediately, and you will not be entitled to a refund.
21. Any notices to be delivered in connection with this Agreement should be sent by United States mail to the address set forth for the Company in the first paragraph above or to you at the address set forth on the signature page of this Agreement.
22. This Agreement may be amended only by a writing signed by you and an executive officer of Lemon Proof. Any amendment is not valid until it is endorsed and attached to this Agreement.
23. You may terminate this Agreement by giving Lemon Proof written notice of your intention to terminate not later than the seventh day after you receive this Agreement. Upon cancellation within the seven-day period, the purchase price for the Agreement will be refunded to you and Lemon Proof will have no further obligations to you under this Agreement.
24. Pursuant to Texas law, this Agreement qualifies as a pre-paid legal service contract and Lemon Proof qualifies as a legal service contract company. Legal service contract companies and their sales representatives are regulated by the Texas Department of Licensing and Regulation. You may contact the Department at P.O. Box 12157, Austin, Texas 75711, Phone: (512) 463-6599 or (800) 803-9202, or at cs.legal.service.contracts@tdlr.texas.gov.

This Agreement is executed by each of the parties below on the ___ day of _____, 20__.

Signature: _____

Address: _____

Phone #: _____

Alt. Phone #: _____