

## RETAIL FINANCING AGREEMENT (Without Recourse)

This agreement entered into this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_ by and between Professional Financial Services of Florida, LLC, whose principal address is P.O. Box 811, Spartanburg, SC 29304 hereinafter called "PFS" or "the Company", and \_\_\_\_, hereinafter called "Dealer" or "the Provider", whose principal address is \_\_\_\_.

### W I T N E S S E T H

In consideration of the mutual promises, covenants and conditions contained herein, PFS agrees to purchase from Dealer certain retail installment contracts, notes, security agreements, and/or other documents (hereinafter collectively and singularly referred to as "contract") upon the following terms and conditions:

1. No Obligation to Purchase - The purchase of contracts tendered to PFS by Dealer hereunder shall be in conformity with PFS's established credit policies as the same may be amended or modified from time-to-time and PFS shall be the sole judge of compliance with such policies.

2. Purchase Price - The purchase price for the contracts assigned to PFS hereunder shall be the Unpaid Balance of Cash Price as stated in the contract to be paid to Dealer upon acceptance of the contract less a discount of \$550 or a mutually agreed upon amount.

3. Collections from Purchaser - PFS shall have sole right to make collections from purchasers on all contracts and Dealer will not solicit or accept payments thereon except pursuant to PFS's instructions. Any payments received by Dealer on contracts sold to PFS are funds of PFS and shall be held in trust for PFS separate from Dealer's funds. Such funds shall be transmitted to PFS upon receipt in the same form received. PFS may renew and extend the time of payment of contracts and compromise or adjust claims on contracts or the collateral covered thereby without affecting Dealer's liability hereunder.

4. Entries in Books - Dealer shall make appropriate entries in its books disclosing the sale of such contracts to PFS.

5. Notice to Applicant(s) - Dealer shall notify each applicant in any proposed transaction that their credit application is being submitted for credit review to PFS and Dealer shall inform each applicant of PFS's credit decision and provide all notices required by state and Federal Law including Risk-Based pricing notices.

6. Relationship of Dealer - The parties agree that the Dealer in selling the contracts to PFS is operating as the seller of chattel paper and that this agreement constitutes a commercial contract for the sale of commercial paper. Dealer is not providing any material services to PFS and operates at all times as an independent contractor. Dealer is not and shall not be construed to be a partner, joint venturer, employee, agent, franchisee, licensee, or representative of PFS for any purpose whatsoever. Dealer shall not have any authority to assume or create any liability, obligation or responsibility, express or implied, on behalf of or in the name of PFS or to bind PFS in any manner whatsoever, except on authority specifically so delegated in writing, and Dealer shall not represent to the contrary to any person.

7. Dealer's Warranties and Covenants - Dealer hereby warrants with respect to each contract it sells to PFS hereunder that:

- a. To the best of Dealer's knowledge, the contract shall be genuine and represent a valid deferred payment obligation of a bona fide and legally competent Purchaser for the amount showing there under, and the instrument and each guaranty in connection therewith will be legally enforceable by PFS as the assignee thereof in

the State where Purchaser resides and/or the State where the motor vehicle covered thereby is located;

- b. Dealer has delivered to Purchaser the fully completed and executed contract and has otherwise complied with all legal requirements imposed by applicable Federal and State Laws and Regulations, including but not limited to the Equal Credit Opportunity Act, Fair Credit Reporting Act, Magnusson-Moss Warranty Act, Gramm-Leach-Bliley Act, Drivers Privacy Protection Act and the federal Odometer Act;
- c. Prior to the delivery of the motor vehicle, the Purchaser will have paid thereon the down payment set forth in the contract in cash, unless otherwise specified therein, and no part of said down payment has been or will be loaned or otherwise provided directly or indirectly by Dealer;
- d. Dealer will timely file with the appropriate state agency an application for a certificate of title for the vehicle showing a first lien therein in PFS's favor, and if applicable, for the amount of the total of payments due under the contract. Dealer's failure to apply for such certificate of title, properly evidencing PFS's lien, within thirty (30) days after the contract is assigned from Dealer to PFS, shall be conclusive proof of Dealer's failure to comply with the above warranty. Dealer will fulfill all statutory requirements relating to certificates of title and agrees that PFS's lien shall be prior to, and take precedence over, any obligation of Purchaser to Dealer, and over any lien relating to any such obligation;
- e. If the contract covers goods other than motor vehicles, title to said goods will be vested in Dealer at the time of the sale of each contract to PFS, free and clear of all liens and encumbrances whatsoever, and each assignment which may be executed to PFS hereunder will vest PFS with full and complete title to the contract and the lien created thereby, which lien will have been duly perfected by compliance with the procedures established by applicable law;
- f. The contract shall be free from any lien set offs, defenses, and counterclaims arising in any person's favor whatsoever;
- g. The motor vehicle or other goods covered by the contract will have been previously duly delivered by Dealer and accepted by Purchaser free from all liens and encumbrances except those in favor of PFS; and,
- h. Dealer agrees to make all proper insurance arrangements with Purchaser, and it shall be Dealer's responsibility to guarantee to PFS that adequate comprehensive and physical damage insurance with deductibles set at a maximum of five-hundred dollars (\$500.00) and acceptable to PFS has been obtained by Purchaser in accordance with said Agreement to Provide Insurance, with loss payee clause to PFS, prior to vehicle being delivered to Purchaser. Dealer shall guarantee to PFS that such coverage has been placed on vehicle for at least thirty (30) days after Contract date. PFS agrees that Dealer has no further obligation on insurance past the initial insurance confirmation.

8. Breach of Warranties - In the event any of the warranties, covenants and conditions contained herein shall be untrue or not complied with by Dealer, any waiver of recourse against Dealer shall be abrogated and Dealer unconditionally guarantees payment of contracts affected by any such breach of warranty, covenant or condition and will immediately, upon demand of PFS, repurchase said contracts for the gross unpaid balance thereof, less unearned finance charges.

9. Repurchase of Contracts - If Dealer is required to repurchase any contract pursuant to paragraph 8 hereof, Dealer shall on demand pay to PFS, the gross unpaid balance remaining on the contract, less unearned finance charges. If for any reason Dealer fails to purchase any such contract and there has been a default there under, PFS may repossess any collateral covered by such contract and sell it at public or private auction sale without notice to Dealer, and Dealer will be liable for and shall pay to PFS any deficiency balance.

10. Reassignment of Contracts to Dealer - Upon payment in full by Dealer of any contract which Dealer is obligated to repurchase pursuant to paragraphs 8 and 9 hereof, and of all other sums due PFS hereunder, PFS will, on written demand from Dealer, reassign to Dealer such contract so that Dealer may be in a position to proceed thereon against the primary obligor. Such reassignment shall be without recourse to PFS.

11. Rights of Parties – Dealer waives notice of nonpayment, protest and notice of protest of contracts, notice of the acceptance of this agreement and other notices to which it might otherwise be entitled by law. Except as otherwise provided in this Agreement, all other notices and communication hereunder will be in writing and will be deemed duly given if and when personally delivered or mail by registered or certified mail, return receipt requested, postage prepaid, addressed according to the addresses shown at the beginning of this Agreement. PFS's failure to exercise any right hereunder shall not operate as a waiver of said right, but all rights and remedies contained herein shall be cumulative and not alternative. PFS shall not be responsible for the legal validity or sufficiency of any forms of instruments or other documents which it may furnish to Dealer for Dealer's convenience.

12. Indemnification of PFS –

- a. Dealer hereby agrees to indemnify PFS and hold PFS harmless from damages, losses, and expenses, including reasonable attorney's fees and costs of litigation, which PFS may sustain by reason of any claim, counterclaim, or defense which may be asserted against PFS and which is related to any contract Dealer sells to PFS. Without limiting in any manner the generality of the foregoing indemnity provisions, Dealer specifically agrees to indemnify PFS and hold harmless from all damages, losses, or expense which PFS may sustain (a) by reason of Dealer's failure to comply with any applicable provisions of the Federal Truth in Lending Act and Regulation Z thereof, Fair Credit Reporting Act, Equal Credit Opportunity Act or any other applicable federal or state laws and regulations in connection with any retail installment contract or the transaction represented thereby, or (b) if any Purchaser fails or refuses to make any payments on any contract on the ground that the contract is subject to any claim, counterclaim, or defense which the Purchaser has against Dealer.
- b. If any Purchaser fails or refuses to pay any payments on any contract on the grounds that the contract is subject to any claim, counterclaim, or defense he may have against Dealer, Dealer agrees to repurchase any such contract from PFS upon demand by paying to PFS the gross unpaid balance of the contract, less unearned finance charges. PFS shall not have any responsibility or obligation to perform any express or implied warranty by Dealer to the Purchaser under any contract, and Dealer agrees to indemnify PFS and hold PFS harmless from all losses, damages, and expenses PFS may incur if liability for the performance of any such express or implied warranty is imposed upon PFS.

13. Indemnification of Dealer – PFS hereby agrees to indemnify Dealer and hold Dealer harmless from damages, losses, expenses, including reasonable attorney's fees and costs of litigation, which Dealer may sustain from valid claims in any form by third parties arising from or relating to (a) PFS's activities under this Agreement which violate a third party's right of privacy, or applicable privacy laws such as the Gramm Leach Bliley Act, (b) use by Dealer of forms or other documentation or training provided by PFS and used in connection with the sale of PFS ancillary products, (c) any violation of applicable laws by PFS, including, without limitation, lending and consumer credit laws, such as the Federal Truth in Lending Act and the Federal Equal Credit Opportunity Act, (d) PFS's willful and wrongful acts or omissions in the processing, administration or enforcement of any contract or account, or (e) material breach by PFS of any representation or warranty contained in this Agreement. Dealer shall (i) give PFS prompt notice of the relevant claim, (ii) cooperate with PFS, at PFS's expense, in the defense of such claim, and (iii) give PFS the right to control the defense and settlement of any such claim, except that PFS shall not enter into any settlement that affects Dealer's rights or interest without Dealer's prior written approval. Dealer shall have the right to participate in the defense at its own expense.

14. Merger - This agreement is in lieu of all other agreements, either oral or written, heretofore or now existing between Dealer and PFS, and neither Dealer nor PFS shall be bound by anything not expressed herein unless contained in a rider or supplemental agreement attached hereto and signed by both Dealer and PFS.

15. Successors or Assigns - This agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors or assigns of the parties hereto.

16. Miscellaneous. The laws of the State of Florida shall govern the validity and construction of the Agreement and any dispute arising out of or relating to the Agreement, without regard to the principles of conflict of laws. A ruling by any court that one or more of the provisions contained in the Agreement is invalid, illegal or unenforceable in any respect shall not affect any other provision of the Agreement so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Thereafter, the Agreement shall be construed as if the invalid, illegal, or unenforceable provision had been amended so as to make the Agreement valid and enforceable as originally contemplated by this Agreement to the greatest extent possible. This Retail Financing Agreement, a Confidentiality Agreement if executed, and all Exhibits attached hereto, constitute the entire agreement between the parties, and there are no representations, warranties, covenants or obligations except as set forth in this Agreement. This Agreement and the above supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties, relating to any transaction contemplated by this Agreement. This Agreement, including all Exhibits attached hereto, may be amended, waived, changed, modified or discharged only by an agreement in writing signed on behalf of all of the parties by the authorized representatives executing this Agreement.

IN WITNESS WHEREOF, this agreement is hereby executed and sealed this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_.

(SEAL)

\_\_\_\_\_  
(insert Company name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

**PROFESSIONAL FINANCIAL SERVICES OF FLORIDA, LLC**

By: \_\_\_\_\_