

# M and N Financing

## RETAIL SALES FINANCING AGREEMENT

THIS AGREEMENT, between M & N Financing Corporation 8500 Wilshire Blvd. Suite # 509 Beverly Hills, Ca. 90211 and the undersigned motor vehicle dealer whose name and address are set forth below (Dealer), set forth the terms under which M & N may purchase Contracts (as hereinafter defined) from Dealer and the rights and obligations between M & N and Dealer with regard to such Contracts.

### 1. Sale and Purchase of Contracts.

(a) M & N may, from time to time, purchase Contracts (as hereinafter defined) from Dealer, written on forms satisfactory to M & N and otherwise acceptable to M & N. All contracts purchased will be prices determined as provide in paragraph (c ) below. For purposes of the Agreement, the term "Contract" means any retail installment contract by a Buyer (as hereinafter defined) to Dealer in connection with a retail sale of a motor vehicle by Dealer to such Buyer. For purposes of this Agreement the term "Buyer" means any person or another legal entity who purchases a motor vehicle from Dealer, including any CO-buyer.

(b) To extend, permitted by applicable law, Dealer shall communicate to M & N or its designee all such credit information concerning a Buyer and (any other person named by a Buyer in his credit application) as Dealer may have. M & N will make a decision as to whether M & N will purchase each Contract offered to it by Dealer if documentation (including credit information) satisfactory to M & N has been received . If M & N decides that M & N will purchase such a Contract after receipt of such documentation, Dealer will:

(I) execute an assignment if the Contract is to M & N

(II) deliver the original executed Contract to M & N.

(III) record all such documents, and take all such actions as may be necessary under the Uniform commercial Code and other applicable law, to convey to M & N (and to record conveyance of) the vehicle to which the Contract relates: and to comply with all related provisions of applicable motor vehicle law: and if required by applicable law, send to the Buyer a notice that Dealer has assigned the Contract to M & N.

(c ) M & N shall only purchase a Contract which complies with the criteria announced from time to time M & N with respect to the amounts which M & N will finance, the aggregate of which amounts will not exceed the "amount financed", as set forth in the Contract. If M & N then applicable discount. Such price will be paid to Dealer upon M & N receipt of satisfactory documentation.

### 2. Insurance.

Dealer will provide M & N or its agent with written evidence at the time each Contract is purchased that there is insurance acceptable to M & N covering each motor vehicle (together with all related accessories and equipment, the "Vehicle"), such written is provided to M & N or its agent, M & N will assume responsibility for Buyer's compliance with insurance requirements thereafter.

### 3. Payments from Buyer.

After purchase of a contract by M & N, Dealer will forward to M & N any payments on the contract received by it from the Buyer. In the event such payment is made by check or other instrument payable to Dealer,

Dealer will endorse such check or other instrument to M & N . Dealer will not make any payment in respect of the Contract on behalf of the Buyer without the prior consent of M & N.

#### 4. Dealer representation and Warranties.

As to each Contract sold by Dealer to M & N, Dealer warrants and represents that, as of the time of such sale:

(a ) Dealer will have all requirements of the Federal Truth in Lending Act/Regulation Z, except as may be specifically indicated on the face of the Contract. If the down payment is paid to the Dealer in the form of a check represents “good funds” prior to submitting the Contract to M & N.

(c) If any part of the down payment is from a manufacturer, distributor or Dealer rebate, the Dealer has disclosed this to M &N at the time the credit application is presented to M & N for approval and the rebate has been shown on the Contract as a rebate;

(d) The vehicle sold under the Contract will have actually been delivered to Buyer and will be free from all liens and encumbrances except for a first priority security interest in such Vehicle in favor of M & N.

(e) The Contract will be valid and enforceable according to its terms; and

(f) All registered owners of the Vehicle will have signed the Contract either as buyers or as parties agreeing to the security in favor of Dealer or its assignee.

#### 5. Assignment of Contracts and Indemnification

In addition to the obligations of Dealer under Paragraph 4 of Agreement, and as designated in each Contract purchased by M & N, Dealer represents and warrants to M & N with regard to each Contract purchased under this Agreement that:

(a) described in the Contract and in related documents; The Contract arose from a bona fide sale to the Buyer, on the terms set forth in the Contract, of the property goods and services

(b) The property, goods and services sold to the Buyer are fully and correctly described in the Contract;

(c) Shall indemnify M & N against and hold M & N harmless from any and liabilities, loses, and expenses, including attorney’s fees, that may be incurred by M & N at any time as a result of such breach or misrepresentation.

#### 6. Dealer Liability.

(a) If any representation, warranty or covenant made by Dealer (or any of its agents or employees) thereunder (or in any Contract) in connection with a Contract or this Agreement is breached, untrue, misleading or incomplete, or if Dealer fails to perform any obligation it may have under a contract or this Agreement or otherwise, or if the Buyer asserts any claim arising out of or related to, or in connection with the purchase of a Vehicle from Dealer under a Contract sold to M & N, then Dealer shall promptly pay M & N any or all of the following amounts at the sole election and demand of M & N : (I) the unpaid balance as determined by M & N of all Contracts affected by such breach, misrepresentation, failure to perform or claim; (II) Dealer’s portion of any unearned finance charges, insurance premiums, and/or charges for extended warranty, mechanical breakdown or comparable programs; (III) All loses and expenses incurred by M & N as a result of such breach, misrepresentation, failure to perform or claim; and (IV) All out of pocket expenses (including but not limited to, reasonable attorney’s fees and costs) paid or incurred by M & N in connection with the collection of any amount due any such Contract as a result of such breach, misrepresentation, failure to perform or claim. If dealer breaches this Agreement in any respect, Dealer shall reimburse M & N for losses and expenses incurred by M & N as a result of such breach. In addition, Dealer shall indemnify and hold M & N harmless for all loses or expenses, including reasonable attorney’s fees and legal costs, suffered or incurred by M & N in any judicial, administrative, or any other proceedings because of any claim or defense asserted against M & N as a result of any act

or omission on the part of Dealer or its employees or agents including, at the election of M & N the unpaid balances of the Contract, as determined by M & N. Dealer agrees that M & N may proceed against Dealer for any and all amounts due to M & N from dealer under this Agreement, or any Contract or otherwise without taking any action whatsoever against Buyer or any other party and without proceeding against a applying any security which M & N may have or hold.

If Dealer:

(I) fails to disclose an agreement upon pickup payment, other form of deferred down payment, or balloon payment on the Contract or:

(II) fails to collect an agreed upon pick up payment or other form of deferred down payment, such failure shall be considered a breach of a representation under subparagraph 6.a. and Dealer shall be liable to M & N as specified in subparagraph 6.a.

## 7. Records and Reports

Dealer agrees to maintain complete and accurate records concerning the sale of each Vehicle, including but not limited to the records or all other transactions affect in the Vehicle. Dealer will, upon request by M & N, promptly deliver any such records or furnish a copy thereof or abstracts therefrom. M & N or its agent may from time to time inspect Dealers records. Dealer will to M & N such information or reports concerning Dealer's financial and business affairs as M & N may request.

## 8. Costs and Expenses.

Each party to this Agreement will fulfill its obligation thereunder at its own cost and expense, except as otherwise provided herein and except that M & N will reimburse Dealer for filling fees or other costs paid by Dealer to public officials to perfect M & N's security interest in each Vehicle unless the fees and cost are otherwise legally changed to the Buyer.

## 9. Agency.

Neither this agreement nor any action pursuant hereto shall make Dealer the agent or representative of M & N for any purpose. Dealer is not granted any express or implied right to bind M & N in any manner whatsoever. Wherever in this Agreement reference is made to an agent of M & N, such reference is intended to mean any third party that M & N may from time to time appoint or fulfill any of its obligations under this agreement.

## 10. Failure to Exercise Remedies.

The exercise of any right or remedy available to M &N will not operate as a waiver of any other right or remedy. The failure of M & N or delay of M & N in exercising any right or remedy.

## 11. Successors and Assigns.

The agreement will be binding upon and will insure to the benefit of the parties to this agreement and their respective successors and assigns; provided, however, that this Agreement and all rights and obligation under this Agreement may not be assigned or transferred by Dealer without M &N's prior written consent and any purported assignment or transfer without such consent will be void and without effect. Any obligation of M & N or any function to be performed by M & N under this Agreement may, at the sole option of M & N be delegated to and performed by an agent of M & N, which agent will have such power and authority as delegated to it.

## 12. Termination.

M & N or Dealer may terminate this Agreement upon written notice to the party. The termination of this Agreement will not release M & N or Dealer from any obligations incurred with regard to a Contract purchased prior to receipt of such notice.

## 13. Validity; Complete Agreement; Amendment.

Any invalidity in whole or in part, or any provision of this Agreement will not affect the validity of any other provision. This Agreement constitutes the complete understanding between the parties hereto with respect to the subject matter of this Agreement and no writing signed by both parties.

## 14. Governing Law.

This Agreement will be construed and enforced in accordance with the laws of the State of California.

## 15. Notice.

Except as otherwise provided in this Agreement, all Notices and other communication hereunder will be in writing and will be deemed fully given if and when personally delivered or mailed by registered or certified, return receipt requested, postage prepaid, addressed as follows: (a) if to M & N, to the address shown at the beginning of this Agreement; (b) if to Dealer, to the address shown below. Either party may change the address to which such notices or communications will be sent by giving notice of such address to the other party in the manner provided in this Agreement.

## 16. First Payment Default.

Customer must make first payment on the contract in order for the contract to be valid. If customer fails to make the first payment the dealer will be notified and is hereby required to buy back the contract in question within 30 days of notification.

## 17. Gender, Number, Paragraph Headings

Unless the context of this agreement otherwise requires, the masculine, feminine or neuter gender each shall include the other genders, and the singular shall include the plural. Paragraph headings contained in the agreement are for convenience of reference only and will not limit or define the text.

M & N FINANCING CORPORATION

\_\_\_\_\_  
PRINT NAME & TITLE

\_\_\_\_\_  
DEALER NAME

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
OWNER (S) NAME ( PLEASE PRINT )

\_\_\_\_\_  
OWNER (S) SIGNATURE

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