

PAC AUTO FINANCE DEALER AGREEMENT

This Dealer Agreement ("Agreement") by and between PAC AUTO FINANCE. ("PAC") and _____ hereinafter ("Dealer,") is entered into as of _____, 20____, for good and valuable consideration and shall govern the rights and duties of the parties with respect to the assignment by Dealer to PAC of any retail installment sale contracts ("Contract") and/or any vehicle lease ("Lease") and the vehicle leased thereunder.

1. ASSIGNMENT. Dealer is engaged in the business of selling and leasing motor vehicles including related accessories ("Vehicle" or "Vehicles"), services and ancillary products (e.g., credit insurance) to individuals who purchase Vehicles with cash or credit ("Buyer" or "Buyers") and/or leasing Vehicles to individuals ("Lessees" or "Lessee"). Dealer may periodically offer to sell to PAC a certain Contract or Lease and the Vehicle leased thereunder. PAC may, in its sole and absolute discretion, purchase said Contract and/or Lease and the subject leased Vehicle from Dealer. Dealer shall promptly execute and file all other instruments and documents required to effectuate and perfect the assignment of the Contract and Lease to PAC. PAC reserves the right under certain circumstances to require the repurchase of any Contract or Lease and related Vehicle. In addition, each Contract will be assigned to PAC without recourse, subject to the terms and conditions of this Agreement.

2. APPROVAL AND PURCHASE OF CONTRACT OR LEASE. PAC shall provide to Dealer from time to time its rate sheet and general guidelines for purchase (the "Guidelines"). The Guidelines are general in nature and shall not be interpreted to commit PAC to purchasing any Contract or Lease or to paying any particular price therefore. Dealer shall submit each Contract or Lease for purchase approval in accordance with the then-current Guidelines.

At the time Dealer offers to sell a Contract or Lease to PAC, PAC shall make its initial decision as to whether it will purchase said Contract or Lease and if so, under what terms, conditions and price. Its initial decision shall be evidenced by a written confirmation notice (via facsimile or electronic means). Dealer understands and agrees that PAC is not bound by its initial decision. PAC shall not be obligated to purchase any Contract or Lease (1) until it has verified application information provided by prospective purchasers, lessees, any guarantors and Dealer; (2) if in PAC's good faith judgment, there has been a material adverse change in the physical condition of the goods that are the subject of the Contract or Lease or the financial condition of Dealer, Lessees or Buyers; (3) if PAC becomes aware of facts that would constitute a basis for repurchase of the Contract or Lease under the terms of this Agreement; or (4) until PAC has actually funded it and received, within 30 days after PAC's initial approval, all documents which PAC may require in its sole discretion in connection with the transaction (all of which must be accurate, complete and properly executed by all appropriate parties and properly assigned by Dealer, where applicable), including but not limited to: (a) the sole original of the subject Contract or Lease and an original of any related documents (e.g., Buyers or Purchase Order, Notice to Co-Signer); (b) verbal or written verification satisfactory to PAC from the insurance agent or carrier of the requisite insurance coverage; (c) a copy of the application for title; (d) a copy of the Vehicle's factory invoice, if new; (e) a copy of the invoice (e.g. Due Bill) for all Dealer-supplied accessories setting forth Dealer's cost of each such accessory; (f) a copy of any service contracts or other ancillary product contracts and documents sold in connection with said transaction; (g) a copy of any credit insurance certificate, naming PAC as "creditor beneficiary," sold in connection with said transaction; (h) a copy of the application for motor vehicle registration; and (i) the credit application properly executed by the Buyer or Lessee and any other party specified by PAC, if required by law.

3. REPRESENTATIONS AND WARRANTIES. Each of the representations, warranties, agreements and covenants included in this Agreement are material to PAC's decision to purchase any Contract or Lease and survive the purchase of the same. With respect to each Contract or Lease tendered by Dealer, Dealer hereby represents, warrants, and agrees that:

- A. Dealer is and will remain duly organized and in good standing in the state of its organization, and Dealer is and will remain duly qualified to do business and, if required, in good standing in each state or foreign jurisdiction in which the Dealer does business. Dealer has complied with all applicable laws relating to the doing of business under a fictitious trade name or trade style (A true and correct copy of each is attached hereto: Exhibit A: Dealer License; Exhibit B: Dealer Bond; Exhibit C: Articles of Incorporation or Organization);
- B. Dealer has obtained and shall maintain all licenses and authorizations required to enter into and enforce the Contract and Lease and engage in any other activities related to this Agreement;
- C. Dealer has authority to execute, deliver and perform on this Agreement, the Contract and Lease and each related agreement to which Dealer is a party, and each such document constitutes a valid and binding obligation of Dealer enforceable against Dealer in accordance with its terms;
- D. Dealer agrees to be bound by any signature on its behalf on a Contract or Lease transferred to PAC. PAC has no duty to inquire as to the employment status or authority of the signer;
- E. Dealer has caused good title to the Lease or the Contract (and all related documents under which Dealer has rights) to be conveyed as provided herein; in the case of a Contract, Dealer has conveyed good title to the Vehicle to Buyers; in the case of a Lease, Dealer has conveyed good title to the Vehicle to PAC or such other entity as PAC may specify from time to time in writing; in all cases, said conveyances were made free and clear from any liens, encumbrances or adverse claims of ownership, right to setoff or counterclaim, including any Vehicles which were obtained by Dealer from a third party; there exists no fact that would impair the validity or enforceability of the Contract or Lease, and all statements, facts, numbers and other information in the application, Contract or Lease and related documents are true, complete, accurate and free from fraud;
- F. Dealer has or will make prompt application for a Certificate of Title, or comparable evidence of the perfection of PAC's first and sole lien on the Vehicle (in the case of a Contract) or sole ownership of the Vehicle (in the case of a Lease) to be issued by the Department of Motor Vehicles (or equivalent) of the state where the Buyer or Lessee resides or the Vehicle is garaged; in the case of a Contract, PAC's perfected first lien on the Vehicle is legally recognized and given full force and effect against all parties, including but not limited to the Buyers, any bankruptcy trustee and any other third party; Dealer shall deliver to PAC, within sixty (60) days of the sale of the Vehicle, a good and valid title issued by the State where the vehicle is registered, evidencing PAC's security interest in the case of a Contract and ownership in the case of a Lease; and, unless written instruction to the contrary has been sent to Dealer by PAC, in the case of a Contract, the Dealer shall cause the lienholder on the Certificate of Title or equivalent to be identified as "PAC Auto Finance" and in the case of a Lease, the owner shall be identified thereon as "PAC Auto Finance";

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- G. Dealer has provided PAC all credit information furnished Dealer by the Buyer, Lessee, and any guarantor of the Contract or Lease, and all such credit information is true, complete and accurate; Dealer has not withheld any information from PAC which, if disclosed, might reasonably cause PAC to decline to purchase the Contract or Lease or alter the interest rate or lease charge factor thereof;
- H. The Buyer or Lessee is not in default of the terms of the Contract or Lease at the time of assignment to PAC and Dealer does not know of any event or condition which indicates or suggests the prospective uncollectability of the Contract or Lease;
- I. Neither Dealer nor its employees have made a verbal or written promise, claim, comment, affirmation, warranty or representation to the Buyer or Lessee that is not contained in the Contract or Lease, including, but not limited to, a representation that the finance charge or lease charge is the lowest available;
- J. Neither the Buyer nor the Lessee has or will have any defense, offset, claim or counterclaim regarding the enforcement of the Contract or Lease;
- K. Unless written instruction to the contrary has been provided by PAC, at or prior to the Vehicle delivery, Dealer verified and will promptly provide written evidence, satisfactory to PAC, that: (1) the Vehicle is covered by legitimate insurance protecting PAC's interest in the Vehicle as required under the Contract or Lease; and (2) that such coverage will be in effect for at least 90 days from delivery;
- L. Dealer has not increased the purchase price or cost of financing or leasing the goods or products subject to any Contract or Lease, or taken any other adverse action against any applicant, Buyer, Lessee, or guarantor because said person(s) is a member of a protected class, as defined by applicable law, nor because the Vehicle is being sold in a credit transaction; Dealer has not engaged in any practice that has an impermissible negative impact on members of any such protected class;
- M. Dealer has complied with all applicable state, federal and local laws and regulations, including without limitation, all consumer protection laws, the Federal Truth in Lending Act/Regulation Z, the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, and the Federal Equal Credit Opportunity Act/Regulation B;
- N. Prior to assignment of the Contract or Lease to PAC, the Buyer or Lessee shall have accepted delivery of the Vehicle, completely furnished with all options, accessories and all services agreed upon by the parties;
- O. The Vehicle has not been previously salvaged or dismantled, nor has it been directly or indirectly repurchased by its manufacturer because of the manufacturer's inability to conform the Vehicle to the manufacturer's warranty (lemon law); Dealer agrees to state the true and exact mileage of Vehicle and can provide documentation to support its accuracy, the Vehicle does not have an odometer "roll back" or "TMU" designation; the Vehicle has not had significant flood or other damage or any other fact that would have a significant adverse effect upon the value of the Vehicle; and such Vehicle was delivered by Dealer and accepted without condition or reservation by Buyer.
- P. Dealer has verified the identity of the Buyer or Lessee by use of a driver's license or other identification document which contains the Lessee's or Buyer's photograph, and is issued by the state of such person's residence; each signature on the Contract or Lease is valid and genuine, and each Lessee, Buyer and any guarantor is the individual they represent themselves to be and have the legal capacity to enter into a legally binding obligation;
- Q. The transaction is not a "straw purchase" or "straw lease", the Vehicle is being sold or leased for the use and benefit of the Buyer or the Lessee identified on the applicable Contract or Lease, and payment will be remitted primarily by the Buyer or Lessee for their own benefit;
- R. Except for monies that PAC has agreed under this Agreement, or any amendment hereto, are to be retained by Dealer, Dealer has not received any monies related to the Contract or Lease which Dealer has not transferred to PAC, properly endorsed to PAC where appropriate; the down payment (exclusive of trade equity) noted in the Contract or Lease was made and paid in full by Buyer or Lessee via cash, check, debit card or certified funds and was not loaned to the Buyer or Lessee;
- S. Dealer will not accept payments on any accounts sold to PAC; Dealer will refer the Lessee and Buyer to PAC; PAC may endorse Dealer's name upon payments received on any Contract and Lease and otherwise has the authority to sign Dealer's name on any Lease, Contract or other documents to carry out the intent of the Agreement;
- T. Dealer has no knowledge that possession of the Vehicle was obtained by Buyer or Lessee through the use of a fraudulent scheme, trick or device;
- U. Dealer will not impose any taxes on the transaction except for such taxes that are properly chargeable or passed on to Buyer or Lessee under the appropriate state, local and federal laws;
- V. Dealer made all legally required disclosures required by law to be made prior to execution of the Contract or Lease; any guaranty was properly completed in an accurate and timely manner on the date of the Contract or Lease; Dealer delivered to each Lessee or Buyer a completed copy of the Contract or Lease and any other document required by applicable law, and to the guarantor a completed copy of the Contract or Lease and required federal and state notices explaining guarantor's obligations;
- W. Unless written instruction to the contrary has been sent to Dealer by PAC, Dealer agrees to name "PAC Auto Finance" as the "loss-payee" (for a Contract), "PAC Auto Finance" (for a Lease), and respectively as an additional insured on any insurance funded by any Contract or Lease;
- X. Dealer has proper authorization from each Lessee or Buyer to obtain and provide to PAC all information regarding the Lessee or Buyer including, but not limited to, credit reports and any other nonpublic information; if PAC provides Dealer with any information about any Lessee or Buyer, Dealer shall not disclose such information or use it for any purpose other than to finance the purchase of goods from Dealer or otherwise to carry out the purposes of this Agreement;
- Y. Dealer will not negotiate the terms of the Contract or Lease with a prospective Buyer or Lessee in any language other than English without prior written consent by PAC.

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Z. Any Contract, Lease and ancillary product sold by Dealer (e.g., service contract, GAP, etc.) shall be documented on forms which have been approved by PAC for current usage; PAC makes no warranty or representation of any kind, expressed or implied, with respect to any approved form as to its substance and enforceability; Dealer shall satisfy itself as to the substance and enforceability of any such form prior to submitting it for PAC's purchase approval;

AA. The cash sale price (in the case of a Contract) or the gross capitalized cost (in the case of a Lease) does not include any "document preparation," "vehicle preparation" or similar non-credit related fee that is not charged to both cash and credit customers alike;

BB. Dealer has notified, in writing, each and all applicants for credit of the name and address of the Company if such applications are communicated to Company; Dealer will comply fully with any "adverse action" and other notice requirements under federal, state and local law with respect to applications submitted to Company;

CC. Dealer has no knowledge of any illegal use of the goods described in the Contract or Lease;

DD. Dealer did not sell Unit to any employee of the Dealer or to any family member of an employee of Dealer without PAC's prior, written consent;

EE. Dealer will not make any payments on behalf of the Customer to PAC and will not accept any payments from Customer, without prior written authorization from PAC;

FF. The sale or Lease of the Vehicle was made at the Dealer's place of business and was not a door-to-door sale within the definition of the Federal Trade Commission Trade Regulation Rule or any state consumer fraud door-to-door sale acts, and the Contract or Lease was generated from a direct sale or lease by Dealer and not from a third party.

4. ADDITIONAL DEALER COVENANTS.

A. Dealer agrees to bear sole responsibility for the underlying sale or lease transaction and for the nature, quality and performance of all goods and services purchased and leased from Dealer; such responsibility includes any liability for any actions or omissions in connection with the lease or the sale of goods and services, for failure to deliver goods or perform services, for failure to properly handle, sell or dispose of as agreed any down payment or trade-in or the proceeds thereof, and for any and all representations and warranties, express or implied, made in connection with such goods and services, whether by Dealer, the manufacturer or provider of the goods and services, or any third party;

B. Dealer agrees to take such action as is necessary or as PAC may request to evidence and perfect this Agreement, PAC's ownership interest in any Contract and Lease and its proceeds, PAC's ownership or security interest in the related Vehicle and any other rights related hereto;

C. Dealer agrees to turn over promptly to PAC in the form received, properly endorsed to PAC where appropriate, any moneys or instruments received by Dealer relative to a Contract or Lease following its transmittal to PAC unless it has been repurchased by Dealer;

D. Dealer will not represent that it is the agent of PAC; nothing contained in this Agreement or in the other communications between the parties shall make Dealer PAC's agent or representative for any purpose. Dealer is not granted any express or implied right to bind PAC in any manner;

E. Dealer will not make any reference to PAC in any advertising materials of Dealer without PAC's prior written consent;

F. Dealer will not repossess or accept redelivery of a Vehicle from a Buyer or Lessee or bring suit in PAC's name or behalf on a Contract or Lease without the prior written consent of PAC;

G. Dealer agrees to refund or rebate promptly any unearned premium or fee upon the early termination of any ancillary product, including but not limited to, credit insurance, GAP or service contract financed in any Contract or Lease purchased by PAC hereunder. If requested by PAC, such refund or rebate shall be paid to PAC;

H. Where permitted by law, Dealer agrees that all of its rights, titles and interests in any sales tax credit or "bad debt" refund related to a Contract or Lease purchased by PAC are hereby assigned, transferred and relinquished to PAC. Unless prohibited by law, Dealer agrees that it has not and will not claim a credit or refund with respect to any such Contract or Lease in default, and relinquishes to PAC all right to claim such credit or refund; Dealer agrees that any such credit or refund mistakenly received by Dealer will be remitted to PAC to be applied against the Lessee's or Buyer's obligations under the relevant Contract or Lease. Dealer agrees to furnish any and all documentation or information that PAC may reasonably request to support any claim for such refund or credit filed by PAC;

I. Dealer agrees to provide PAC with such information and documents as PAC may reasonably request from time to time relating to this Agreement, including, but not limited to, evidence of compliance by Dealer with all of Dealer's obligations hereunder and evidence relating to all warranties and representations of Dealer hereunder; and

J. Dealer agrees to comply with all state and federal privacy and data protection laws that may apply from time to time. Without limiting the generality of the foregoing, Dealer will not (1) disclose to any third party, or (2) use for any purpose other than as required for performance of Dealer's obligations hereunder, any nonpublic personal information (as that term is defined in Title V of the Gramm-Leach- Bliley Act and the privacy regulations adopted thereunder) concerning an applicant or Buyer or Lessee disclosed by PAC hereunder.

5. DEALER'S REPURCHASE OBLIGATION. If Dealer breaches any of the representations, warranties, covenants or agreements made in this Agreement or its addenda, Dealer agrees unconditionally to repurchase the respective Contract or Lease (and underlying leased Vehicle) upon (7) days' written notice by PAC. In addition, PAC may require Dealer to repurchase and take re-assignment of any Contract upon the occurrence of any of the following events:

- (a) Customer fails to tender by the due date specified in the Contract the first payment due and payable to PAC by Customer under the Contract ("First Payment Default"). If the first payment is deducted from the Dealer's proceeds, the deduction does not release Dealer from any obligation under the First Payment Default repurchase provision of this Paragraph 5. If the first payment is deducted from Dealer's proceeds, the first

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payment due to PAC from the customer will then be the second regularly scheduled payment under the Contract, and that payment will be subject to the First Payment Default provisions of this Agreement;

- (b) Dealer breaches any express or implied warranties of merchantability or fitness relating to the vehicle;
- (c) Dealer takes possession of the Vehicle after sale to the Customer, whether by repossession by the Dealer without PAC's prior written consent or, if Customer returns the Vehicle to the Dealer and Dealer does not notify PAC of such event in writing and by telephone within five (5) calendar days;
- (d) Customer fails to pay any deferred or remaining down payment pursuant to the Contract;
- (e) Dealer has not perfected PAC's lien on the Vehicle within 30 days of Contract date and Customer files for bankruptcy; or
- (f) The Contract is rescinded by operation of law or by mutual agreement between Dealer and Customer.

As to each Contract, the repurchase price shall be equal to the amount paid by PAC to Dealer for the purchase of the Contract plus any acquisition/Dealer Risk Fee and repossession fees, if paid within seven (7) days after written demand for repurchase. If paid after seven (7) days for a First Payment Default, the repurchase price shall be the total then owed by Customer in the event of prepayment of the Contract plus any acquisition/Dealer Risk fee, minus any unearned interest and unearned insurance policy premiums paid by PAC, and minus any unearned discount. Under all circumstances other than a First Payment Default where repurchase is demanded, the repurchase price shall be the total then owed by the Customer in the event of prepayment of the Contract plus any acquisition fee, minus any unearned interest and unearned insurance policy premiums paid by PAC, and minus any unearned discount, if paid within seven (7) days after written demand. In circumstances other than a First Payment Default, if not paid within seven (7) days after written demand for repurchase, such repurchase price shall be the total payoff balance of the Contract.

The repurchase price will not be affected by the physical condition of the Unit, regardless of whether the Unit has been damaged or modified which reduces the value or causes the Unit to be worthless, and regardless of whether the unit has been forfeited due to seizure, impoundment, or abandonment. PAC HAS NO OBLIGATION TO REPOSESS OR OTHERWISE SECURE THE UNIT AS A CONDITION OF REQUIRING DEALER TO REPURCHASE THE CONTRACT.

Dealer agrees that it will not repossess any Unit until after the repurchase is complete and the Contract has been reassigned back to dealer.

6. DEALER'S INDEMNIFICATION OBLIGATION. Dealer agrees to defend, indemnify and hold PAC, its parents, affiliates and subsidiaries and their respective officers, employees and other representatives, harmless from any and all costs, judgments, fines, penalties, damages, losses and expenses (including attorneys' fees) sustained by or imposed on any of the foregoing as a result of any such breach or final determination, and for any costs and attorneys' fees they may suffer as a result of Dealer's breach of any provision of this Agreement and/or if Dealer fails to repurchase on demand pursuant to the terms of this Agreement. PAC may hold and apply any money, Contract or Lease of Dealer coming into PAC does possession to any amounts owe by Dealer under this Agreement or under any assignment of any Contract or Lease.

7. DEALER PRICING. Dealer agrees that the sale price of its vehicles or any other goods or services related to any Contract will not be increased as a result of any discount, subvention, or other fees that PAC assesses.

8. DIRECT ELECTRONIC DEPOSIT. PAC and Dealer agree that payments for the purchase price of Contracts or Leases will normally be made by direct electronic deposit, with advice of remittance, to Dealer's demand deposit account in a financial institution specified by Dealer. Dealer authorizes PAC to initiate entries to the Dealer's account as necessary to comply with its obligations and enforce its rights, including those to correct any credit entries made in error or, with prior written, electronic or verbal notice, initiate a chargeback. Dealer agrees to be bound by the National Automated Clearing House Association operating rules as in effect from time to time. Dealer and PAC agree to continue using the demand deposit account the Dealer previously provided to PAC to accomplish the purposes of this paragraph. If no such account has been provided to PAC, if the account information provided is blank, incomplete or incorrect, or if electronic deposit facilities are unavailable to PAC for any reason then payments will be made by check.

9. SECURITY INTEREST AND DEFAULT. Dealer grants PAC a security interest in any sums due from PAC to Dealer (including, but not limited to, any amounts due for the purchase price of any Contract or Lease, or for participation for any Contract or Lease). Said security interest shall secure any amounts owed by Dealer to PAC hereunder. In the event Dealer defaults on any obligation to PAC, PAC may exercise self-help rights to foreclose on such funds, as allowed by law.

10. ATTORNEYS' FEES AND COURT COSTS. If either party institutes a legal proceeding to enforce any of the terms of this Agreement, the prevailing party in such proceeding will be entitled to recover its attorney fees and court costs incurred in the action.

11. POWER OF ATTORNEY. Dealer irrevocably appoints PAC and each of its officers as Dealer's attorney in-fact and with full power of substitution, to sign Dealer's name on any document necessary to perfect the security interest of PAC in the Vehicles, to obtain registration and/or title on behalf of the PAC, any Buyer or Lessee, and to endorse Dealer's name on any and all notes, checks, drafts and other instruments which are made payable to Dealer with respect to Contracts or Leases purchased by PAC. These grants are coupled with an interest.

12. EFFECTS OF PAC'S MODIFICATION OF CONTRACT OR LEASE AGREEMENTS. Dealer understands and agrees that PAC may, without notice to Dealer, extend the due dates of payments due or to become due under any Contract or Lease, amend any Contract or Lease by agreement with the Buyer or Lessee or otherwise deal with the Buyer, Lessee or any other party obligated to PAC in connection with the transaction, in any manner PAC deems reasonable and appropriate. Such modifications shall not affect Dealer's obligations to PAC under this Agreement.

13. WAIVER. The failure or delay of PAC to exercise any right hereunder shall not operate as a waiver of said right, but any rights and remedies contained herein shall remain in full force and effect and shall be cumulative and not alternative or exclusive. Any liability of Dealer under the terms of this Agreement shall survive the termination of this Agreement. No waiver, modification or change of this Agreement shall be valid unless accepted by PAC in writing. Dealer hereby agrees to waive notice of nonpayment, nonperformance, notice of acceptance of this Agreement, notice of repossession and all other notices to which it might otherwise be entitled by law.

14. TERMINATION. This Agreement may be terminated at any time by either party upon notice in writing to the other; provided, however, that such termination shall not impair or affect the liability of Dealer or rights of PAC for obligations on transactions entered into prior to the time notice is given.

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15. AMENDMENT TO THIS AGREEMENT AND THE GUIDELINES. PAC may amend the Agreement or the Guidelines at any time by providing Dealer with written notice specifying the amendment. Such amendment may be transmitted to Dealer in any manner reasonably calculated to provide actual notice thereof to Dealer, which shall include, but is not limited to, facsimile transmission, e-mail, click-through license agreement or other electronic medium regularly used by PAC to communicate with Dealer. Unless otherwise specified in the written notice of amendment, Dealer shall be deemed to have accepted and agreed to such amendment at the time that it tenders the first Contract or Lease to PAC after receiving the notice. It is further agreed that any evidence proffered by PAC that the amendment was received by Dealer (e.g., a signed return receipt, proof of delivery of express delivery package or fax confirmation sheet) shall create an irrefutable presumption that Dealer received the amendment and had actual notice of the amendment as of that time. The specific provisions of this Section shall supersede the general "Notice" provisions of this Agreement as set forth hereinabove.

16. COMMUNICATIONS. Dealer expressly consents to PAC sending communications, including but not limited to rate sheets, the Guidelines and any advertisements, to Dealer via facsimile, electronic mail or other electronic means.

17. CONFIDENTIAL INFORMATION. Dealer agrees to treat all "information" confidentially, and not to disclose any information to any third party (other than its own employees, attorneys or accountants who have a need to know) without PAC's prior written consent. For purposes of this Section, "information" shall include all information (whether written or oral) which is furnished (whether before or after the date hereof) by PAC to Dealer and all business plans, analyses, compilations, forecasts, studies or other documents prepared by PAC or on its behalf, in connection with the Agreement.

18. CHANGES TO BUSINESS. Dealer will not sell, exchange, transfer or otherwise dispose of its properties, assets, operations or products except in the ordinary course of business, nor shall Dealer consolidate with or merge its business into any other without the prior written notice to PAC. Dealer shall notify PAC in writing of any such activity at least sixty (60) days in advance of said change. Dealer may not assign its rights or duties hereunder without the prior written consent of PAC. PAC may assign this Agreement to any third party with notice to Dealer

19. COMPLIANCE WITH FEDERAL AND STATE LAWS AND REGULATIONS. Dealer agrees to adhere to all federal and state laws and regulations with respect sales and credit transactions. Applicable regulations include but are not limited to:

- (a) The Equal Credit Opportunity Act (ECOA) as implemented by Regulation B. Dealer agrees to adhere to ECOA and provide necessary training to personnel involved in sales or credit transactions. ECOA prohibits discrimination and requires equal treatment for all credit applicants, without regard to race, ethnicity, color, marital status, national origin, religion, sex, age (as long as applicant is legally capable of entering contract), or receipt of income from public assistance programs. Dealers are also prohibited from discriminating against servicemembers, whether on active or inactive duty, as well as individuals with disabilities. The terms of a customer's contract must be based on empirical risk-based factors and may not be based on any of the prohibited bases listed above. The requirements of ECOA extend to all aspects of the credit transaction, including pricing of ancillary products.
- (b) The Fair Credit Reporting Act (FCRA) as amended by The Fair and Accurate Credit Transactions Act (FACTA). Dealer agrees to maintain a Red Flags program that identifies and mitigates identity theft. Dealer is responsible for verifying the identity of all individuals engaging in credit transactions.

PAC may conduct periodic review of Dealer's contracts for compliance with federal and state laws and regulations. Should any violations be found, PAC will reach out to Dealer so Dealer may make corrections. In the case of Dealer's failure to address the issue, or in the case of egregious issues, PAC may terminate the relationship.

20. Choice of Law; Venue; Attorneys' Fees; Waiver of Right to Trial by Jury. This Agreement shall be governed by the laws of the State of Utah, without regard to conflict of laws provisions. Any action or proceedings arising out of this Agreement, including but not limited to actions pertaining to the formation, validity, interpretation, or enforcement of this Agreement, may be brought only in the State of Utah, County of Salt Lake. Each Party consents to the jurisdiction of such courts in any such action or proceeding and waives any objection to jurisdiction or venue. Dealer and Guarantor waive personal service of process and may be served by regular U.S. Mail at the address listed in Section 22 below. The prevailing Party in any such action or proceeding shall be entitled to recover all costs and reasonable attorneys' fees from the other Party.

The Parties hereby expressly waive any right to trial by jury of any claim, demand, action, or cause of action based upon, arising or in any way related to the dealings of the parties with respect to this Agreement between the Parties. In each case whether no existing or hereafter arising and whether sounding in tort or contract or otherwise. The Parties agree that any such claim or cause of action shall be tried by a court trial without a jury.

21. GENERAL. This Agreement and the Guidelines constitutes the entire agreement of the parties as to the subject matter hereof and supersedes all prior agreements or understandings. In the event of any conflict between the terms of this Agreement and any Contract or Lease, the terms of this Agreement will control. It is the intent of the parties that this Agreement be enforced to the fullest extent, and any provision of this Agreement deemed by a court to be unenforceable will be deemed deleted to the extent only of such unenforceability. This Agreement inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties, it being understood, however, that Dealer may not assign its rights or duties hereunder without the prior written consent of PAC.

22. NOTICES. Any notices required under this Agreement shall be directed to the addresses set forth below:

If to PAC:
PO Box 571680
Salt Lake City, Utah 84157

If to Dealer:

Dealer Initials
PAC Initials

PAC:
PAC AUTO FINANCE

DEALERSHIP NAME:

By _____
Name:
Title:

By _____
Name:
Title:

EXHIBITS:

- Exhibit A: Dealer License
- Exhibit B: Dealer Bond

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