

# RETAIL FINANCING AGREEMENT

(Without Recourse)

This agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between American Acceptance Corporation hereinafter called "American", and \_\_\_\_\_, hereinafter called "Dealer", whose principal address is \_\_\_\_\_.

## WITNESSETH

In consideration of the mutual promises, covenants and conditions contained herein, American agrees to purchase from Dealer certain retail installment contracts, notes, security agreements, and/or other chooses in action (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 American by Dealer hereunder shall be in conformity with American established credit policies as the same may be amended or modified from time-to-time and American shall be the sole judge of compliance with such policies.
2. Purchase Price – The purchase price for the contracts assigned to American 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 \$500.00 **or** a mutually agreed upon amount.
3. Collections from Purchaser - American shall have sole right to make collections from purchasers on all contracts and Dealer will not solicit or accept payments thereon except pursuant to American's instructions. Any payments received by Dealer on contracts sold to American are funds of American and shall be held in trust for American separate from Dealer's funds. Such funds shall be transmitted to American upon receipt in the same form received. American may endorse or cause to be endorsed Dealer's name upon checks and other forms of payment received in respect to contracts, and otherwise sign and endorse Dealer's name on any contracts or documents to carry out the terms and intent of this agreement. American 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 American.
5. Dealer's Warranties and Covenants – Dealer hereby warrants with respect to each contract it sells to American hereunder that:
  - (a) The contract shall be genuine and represent a valid deferred payment obligation of a bona fide and legally competent Purchaser for the amount showing thereunder, and the instrument and each guaranty in connection therewith will be legally enforceable by American 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 disclosure requirements imposed by applicable Federal and State Laws and Regulations;
  - (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 file with the appropriate state agency and obtain therefrom a certificate of title for the vehicle showing a first lien therein in American's favor, and if applicable, for the amount of the total of payments due under the contract, and perfected as of the date of the contract. Dealer's failure to obtain such certificate of title, properly evidencing American's lien, within ninety (90) days after the contract is assigned from Dealer to American 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 American'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) The contract shall be free from any lien set offs, defenses, and counterclaims arising in any person's favor whatsoever;
  - (f) The motor vehicle or other goods covered by the contract will have been previously duly delivered by Dealer and accepted by Purchaser; and,
  - (g) The motor vehicle shall be insured by collision insurance (\$500 deductible or less) and comprehensive or fire and theft with combined additional coverage, with American named as loss payee. Any other goods shall be insured as and if required by American.
6. 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 American repurchase said contracts for the gross unpaid balance thereof, less unearned finance charges.
7. Repurchase of Contracts – If Dealer is required to repurchase any contract pursuant to paragraph 6 hereof, Dealer shall on demand pay to American in cash, 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 thereunder, American may repossess any collateral covered and sell it at public or private sale without notice to Dealer, and Dealer will be liable for and shall pay to American any deficiency balance.
8. Reassignment of Contracts to Dealer – Upon payment in full by Dealer of any contract which Dealer is obligated to repurchase pursuant to paragraphs 7 and 8 hereof, and of all other sums due American hereunder, American 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 American.

9. Termination – Either American or Dealer may terminate this agreement at any time by giving written notice of such termination to the other. Such notice shall not affect any obligation hereunder on the part of either Dealer or American which is applicable to contracts purchased prior to such termination.
10. Merger – This agreement is in lieu of all other agreements, either oral or written, heretofore or now existing between Dealer and American, and neither Dealer nor American shall be bound by anything not expressed herein unless contained in a rider or supplemental agreement attached hereto and signed by both Dealer and American.
11. 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.

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

Signed:

\_\_\_\_\_

Title:

\_\_\_\_\_

ACCEPTED:

AMERICAN ACCEPTANCE CORPORATION

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