

# Contract 2019 Dealer Agreement



This DEALER AGREEMENT was executed in the city of Cambridge in the Province of Ontario,

this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Dealer Legal Name:** \_\_\_\_\_

**Trade Name** (if different from legal): \_\_\_\_\_

*Hereinafter referred to as the "Dealer" and Source One Financial Corp., hereinafter referred to as "Source One".*

## Recitals:

- A. The Dealer is in the business of selling motor vehicles ("Automobiles" and each an "Automobile") to the public.
- B. The Dealer will from time to time request that Source One provide financing to third party purchasers (each a "Purchaser") of the Automobiles (without any obligation on the part of Source One to do so).
- C. Source One will pay the Amount Financed (as set out in the Funding Schedule), which amount will be provided to the Dealer for each loan transaction when the loan and security agreement (the "Loan Agreement") is funded subject to the terms and conditions contained herein.

THEREFORE, in consideration of the mutual covenants and agreements set out in this Agreement, the Dealer and Source One agree as follows:

## Transactions:

1. In the event that the Dealer wishes to sell an Automobile to a Purchaser, the Dealer shall submit to Source One, in a form and substance satisfactory to Source One for consideration by it for financing purposes:
  - i. a credit application (Source One's standard form) completed by the Purchaser;
  - ii. a copy of the purchase agreement entered into between the Dealer and such Purchaser including the related bill of sale (collectively for each transaction the "Purchase Agreement"); and
  - iii. such other documentation as may be required by Source One.
2. Upon receipt of the credit application, draft bill of sale and Source One's satisfactory review of the Automobile, Source One shall notify the Dealer of its initial approval of the transaction (each a "Transaction") and the amount it is willing to finance.
3. In connection with each initially approved Transaction as contemplated by Section 2 above, the Dealer will be provided with the Loan Agreement and such other documents as may be required by Source One, in its sole discretion, from the Purchaser (collectively, the "Contracts"). The Dealer shall review these Contracts and use reasonable efforts to ensure that the Purchaser has a) read them, b) acknowledged that he or she understood them and c) has initialed each page and signed them. The Dealer will then send all completed and executed Contracts to Source One in Sections 1 and 3 hereof. If all the Contracts are satisfactory to Source One in its sole discretion, Source One shall pay the Dealer the Amount Financed as set forth in the Funding Schedule.

## Indemnity:

4. The Dealer hereby covenants and agrees to indemnify and save harmless Source One against any claim, loss, damage or injury which Source One may suffer in connection with any Transaction which it enters into as contemplated by this Agreement as a result of any fraud or misrepresentation (a) perpetrated by the Dealer (including any misrepresentation made in this Agreement or the attached credit application), (b) perpetrated by the Purchaser where such fraud or misrepresentation was known to the Dealer or (c) as a result of the Dealer's employees providing false information with respect to any credit applications or Contracts assigned to Source One.

## Representation and Warranties/Covenants by Dealer:

5. The Dealer shall not lend to any Purchaser any part of any down-payment referred to in any Loan Agreement and/or any Purchase Agreement, nor shall the Dealer accept post-dated cheques in satisfaction of any such down-payments, nor shall the Dealer defer, for any reason, receipt of any such down-payment beyond the Purchase Date.
6. By entering into this Agreement, the Dealer hereby confirms and agrees with Source One that it shall at all times: (a) comply with all federal and provincial regulations applicable to its business as well as any and all regulations and rules issued by any applicable provincial motor vehicle regulatory authority.
7. In respect of each Transaction, the Dealer is hereby deemed to represent and warrant to and in favour of Source One that: (a) the Purchase Agreement, the Contracts and all related instruments are valid, binding and enforceable against the Dealer and the Purchaser and are the only agreements or instruments among such parties pertaining to such Transaction; (b) all statements contained in the Purchase Agreement, the Contracts and related instruments are true and complete in all material aspects; (c) the Automobile has been delivered to, and accepted by, the Purchaser in a condition satisfactory to the Purchaser; (d) on the Purchase Date, the Automobile was in good working order without any pre-existing problems known to the Dealer and the vehicle must not have been "branded" (e) the vehicle has never been owned by an insurance company as that would deem the vehicle had been a complete write off and then would then be considered "branded" (f) it has allowed the Purchaser to test drive the Automobile and independently inspect the Automobile for purposes of confirming that it is in good working order if the purchaser has requested the independent inspection; and (g) it has received the full amount of any down-payment as of the Purchase Date of such Transaction.

## General Terms and Conditions:

8. By entering into this Agreement, the Dealer hereby acknowledges that it understands the risks and responsibilities arising in the context of each Transaction.
9. If the Dealer (including any of its officers, employees or agents) (a) misrepresents information in any credit application, Purchase Agreement or in any of the Contracts pertaining to a Transaction or (b) breaches any of its agreements hereunder in respect of a Transaction, then the entire amount owing by the Purchaser to Source One in respect of such Transaction pursuant to the Loan Agreement (whether on account of principal, interest or otherwise) on the date such misrepresentation is discovered or such breach occurs, as the case may be, will be paid immediately by the Dealer to Source One, at which point Source One will assign all of its rights under the Loan Agreement and the other Contracts to the Dealer.
10. Either party may terminate this Agreement at any time, provided, however, and it is specifically agreed, that in the event of any such termination, this Agreement shall remain in full force and effect for those Transactions (and underlying Automobiles and Contracts) entered into pursuant to the terms and conditions of this Agreement prior to the effective date of any such termination.
11. Dealer shall not use Source One's name or logo or refer to Source One in any way in advertising materials (other than advertising materials which may be provided by Source One from time to time), without the prior express written approval of Source One.
12. Notices to be given pursuant to this Agreement shall be in writing and shall be hand delivered, couriered or sent by registered mail, at the address of the parties set out at the beginning of this Agreement.
13. This Agreement shall be binding on the parties' respective successors and permitted assigns. For greater certainty, Source One may assign its rights and obligations hereunder and in respect of any Automobiles and Contracts without any consent by or notice to the Dealer. This Agreement may not be assigned, sold, transferred, pledged or hypothecated by Dealer without Source One's prior written consent.
14. The parties acknowledge that this Agreement as well as any related documents, be drawn up in the English language only. Les Parties reconnaissent avoir convenue que les documents s'y rattachant, soient rediges dans la langue anglaise seulement.
15. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

- 16. This Agreement supersedes any previous any previous agreement between Source One and the Dealer pertaining to the subject matter herein.
- 17. The attached dealer/partner guidelines form part of this Agreement and will be updated as an amendment to this Agreement from time to time.

IN WITNESS WHEREOF the parties have executed this Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Signing Authority Name (Print) Signature

\_\_\_\_\_  
Email Position Date

**Source One Financial Corp.**

\_\_\_\_\_  
Accepted by (Source One Financial Corp.) Signature

\_\_\_\_\_  
Date

## Dealer Address and Contact Information

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

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

\_\_\_\_\_

\_\_\_\_\_

Main Phone: \_\_\_\_\_ Main Email: \_\_\_\_\_

Website: \_\_\_\_\_

### Contact #1

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

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

### Contact #2

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

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

### Contact #3

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

Phone: \_\_\_\_\_ Email: \_\_\_\_\_