

SHEFFIELD FINANCIAL DEALER STANDARDS

THIS DEALER STANDARDS (the "Agreement") are entered into effective as of the ____ day of _____, _____ by and between _____, d/b/a _____, a(n) _____ organized and existing under the laws of the State of _____, ("Dealer") and Sheffield Financial, a division of BB&T Financial, FSB, a federal savings bank, together with its successors and assigns ("Lender").

RECITALS:

R-1. Dealer is in the business of selling goods and services to purchasers of such items. Dealer is a United States domiciled entity with its principal place of business at the address identified in Section 20 below.

R-2. Lender is in the business of providing financing of goods and services under an Installment Loan program and/or a Sheffield Card program ("Programs"). Lender is neither an agent of any Purchaser or of Dealer and there is not an agency agreement established between Lender and Dealer.

R-3. The parties desire to enter into this Agreement to formalize their mutual understanding regarding Lender's non-obligatory retail financing of goods and services offered by Dealer through Lender's Installment Loan or Sheffield Card Programs.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** The following capitalized terms shall have the following meanings in this Agreement:

1.1 "**Agreement**" means this Dealer Standards (including any Program Guidelines), as the same may be amended from time to time.

1.2 "**Amount Financed**" means the actual amount financed for an Item which amount shall be duly inserted in any Itemization of Amount Financed and Federal Truth-in Lending Disclosure portion(s), as appropriate.

1.3 "**Applicable Laws**" means all local, state and federal laws which govern Dealer and Dealer's business, the sale of the Items to a Purchaser, the financing of the Items by Lender, and the perfection of Lender's security interest in the Items, including but not limited to all state and federal consumer credit and consumer protection statutes and regulations and all state titling statutes.

1.4 "**Collateral**" means one or more Items pledged or intended to be pledged as security for a Purchaser's obligations under a Contract.

1.5 "**Contract**" means an installment loan contract, conditional sales contract, note, chattel mortgage, lease, security agreement, cardholder agreement and/or any other document providing for the payment by a Purchaser of money in connection with a retail sale of Items by Dealer to such Purchaser.

1.6 "**Contract Rate**" means the actual rate of interest or finance charge to a Purchaser on a Contract or under a Sheffield Card Cardholder Agreement as specified by Lender from time to time.

1.7 "**Items**" means the goods and services sold by Dealer to a Purchaser.

1.8 "**Person**" means an individual, sole proprietorship, partnership, corporation, limited liability Company, trust or any other form of business entity, and may be single or plural.

1.9 "**Program Guidelines**" means the guidelines, rules, terms, conditions, requirements and procedures as established by Lender from time to time and as may be amended in its sole and absolute discretion relating to financing by Lender of Items sold by Dealer to Lender, including without limitation those set forth in any special programs (which will be provided to Dealer by Lender following Dealer's execution and delivery of this Agreement).

1.9A "**Participation Fee**" is defined in Section 2.3 below.

1.10 "**Purchaser**" means any Person who purchases an Item from Dealer and in connection with financing thereof, enters into an Installment Loan Contract or Sheffield Card Cardholder Agreement with Lender.

1.11 “Sales Slip” means a Sheffield Card sales slip, and/or any other document in conjunction with a Cardholder Agreement providing for the payment by a Purchaser of money in connection with a retail sale of Items by Dealer to such Purchaser.

2. Lender Financing of Items.

2.1 Financing of Items by Lender of Contracts and Sales Slips. Dealer agrees to submit applications for financing of Items sold by Dealer either through the Installment Loan program or the Sheffield Card program. The decision to finance any Items will be in Lender’s sole and absolute discretion. In no event will Lender advance funds in excess of the Amount Financed, excluding any Participation Fee. If the Purchaser’s application is approved and funds are advanced to pay for Items, the Amount Financed will be paid to Dealer by Lender as the purchase price for the Items financed via automated clearing house credits to the account housed at a United States banking institution designated by Dealer pursuant to a separate ACH authorization executed by Dealer and delivered to Lender; alternatively by check mailed through US Postal Service to Dealer’s business address.

2.2 Dealer Rebates. Lender at its election may establish a dealer rebate feature, whereby Lender will pay certain rebates or discounts to Dealer based on a percentage of the face amount of Contracts or Sales Slips originated through the Dealer. If Lender establishes a dealer rebate feature, Lender will pay the rebate or discount amounts periodically, on terms and conditions established by Lender and agreed to by Dealer. In no event shall Dealer have any right, title or interest in dealer rebate amounts except as expressly provided for in this Agreement. If an Event of Default (as defined in Section 4 below) occurs or Dealer otherwise owes any sum of money to Lender, Lender will be permitted to apply any dealer rebated amounts to cure said default or to retain any dealer rebated amounts in payment of any obligation of Dealer to Lender.

2.3 Additional Fees. To the extent permitted by law, Lender may add a document preparation or similar fee to the finance charges paid by any Purchaser in connection with the sale and financing of Items, representing reimbursement to Lender for the processing of finance transactions, the preparation of legal documents and related activities (a “Participation Fee”). Lender may agree with Dealer to remit all or a portion of any Participation Fee to Dealer, on terms and conditions mutually satisfactory to Lender and Dealer.

2.4 Without Recourse. All financing provided by Lender through the Installment Loan program or the Sheffield Card program will be without recourse to Dealer, except as provided in this Agreement or as otherwise agreed to in writing by Dealer and Lender or as required by applicable law.

3. Dealer’s Representations and Warranties. Dealer hereby covenants, warrants and represents to Lender as to each Contract or Sales Slip that:

3.1 Each Contract or Sales Slip represents a bona fide sale of the Items by Dealer to Purchaser in the ordinary course of Dealer’s business and constitutes the legal, valid, and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

3.2 Each Purchaser is of legal age and, to the best of Dealer’s knowledge, has the capacity to execute the Contract or Sales Slip. Dealer is responsible to properly identify and has properly identified each Purchaser by means of current and valid government-issued picture identification or other such documentation as may be specified by Lender.

3.3 If Purchaser is not an individual, the Contract or Sales Slip is executed by a duly authorized officer or agent of Purchaser. Dealer is responsible for properly identifying (and has properly identified) any individual signing for such Purchaser by means of current and valid government-issued picture identification, for obtaining (and has obtained) written evidence of the existence and authority of any such Purchaser and for obtaining other such documentation as may be specified by Lender.

3.4 The Items described in the Contract or Sales Slip have been delivered to and accepted by Purchaser before the Contract or Sales Slip is paid by Lender (unless agreed to otherwise by Lender in writing) and are correctly and completely described in the Contract or Sales Slip.

3.5 At the date of execution of the Contract or Sales Slip, Dealer had good and clear title to the Item and no liens, security interests, or other claims against the Item exist, and no claims against the Contract or Sales Slip exist.

3.6 The security interest granted by Purchaser pursuant to the Contract or Sales Slip is a valid first and prior security interest in the Collateral in favor of Dealer or Lender or its designee, and Dealer will promptly provide

Lender with evidence of such security interest in the form specified by Lender, TIME BEING OF THE ESSENCE. Dealer will take all necessary actions to perfect the security interest of Lender or its designee, including, but not limited to, filing application for a certificate of title showing a first lien in favor of Lender or its designee and such title evidencing said lien will be delivered to Lender; or, in the event state law requires delivery of title to Purchaser, other evidence of properly issued title and lien as specified by Lender will be delivered to Lender or its designee. If the Collateral does not have a certificate of title, Dealer will, if requested by Lender, assist in perfecting the security interest of Lender or its designee as allowed by applicable law. No cost or expense incurred by Dealer in connection with the perfection of the security interest of Lender or its designee in the Collateral (whether described in this Section 3.6 or otherwise) shall be borne by Lender. Dealer hereby irrevocably appoints Lender as Dealer's true and lawful attorney-in-fact for the purpose of obtaining, filling out, completing, filing or recording any documents or instruments necessary or advisable to perfect Lender's security interest in any Collateral.

3.7 Any cash down payment shown in the Contract or Sales Slip has been paid by Purchaser at or prior to delivery of the Collateral and no portion of the down payment has been loaned by Dealer, either directly or indirectly.

3.8 Prior to submission of any application for financing of an Item through a Contract or Sales Slip to Lender, Dealer will have fully complied with all Applicable Laws, and Dealer will notify Lender promptly upon it becoming aware of any actual or potential violation of any Applicable Law.

3.9 The Contract or Sales Slip for any Item is not subject to any dispute, defense, counterclaim, or right of offset by Purchaser or anyone claiming under Purchaser, except for claims arising under the applicable manufacturer's warranty.

3.10 The signature of each Purchaser is genuine.

3.11 The Collateral is initially insured against physical damage and such other risks as Lender may require at the time of delivery of the Collateral to Purchaser and at the time of financing by Lender of any Item evidenced by the Contract or Sales Slip. If requested by Lender, Dealer will assist in verifying that such insurance is in effect, that all such policies of insurance contain appropriate loss-payable clauses in favor of Lender or its designee, and that the deductibles for physical damage coverage do not exceed the amounts set forth from time to time in the Program Guidelines. Ongoing verification of insurance after initial policy term will be responsibility of Lender pursuant to Section 8 below.

3.12 Prior to execution of the Contract or Sales Slip, Dealer forwarded a completed, signed (manually or electronically) credit application from the Purchaser, who has agreed to be the primary user of the Items. To the best of Dealer's knowledge, such credit application contains no misrepresentations or omissions of material facts, and the applicants are not using their names, credit or employment history to purchase the Items for another Person.

4. Events of Default. The occurrence of any of the following events constitute an "Event of Default" by Dealer under this Agreement: (i) the failure to pay or perform any covenant, obligation, liability, or indebtedness of Dealer to Lender or its affiliates whether under this Agreement, a Contract or any other agreement, note or instrument now or hereafter existing, as and when due or required (whether upon demand, at maturity, by acceleration or otherwise); (ii) the filing of a petition under any bankruptcy, insolvency or debtor's relief law or for any adjustment of indebtedness, composition or extension by or against Dealer or business failure of Dealer; (iii) any covenant, representation or warranty made (now or hereafter) by Dealer to Lender is or was untrue or materially misleading; (iv) Lender determining that Dealer has a record or reputation for violating the laws of the United States or any state; or (v) Lender determining that the prospect of performance of any of Dealer's obligations under this Agreement is impaired.

5. Dealer Liability and Indemnity.

5.1 Indemnity. If any claim or defense of the Purchaser against Dealer or the manufacturer of the Item is asserted against Lender, if any covenant, warranty or representation in this Agreement is untrue or breached, if any credit application, Contract or Sales Slip contains a misrepresentation or misstatement of material fact, if any person makes a claim against Dealer alleging facts which, if true, would be a breach of any covenant, representation or warranty contained in this Agreement, if Dealer makes any settlement on a Contract or Sales Slip with a Purchaser without Lender's prior written consent, if Dealer discloses any part of this Agreement to a Purchaser, or if Dealer fails to perform any obligation it has under a Contract or Sales Slip, Dealer agrees to indemnify and save Lender harmless from all loss, costs and expenses arising therefrom (including, without limitation, reasonable attorneys' fees), and, if Lender requests, Dealer shall assume the burden of resisting or defending against any claim at Dealer's sole cost and expense.

5.2 Dealer Purchase Obligation. If any of the foregoing events in sub-Section 5.1 occur (whether or not Purchaser shall then be in default under the Contract or Sales Slip), upon Lender's demand, Dealer will purchase the Contract or Sales Slip from Lender and pay to Lender the full amount then remaining unpaid, together with all lawful charges due through the date of repurchase plus any amount previously paid by Purchaser which Purchaser has recovered or is entitled to recover from Lender. Dealer's liability shall not be affected by any extension, renewal or other change in the terms of the Contract or Sheffield Card account or any change in the manner, place or terms of payment thereof, or the release, settlement or compromise of or with any party liable for payment thereof or the release, non-perfection, or any defect in any Collateral securing the Contract or Sales Slip. Lender shall not be bound to exhaust its recourse against Purchaser or any other person or any Collateral before being entitled to payment from Dealer. If Dealer breaches this Agreement in any other respect, Dealer promptly shall reimburse Lender for all diminution in value, losses and expenses, including reasonable attorneys' fees and legal costs, suffered or incurred by Lender as a result of such breach and in enforcing Dealer's obligations under this Agreement, as determined by Lender. Dealer promptly shall inform Lender of any breach. Lender's remedies in this paragraph are cumulative and not exclusive and shall not affect any other right or remedy that Lender may have at law or in equity.

6. Security and Right of Set Off. As additional security for Dealer's obligations under this Agreement, Dealer grants to Lender a security interest in all deposits, securities, accounts or moneys now or hereafter in the possession or control of, or in transit to, Lender or any affiliate of Lender, or any agent or bailee for Lender or any such affiliate. Lender may set off and apply same at any time, without notice, to any amounts Dealer owes Lender under this Agreement.

7. Change in Terms. From time to time, Lender may change the Program Guidelines in Lender's sole and absolute discretion by giving Dealer written notice of the changes. Dealer shall be deemed to have agreed to all such changes as of the effective date of such change in terms if Dealer thereafter submits any Contract or Sales Slip to Lender.

8. Insurance. Upon the expiration or cancellation of the initial or any renewal policy of physical damage or other required insurance for the Collateral financed, maintenance of the insurance coverage required by Lender shall be the responsibility of Lender, and Lender will have the right to force-place insurance as it deems necessary or advisable. In addition, Dealer may provide and, subject to Lender's approval, Lender may agree to finance, credit life, accident and health, or other insurance, and/or similar product as requested by Purchaser. If any such financed insurance or product is cancelled, Dealer will remit to Lender promptly all rebates or refunds for credit to Purchaser's account.

9. Extended Warranty, Service Contracts, and Debt Cancellation. If any Contract or Sales Slip financed any service contract, extended warranty protection, debt cancellation coverage and/or similar product offered by or through Dealer which is subsequently cancelled, Dealer will remit to Lender promptly all unearned charges for credit to the Purchaser's account. The amount of the unearned charges for any service contract, extended warranty protection, debt cancellation coverage and/or similar product financed will be a *pro rata* calculation against the added Dealer margin above cost for such items based upon the remaining term of the Contract. (For example, if a Contract is written for 48 monthly installments which finances any of these items not written through Lender, Purchaser has paid 12 installments and an event of customer default occurs, the unearned charges will be 36/48 of the amount above dealer cost that Lender financed for Purchaser to purchase the items.) If requested by Lender, Dealer will assist in obtaining cancellation refunds of premiums paid to issuers of all such coverage and/or similar product and directing such to Lender. Dealer shall cause any and all unearned charges to be delivered to Lender, which amounts shall be applied by Lender toward the unpaid balance of the Contract or Sales Slip. Lender shall have a security interest in all unearned charges, which security interest shall be prior and superior in all respects to the interest of Dealer or any other Person in the same.

10. Collections. Lender shall have the sole right to make collections on all Contracts or Sheffield Card accounts that Lender finances or purchases. Dealer agrees not to solicit or make any collections with respect to any Contract or Sales Slip submitted by Lender, except pursuant to Lender's prior written instructions. If Dealer receives any payment on any Contract or Sales Slip that has been financed by Lender, Dealer shall hold such amount in trust for Lender and immediately remit any such amount to Lender without setoff, offset, deduction, recoupment or other claim or charge.

11. Records. Dealer shall maintain complete and accurate records concerning the sale of each Item financed by Lender. Upon request by Lender, Dealer will promptly deliver such records or copies thereof to Lender.

12. Termination. Lender may terminate this Agreement at any time upon the occurrence of an Event of Default described in Section 4 of this Agreement. This Agreement may be terminated by either party at any time upon the giving of ten (10) calendar days prior written, electronic, facsimile, or telephonic notice to the other party, but such termination shall not affect any obligations on the part of either party which arose out of any Contracts or Sales Slips financed by Lender hereunder prior to termination, including, but not limited to, Section 5 of this Agreement. Any Lender rights and Dealer obligations shall continue in full force and effect until all credit applications for Contracts or Sales Slips submitted by Dealer to Lender prior to the effective date of termination are acted upon, and any costs Lender may incur in connection with this Agreement have been paid in full and Dealer has performed all of its obligations to Lender hereunder.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of Georgia without regard to any conflict of laws provisions. Dealer agrees that any lawsuit between Dealer and Lender will be decided by a judge without a jury in the appropriate court of jurisdiction in the State of Georgia.

14. Force Majeure. Neither party to this agreement shall be liable to the other by reason of any failure in performance of this Agreement in accordance with its terms if such failure arises out of acts of God, of the public enemy, or of civil militia or military authority, unavailability of energy resources, widespread communication failure, delay in transportation, fires, strikes, riots, or war. In the event of any such occurrence, the disabled party shall use its best efforts to meet its obligations as set forth in this Agreement but in no event shall any delay due to the foregoing events exceed thirty (30) days.

15. Miscellaneous. If any provision of this Agreement is found to be illegal, invalid or unenforceable, it shall be ineffective to the extent of such illegality, invalidity or unenforceability without invalidating the remaining provisions of this Agreement. If Lender delays exercising or waives any of its rights with respect to this Agreement, such delay or waiver does not constitute a waiver of any other of Lender's rights. Dealer waives presentment, protest and demand, notice of protest, demand, dishonor and non-payment of any Contract or Sales Slip, all other conditions to Dealer's obligations with respect to any Contract, and notice of acceptance of this Agreement. This Agreement constitutes a complete, final and exclusive agreement between Dealer and Lender; all prior negotiations have been merged into this Agreement, unless otherwise expressly stated. This Agreement shall be binding upon Dealer and its successors, assigns, heirs and personal representatives; provided however, that no obligations or liabilities of Dealer hereunder can be assigned without written consent of Lender (which consent may be withheld in Lender's sole and absolute discretion). Any prior Dealer Guidelines or Dealer Standards (Agreement) between Lender and Dealer is terminated and superseded by this Agreement, except that any Contracts or Sales Slips accepted by Lender from Dealer before the date of this Agreement shall remain subject to and controlled by the agreement or agreements in effect at the time of acceptance.

16. Costs of Collection and Attorneys' Fees. If an Event of Default occurs and is continuing under this Agreement, Dealer agrees to pay all of Lender's expenses and costs of collection and reasonable attorneys' fees incurred in enforcing this Agreement.

17. Relationship. Neither Dealer nor Lender contemplates sharing of profits or liabilities. This Agreement does not create a partnership, joint venture, agency or employee/employer relationship between Dealer and Lender. Dealer is not granted any express or implied right and/or authority to legally bind Lender in any manner whatsoever.

18. Communication Authorization. Dealer and Lender each authorizes the other to communicate with the other in relation to this Agreement or Programs whether via written, facsimile, electronic, or telephonic and such is not unsolicited communication for the purposes of any state or Federal law.

19. Assignment. Lender may, without the prior written consent of Dealer, assign this Agreement to any subsidiary or affiliate if such assignment is the result of an internal corporate reorganization and the assignee has sufficient legal authority, and financial, managerial and operational capacity to perform the assignor's obligations hereunder. Dealer is not permitted to assign, transfer, set over, pledge or grant any interest in this Agreement, and any sale of all or substantially all of the assets or ownership interests of Dealer shall be considered an assignment of this Agreement.

20. Notices. All notices required or permitted to be given hereunder shall be in writing and delivered personally, sent by first class mail, reliable overnight courier, facsimile or electronic mail to the parties at the addresses set forth below. The address of either party can be changed by notice to the other party. The parties' addresses are as follows:

If to Dealer:

Name: _____
Address: _____

ATTN: _____
Telephone: _____
Fax: _____
Email: _____

If to Lender:

Sheffield Financial
P.O. Box 1704
Clemmons, NC 27012
ATTN: Jack Snow
Telephone: 800-438-8892
Fax: 800-438-8894
Email: LoanProcessingMgt@sheffieldfinancial.com

IN WITNESS WHEREOF, the parties have executed this Agreement or caused the same to be executed as of the day and year first above written.

WITNESS:

Dealer: _____

By: _____

Name/Title: _____

**Lender: Sheffield Financial,
A Division of BB&T Financial, FSB**

By: _____

Name/Title: _____