

**CONTRACTOR/DEALER AGREEMENT  
COMMUNITY HOME FINANCIAL SERVICES, INC.**

This Contractor/Dealer Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by and between Community Home Financial Services, Inc., a Delaware corporation (“Buyer”), and the undersigned property improvement contractor or dealer (“Dealer”), Buyer and Dealer agree as follows:

**1. Purchase of Contracts.** From time to time Dealer may tender to Buyer for purchase receivables arising from the sale of consumer (“Customers”) of goods, services, and materials for the improvement of real property, whether evidenced by retail installment contracts, mortgages, promissory notes, security agreements or by any other documents evidencing a secured or unsecured obligation (“Contracts”) originated by Dealer. Buyer, in its sole and absolute discretion, may elect to purchase Contracts tendered by Dealer. Contracts purchased by Buyer shall be assigned to Buyer using a form of assignment acceptable to Buyer, which Assignment shall, contemporaneously with the payment of the Purchase Price (upon which the parties shall mutually agree) transfer to and vest in Buyer all of Dealer’s right, title and interest in and to said Contracts. The term of any purchase of Contracts shall be governed by this Agreement and the Contract.

**2. Dealer Covenants, Representations and Warranties.** Dealer acknowledges that Buyer will, and is entitled to, rely upon all of the following representations and warranties in making its decision to purchase Contracts pursuant to this Agreement, regardless of the extent and nature of Buyer’s examination of a Contract and of Dealer covenants, represents and warrants the following to Buyer with respect to each Contract; (a) Each Contract sold by Dealer to Buyer is valid, existing, enforceable and binding obligation of the Customer, and arises out of a bona fide sale (on a time price basis and not on a cash basis) of goods, services and materials for the improvement of real property as described in the Contract, all goods services and equipment have been fully performed, delivered by Dealer and accepted by the Customer in accordance with the Contract, and a completed copy of the Contract was delivered to the Customer at the time of execution. Dealer knows of no facts or circumstances that could result in the Contract being in default, becoming delinquent or going into default, subject to rescission or that could otherwise materially adversely affect the value of the Contract, no Contract is, nor shall any Contract be at any time, subject to any legal or equitable defense, set-off or counterclaim by any Customer; (b) Each Contract’s description of the goods, services and materials sold is true, accurate and complete in all respects. Dealer assigns to Buyer Dealer’s right to inspect the real property improvements; (c) The Customer identified in the Contract is the owner of the real property improved by Dealer. Dealer has good and marketable title to each Contract and each Contract is free and clear of any lien, security interest, claim, pledge or encumbrance of any kind whatsoever; (d) All credit information considered by Dealer has been timely and accurately delivered or made available to Buyer by Dealer and is the same as that elicited by or provided to Dealer. All credit information obtained by Dealer has been obtained in compliance with all applicable law, Without limitation of the foregoing, Dealer has obtained all Customer consents required by law or by Buyer with respect to the credit information; (e) Any amount shown to have been paid by a Customer has been paid by the Customer in cash from the Customer’s resources, and not paid directly or indirectly by Dealer, nor has Dealer given any Customer any rebate, refund or other compensation; (f) No Customer, co-maker, guarantor or co-signer on any Contract was induced to enter into it by any false or misleading statement or by any other misrepresentation, either intentional or negligent, and the names and signatures on the Contract are true and correct and are not forged, fictitious or assumed; (g) At the time of the assignment of the Contract to Buyer, if the Contract evidences a secured obligation, the Contract is secured by a valid, existing and enforceable lien on the improved real property in favor of Dealer, and no other lien, including any mechanic’s or similar lien, arising from the work and materials described in the Contract, has been recorded and there is no basis for the recording of any such lien; (h) From and after the date a Contract is purchased by Buyer, Dealer shall provide any such additional services, equipment and materials as may be required under the Contract; (i) Each Contract sold by Dealer to Buyer and the work performed by Dealer pursuant to such Contract complies in all respects with all applicable local ordinances, state and federal laws and regulations including, without limitation, any such ordinances, laws and regulations applicable to consumer residential real property improvement contracts and home solicitation sales; (j) Dealer is duly organized, validly existing and in good standing under the law of the jurisdiction in which it is now being conducted in all jurisdictions where it is required, and holds all licenses and permits required to conduct its business as it is now being conducted including with respect to the receipt of and the origination of the Contract Dealer and the individual signing this Agreement on behalf of the Dealer have full authority to enter into and perform Dealer’s obligations under this Agreement, and no approvals or consents of any other party are required to make this Agreement binding on Dealer, and when signed, this Agreement will be a valid, legal and binding obligation of Dealer, enforceable in accordance with its terms; (k) There is no litigation, proceeding or investigation pending or threatened which would have a material adverse effect on the financial condition of Dealer, or which would adversely affect Dealer’s ability to perform its obligations under any Contract or this Agreement, or which would adversely affect Dealer’s right to sell or assign any Contract to Buyer; (l) If the Contract contains an “Assignment by Seller”, any representations and warranties contained in such Assignment are in addition to, are hereby incorporated into this Agreement, and do not replace the representation and warranties contained in this Agreement. If an inconsistency exists between representations and warranties contained in a Contract’s “Assignment by Seller” and this Agreement’s representation and warranties, this Agreement controls; and (m) Upon reasonable notice to Dealer, Dealer when requested to do so by Buyer, shall make available for inspection by duly authorized representatives of Buyer all of Dealer’s books and records related to

contracts, and will furnish to Buyer any information regarding Dealer's business affairs and financial conditions within a reasonable time after Buyer has made a written request for such information.

**3. Servicing.** Dealer shall refer all tenders of payment to Buyer; however, in the event any payments are accepted by Dealer with respect to any Contract, Dealer shall hold all such payments in trust for Buyer and shall pay such amounts to Buyer within three (3) business days of receipt or upon Buyer's demand, whichever occurs sooner. Dealer hereby grants to Buyer all power and authority, and appoints Buyer its attorney-in-fact, to endorse or negotiate in Dealer's name any checks or other payment instruments and to make the same payable to Buyer

**4. Breach, or Nonperformance; Rescission.** Following the Purchase of any Contract, and notwithstanding the review of the Contract documents by Buyer, if in Buyer's judgement: (a) any Contract document is defective or inaccurate in any respect; (b) any Contract document is not valid and binding; (c) any representation, warranty or covenant of Dealer is untrue or incorrect in any respect; or (d) a Customer asserts any claim or defense to the Buyer based on acts or omissions of a Dealer, Dealer shall cure such defect within a period of thirty (30) days from the time it receives notice from Buyer of the existence of such defect. Dealer agrees that if any defect is not cured within the thirty (30) day period Dealer will: (a) repurchase the related Contract from Buyer at a price equal to (i) one hundred percent (100%) of the unpaid principal balance of such Contract, plus (ii) any accrued and unpaid interest at the annual rate borne by the Contract to the date of the repurchase, plus (iii) any fees and expenses charged by third parties relating to the repurchase of the Contract, plus (iv) the premium, if any, paid by Buyer to Dealer, plus (v) all expenses incurred by Buyer in connection with the purchase of the Contract; and (b) in all cases, whether or not the Contract has been repaid or otherwise satisfied, indemnify, defend and hold Buyer harmless for any loss, damage, forfeiture, penalty or expenses (including reasonable attorney's fees and costs ) incurred in connection with the defective Contract.

**Buyer and Dealer agree that Buyer shall not have the right to require Dealer to repurchase a Contract if the Contract is non-performing solely because the Customer is delinquent in making payments under the Contract. All of the foregoing notwithstanding, should Buyer become aware of any fact which in Buyer's sole discretion indicates the existence of fraud by Dealer with respect to any Contract, any document related thereto, or with respect to the transaction underlying the Contract, Buyer may demand the immediate repurchase of any such Contract and may in Buyer's sole discretion immediately terminate this Agreement. Seller acknowledges and agrees that the funding of applications in the possession of Buyer at the time of such repurchase demand and/or termination may, in Buyer's sole discretion, be offset against amounts owed to Buyer as a result of the repurchase demands.**

Dealer hereby waives any statutes of limitations defense to any repurchase. If Dealer fails to repurchase a defective Contract at the time and in the manner provided in this section, Buyer may immediately terminate all of Dealer's rights pursuant to this Agreement and/or may pursue any all other remedies available under this Agreement or as provided by law.

**5. Indemnification.** Dealer shall defend, indemnify and hold Buyer harmless from and against any and all claims, demands, loss, damage and liability arising out of or relating to any breach, rescission or any other failure by Dealer to perform or comply with any terms of this Agreement or any Contract, including, but not limited to, any and all claims and defenses arising out of or under the terms of any Contract, asserted by Customers against the Dealer or the Buyer as holder of the Contract. This obligation of indemnity includes, but is not limited to, reimbursement of attorneys' fees, court costs, settlement costs, consequential and incidental damages and any and all other expenses incurred in connection with any breach, rescission or other nonperformance or noncompliance, whether or not a lawsuit is filed.

**6. Direct Loans.** Dealer agrees that all of the provisions of this Agreement will apply, and be binding and enforceable whenever credit is arranged or secured in connection with a continuing relationship between Buyer and Dealer or where Buyer and Dealer work cooperatively to finance consumer sales.

**7. Set-off.** Dealer acknowledges that its breach or any other failure to perform or comply with any term of this Agreement or any Contract creates a debt subject to Buyer's enforceable right of set-off against any and all funds or property of Dealer held by Buyer.

**8. Waiver; Binding Effect; Assignment.** The failure of any party to this Agreement to exercise any rights under this Agreement shall not operate as a waiver of such rights, and rights may be waived only in a written document duly executed by the party waiving its rights. The parties' right as provided in this Agreement are cumulative and not alternative. Buyer may assign its rights and obligations under this Agreement to, between and among its affiliates, subsidiaries, parent or related entities.

**9. Amendment; Entire Agreement.** This Agreement may not be modified or amended except by a written agreement signed by both parties. This Agreement contains all of the agreements of the parties with respect to the matters contained in this Agreement and no prior or contemporaneous agreement or understands; oral or written, pertaining to any such matters shall be effective for any purpose.

**10. Termination.** This Agreement may be terminated at any time by either party upon thirty (30) calendar days written notice of termination. Regardless of the termination of this Agreement, the rights, responsibilities and duties of the parties provided in this Agreement shall continue in full force and effect after the date of termination with respect to all Contracts purchased prior to the termination of this Agreement. Dealer acknowledges and agrees that the delinquency rates of all the Contracts purchased by Buyer may be a factor considered by Buyer in any decision Buyer may make to terminate this Agreement pursuant to the terms of this Paragraph 10.

**11. Governing Law: Severability.** This Agreement shall be construed and governed by, the laws of the State of Mississippi. If any term of this Agreement is held invalid or unenforceable by any court of final jurisdiction it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable and binding on the parties.

**12. Attorneys' Fees.** In the event any party to this Agreement brings an action or suit against any other party by reason of any breach or any other failure to perform under this Agreement, the prevailing party in whose favor final judgement is entered shall be entitled to recover from the losing party all costs and expenses incurred or sustained in connection with such suit or action including, without limitation, reasonable attorneys fees and court costs.

**13. Notice.** All notices shall be in writing or by electronic telecommunications and shall be considered to have duly given if (a) delivered in person, or (b) by electronic telecommunication, by facsimile or overnight delivery service at the following address or facsimile number addressed as follows; or shall be considered duly given 5 days after posting by first class United States mail, certified or registered, with receipt requested, addressed as follows:

**Community Home Financial Services, Inc.**

234 East Capitol Street  
Jackson, MS 39201-2410  
Attn: William D. Dickson  
Phone: 888-236-1992  
Facsimile: 888-841-1938

Dealer: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

The parties execute this Agreement on and effective as of the date set for the above

Buyer:

**COMMUNITY HOME FINANCIAL SERVICES, INC.**  
A Delaware Corporation

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

Its: \_\_\_\_\_  
(Title)

**Dealer:**

Company Name: \_\_\_\_\_

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

Its: \_\_\_\_\_  
(Title)