

AGREEMENT FOR LOAN BY, AND SALE OF CONTRACTS

This agreement, made _____ [Date], between _____, individually and doing business as an automobile dealer under the name and style of _____ at _____, dealer, and _____, his/her spouse, of _____, comaker, dealer and comaker being sometimes referred to, jointly and severally, as first parties, and _____ credit corporation, a _____ corporation with an office at _____, corporation, states as follows:

1. Concurrently with the execution of this agreement, corporation has lent dealer and dealer acknowledges receipt of \$_____. The loan is evidenced by the demand promissory note of first parties of even date.

2. Without the note so providing, first parties promise to pay to corporation on account of the principal here, in the _____ day of each month, beginning with _____ [Date], at least the larger of (a) \$_____ for each new automobile or truck sold at retail, based upon sales made by dealer during the immediately preceding calendar month, whether such sales were for cash, credit, or on terms of deferred payment, or (b) \$_____ per month. The loan will be paid in full, in cash, in not more than _____ months from the date next above.

3. Notwithstanding any other provisions, first parties may anticipate and prepay the loan in whole or in part, at any time, and corporation may demand payment of the promissory note in accordance with its terms at any time.

4. As security for the payment of the loan, it is agreed:

(a). First parties will procure and maintain in full force and effect nonassessable policies of insurance on the life of _____ in the amount of at least \$_____. First parties will pay the premiums on the policies annually in advance. The policies shall be assigned to corporation by absolute assignments satisfactory to corporation, and shall be delivered to corporation concurrently with the execution of this agreement.

(b). First parties will cause dealer to execute and deliver, concurrently with the execution of this agreement, a valid and subsisting first chattel mortgage in favor of corporation, satisfactory to it, covering such personal property of dealer as is described there.

5. So long as any portion of the loan is outstanding and unpaid,

(a). Dealer will offer first to corporation for purchase all conditional sale contracts, chattel mortgages, lease agreements, promissory notes and other time sale obligations (instruments) arising from sales of new and used automobiles and trucks by dealer. Instruments which are acceptable to corporation shall be purchased by corporation in accordance with corporation's plans now in effect, or such plans as corporation may make effective from time to time hereafter in the territory in which dealer operates.

(b). All dealer reserves set up by corporation for the account of dealer shall be retained by corporation credit, except that such amount of the reserves as is in excess of three percent of the balance outstanding on instruments purchased by

corporation may be, when payable, either applied on the promissory note or paid to dealer, at dealer's election.

(c). First parties will not borrow any money from the business of dealer, and their total withdrawals from the business of dealer, as a distribution of profits, remuneration for services and otherwise, shall not exceed the aggregate sum of \$_____ per month, without the prior written consent of corporation.

(d). Dealer will furnish to corporation each month a financial statement, report of operations and such other information as commercial credit may request from time to time.

(e). Dealer will furnish to corporation on or before the _____ day of each month a written report of all new and used automobiles and trucks sold by dealer during the immediately preceding calendar month.

In witness, etc.

Witness: _____

[Signatures]