



# DIVERSIFIED FINANCIAL SERVICES, LLC DIVERSIFIED FINANCIAL LLC

14010 First National Bank Parkway, Suite 400, Omaha, Nebraska 68154

## NONRECOURSE FINANCING AGREEMENT

This agreement ("Agreement") is made by and between Diversified Financial Services, LLC, a Nebraska limited liability company or Diversified Financial LLC, a Nebraska limited liability company, or both of them (each of said entities may be referred to herein as a "COMPANY," and all of said entities may be collectively referred to as "COMPANIES"), and the undersigned dealer (hereinafter referred to as "DEALER"). (Each of the parties hereto acknowledges that DEALER may not transact business with all of the COMPANIES, and accordingly, the terms and provisions of this Agreement shall govern the relationship between DEALER and the respective COMPANY to which a DEALER may submit a proposed Transaction (defined herein).)

WHEREAS, in order to provide a source of financing for customers ("individually, a Customer") of DEALER in connection with the sale, leasing, or manufacturing of equipment ("Equipment"), COMPANY is willing to consider the financing of Equipment by (i) acceptance of the assignment of retail installment contracts and Equipment leases from DEALER, (ii) entering into Equipment leases with Customers of DEALER, or (iii) granting loans to Customers to finance the purchase of Equipment (each, a "Transaction," and the documents executed in conjunction with a Transaction are referred to as "Transaction Documents").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, it is hereby agreed by the parties as follows:

### A. EACH COMPANY REPRESENTS, WARRANTS, AND AGREES AS FOLLOWS:

1. To consider purchasing or entering into Transactions without recourse to DEALER (except as otherwise provided herein), provided that the credit rating and financial condition of such Customers and the executed Transaction Documents are satisfactory to COMPANY, and that they comply with all standard requirements imposed by COMPANY.
2. In the event that a fee or commission is due DEALER in connection with a Transaction, such fee or commission shall be paid by COMPANY upon receipt of all documentation required by COMPANY. In the event that a fee or commission, or any other sums, are due and payable to DEALER in connection with the Transaction, DEALER hereby authorizes COMPANY to deduct from such fee, commission, or other sum any indebtedness that may be due and owing by DEALER to COMPANY.

### B. DEALER REPRESENTS, WARRANTS, AND AGREES AS FOLLOWS:

1. All credit, financial, and other information furnished to COMPANY by DEALER related to a Customer and any guarantor or co-obligor of any Transaction Document is true, complete, and accurate to the extent of the DEALER's knowledge.
2. All Transaction Documents represent valid, binding, and enforceable obligations of the respective Customer, arising out of the sale at retail, in the ordinary course of business, of the Equipment described in such Transaction Documents, and no Transaction Document is subject to any dispute, offset, lien, judgment, claim, or counterclaim.
3. DEALER has good and marketable title to the Equipment as of the date of transfer to a Customer (in the instance of a sale to a Customer) or to COMPANY (in the instance of a lease by COMPANY to a Customer), free and clear of any and all liens, security interests, and other encumbrances, and any Transaction Documents assigned to COMPANY by DEALER are free and clear of any and all liens, security interests, and other encumbrances. Any equipment accepted by DEALER as partial payment for the Equipment is not subject to any lien, claim, or encumbrance of any nature whatsoever.
4. All information contained in, and all signatures of Customer and DEALER appearing on, any Transaction Documents are genuine, true, and accurate, and the Transaction Documents submitted to COMPANY by DEALER are the sole originals of the Transaction Documents. All executed Transaction Documents that bear the original signatures of a Customer(s) shall be delivered to COMPANY within five (5) business days from the date of execution. In the event that the ownership of any Equipment is evidenced by a certificate of title, statement of origin, or other document, DEALER shall deliver such document to COMPANY contemporaneously with all Transaction Documents.
5. The Equipment described in the Transaction Documents has, as of the date of funding by COMPANY, been delivered to and accepted by the Customer. The Equipment will be used primarily for business or commercial purposes and is new ("new" is defined as unused and same model year as calendar year in which the Transaction Documents are executed), unless otherwise disclosed in writing to COMPANY. DEALER further agrees that it will completely install and place in operable condition on the premises described in the Transaction Documents all of the Equipment described therein and will secure and deliver to COMPANY fully executed delivery and acceptance statements from the Customer, together with a list of all original Equipment manufacturer serial numbers pertaining to the Equipment described in the Transaction Documents. DEALER will also secure from the Customer such additional executed documents as may reasonably be required by COMPANY and the initial payment, payable pursuant to the Transaction Documents.
6. The DEALER has paid, or will promptly pay, all applicable taxes at the time of assignment, including, but not limited to, sales taxes payable with respect to any Transaction Documents.

### C. COMPANY AND DEALER FURTHER AGREE THAT:

1. DEALER is not an agent of any COMPANY for any purpose, it has no authority to bind any COMPANY, it has not made any representations or warranties that are not included in any Transaction Document, and it has not modified any term or provision included in any Transaction Document provided by any COMPANY.
2. All manufacturers' warranties issued in connection with the Equipment described in the Transaction Documents will have been communicated to the Customer by DEALER prior to the execution of the Transaction Documents.
3. In the event of default by the Customer under the terms of the Transaction Documents, if COMPANY elects to sell the Equipment, COMPANY hereby grants to DEALER the first option to purchase the Equipment on an "AS IS, WHERE IS" basis or to repurchase the Transaction Documents, at prices to be determined by COMPANY. DEALER shall, upon notice from COMPANY, pick up, store, and care for such Equipment, and for such service DEALER shall be reimbursed for those reasonable, direct out-of-pocket expenses in connection therewith that have been pre-approved by COMPANY.
4. COMPANY has or may from time to time assign its rights under this Agreement regarding Transaction Documents originated by DEALER. DEALER hereby consents to such assignments by any COMPANY. DEALER further agrees (i) that all rights of any COMPANY under this Agreement may be exercised by an assignee with respect to such assigned Transaction Documents, and (ii) that all obligations of DEALER under this Agreement with respect to such Transaction Documents will be performed by DEALER for the assignee in accordance with the terms of this Agreement. DEALER shall provide service on all Equipment in accordance with any agreements contained in the Transaction Documents and any manufacturers' requirements and warranties.
5. Unless DEALER (i) has assigned a Transaction to COMPANY with recourse as evidenced by a DEALER guaranty, Repurchase Agreement, or other written agreement (a "Recourse Transaction") or (ii) has breached any covenant or provision of this Agreement, the assignment of the Transaction Documents (in the instance of the purchase of a Retail Installment Contract) or the consummation of a Transaction evidenced by a lease or promissory note and security agreement shall be without recourse.

In the event that (i) DEALER breaches any representation, warranty, covenant, or agreement contained herein, or (ii) upon the occurrence of a default under a Recourse Transaction, if such breach or default is not cured within thirty (30) days from the date of such breach or default, DEALER agrees that it will purchase such Transaction from COMPANY for an amount ("Purchase Price") equal to:

- (a) With respect to a loan or retail installment contract, the Purchase Price shall consist of all of the following:
  - (i) the unpaid principal balance;
  - (ii) accrued interest;
  - (iii) accrued late charges;
  - (iv) any and all expenses incurred by COMPANY in connection with the collection of the Transaction; and
  - (v) reimbursement of any and all out-of-pocket expenses incurred by COMPANY in connection with the origination, documentation, closing, servicing, or transfer of such Transaction.
  
- (b) With respect to a lease, the Purchase Price shall consist of the sum of the following:
  - (i) all accrued rental installments;
  - (ii) accrued interest on such rental installments from the date on which the same were payable pursuant to the lease until the date of receipt of payment by DEALER. (Interest shall be calculated at the rate implicit in the lease ("Implicit Rate") as determined by COMPANY);
  - (iii) any applicable gross receipts, rental, sales, or use taxes;
  - (iv) any other amount due, or to become due, pursuant to such lease;
  - (v) all unaccrued rental installments payable pursuant to such lease, together with the purchase option price, if any, designated in said lease, both discounted to a present value utilizing the Implicit Rate as the discount factor;
  - (vi) any and all expenses incurred by COMPANY in connection with the collection of the Transaction, including reasonable attorney fees; and
  - (vii) reimbursement of any and all out-of-pocket expenses incurred by COMPANY in connection with the origination, documentation, closing, servicing, or transfer of such Transaction.

DEALER agrees that COMPANY may take whatever action that COMPANY, in its sole discretion, deems appropriate regarding the enforcement, collection, extension, or compromise of a Recourse Transaction. Upon receipt of the Purchase Price, COMPANY shall assign to DEALER, without recourse, the Transaction Documents regarding such Transaction. No provision in this Agreement shall be construed to require any COMPANY to purchase or enter into any Transaction.

- 6. In the event that a Transaction is paid in full prior to its scheduled maturity as the result of (i) a voluntary payment by the Customer, (ii) acceleration of the indebtedness, or (iii) otherwise, and if COMPANY has paid a fee to DEALER in connection with such Transaction, COMPANY may elect to require DEALER to pay to COMPANY a "pro rata portion" of such fee. A "pro rata portion" shall be a fraction, the numerator of which fraction is the remaining term of the Transaction, and the denominator of which fraction is the original term of the Transaction.
- 7. DEALER shall not, without COMPANY'S prior written consent, accept collections, repossess, or consent to the return of any Equipment, or modify the terms of any Transaction Document. In the event that any Equipment shall come into DEALER's possession, DEALER shall promptly notify COMPANY of such fact, keep the Equipment in the same condition as received by DEALER, store such Equipment without charge to COMPANY, and not release possession of the Equipment to any person except COMPANY.
- 8. The initial term of this Agreement shall be for a period of five (5) years, commencing as of the date of acceptance stated below, and the term shall expire on the fifth anniversary thereof, except that the term hereof shall be automatically renewed for additional and successive terms of one (1) year each upon the expiration of each preceding term. Either party may terminate this Agreement at any time by written notice to the other party given not less than thirty (30) days prior to the effective date of such termination, as specified in said notice. Said termination shall not affect the rights or obligations of either party with respect to Transactions approved by COMPANY prior to such termination.
- 9. COMPANY shall not require DEALER, nor shall DEALER advance any part of the down payment or advance lease payment(s), either directly or indirectly, to a Customer.
- 10. This Agreement shall be governed by the laws of the State of Nebraska. Any and all actions in regard to or arising out of the terms and conditions hereof shall be instituted in the courts of Douglas County, Nebraska. The parties hereto submit to the jurisdiction of and hereby enter their voluntary appearance in the courts in Douglas County, Nebraska. DEALER and COMPANY hereby waive all right to a trial by jury in any action or proceeding arising out of or directly or indirectly related to this Agreement.
- 11. This Agreement may not be assigned by DEALER without prior written approval by all COMPANIES.
- 12. This Agreement is the complete agreement between the parties and no representations or promises have been made except as set forth herein.
- 13. This Agreement may be authenticated by a party and transmitted by facsimile or electronic media. Any authenticated copy of this Agreement which was transmitted by facsimile or electronic media shall be deemed an executed original of this Agreement. This Agreement may be executed in one or more counterparts, and all such counterparts shall constitute one and the same Agreement.

I represent that I am authorized to provide consent and understand that by providing my mailing address, email address, telephone number, and fax number, I consent to receive communications sent by any COMPANY, via regular mail, email, telephone, and fax. I also understand that I may revoke this consent by notifying each COMPANY in writing of such revocation at any time.

This agreement shall become effective as of \_\_\_\_\_, provided that it has been fully executed by both of the parties.

\_\_\_\_\_  
 (DEALER NAME)

By: \_\_\_\_\_  
 (PRINTED NAME)

Title: \_\_\_\_\_  
 (PRESIDENT, VICE PRESIDENT OR MANAGING MEMBER)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

DIVERSIFIED FINANCIAL SERVICES, LLC,  
 A Nebraska Limited Liability Company

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

  

DIVERSIFIED FINANCIAL LLC,  
 A Nebraska Limited Liability Company

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# Diversified Financial

## DEALER PROFILE

(Please complete one form for each store location)

Dealership Name: \_\_\_\_\_ FEIN # \_\_\_\_\_

Business Style: Ind./Proprietorship Partnership Ltd. Partnership Corp. L.L.C

Mailing Address: \_\_\_\_\_

Street Address (for overnight express mail): \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Dealer Principals: \_\_\_\_\_

\_\_\_\_\_

Store Manager: \_\_\_\_\_

Documentation Specialist (if applicable): \_\_\_\_\_

Salesmen: \_\_\_\_\_

\_\_\_\_\_

Equipment Lines (Include Shortlines): \_\_\_\_\_

\_\_\_\_\_

Years in business \_\_\_\_\_

Annual sales volume \$ \_\_\_\_\_

Retail financing sources \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Estimate percentage of finance business that is:

Agricultural \_\_\_\_\_%

Industrial \_\_\_\_\_%

Outdoor Power \_\_\_\_\_%

Other \_\_\_\_\_%

Total 100%

Comments: \_\_\_\_\_



# Diversified Financial

## ACH INFORMATION

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

BANK ROUTING NUMBER

(ABA#): \_\_\_\_\_

ACCOUNT #: \_\_\_\_\_

EMAIL ADDRESS FOR ACH NOTIFICATION: \_\_\_\_\_

X \_\_\_\_\_

AUTHORIZED SIGNATURE

PLEASE FILL OUT THE ABOVE INFORMATION AND MAKE A COPY OF ONE OF YOUR CHECKS AND EMAIL TO **CREDITDOCS@DFSFIN.COM** OR FAX **888-356-6242**.



**Diversified Financial**

*Relationship Driven.*