

## SECONDARY MOTOR VEHICLE FINANCE AND SECURITY AGREEMENT

**Borrower(s):**

**Lender:**

Name:  
Address:

**Motor Vehicle:**

Year  
Color  
Make  
Model

License Plate Number  
VIN  
Drivers License Number

Date of Loan

### TRUTH IN LENDING ACT DISCLOSURES

<p><b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate.</p>	<p><b>FINANCE CHARGE</b> The dollar amount the credit will cost me.</p>	<p><b>Amount Financed</b> The amount of credit provided to me or on my behalf.</p>	<p><b>Total Of Payments</b> The amount I will have paid after I have made all payments as scheduled.</p>
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**Payment Schedule:**

Number of Payments	Amount of Payments	When Payments Are Due

**Prepayment:** You may prepay your loan in full at any time without penalty.  
**Late Charge:** Lesser of \$10.00 or 5% of unpaid portion of payment if not paid in full within 10 days after due date.  
**Security Interest:** You are granting a security interest in the motor vehicle described above.  
**Other Terms:** See the terms below for additional information about nonpayment and default.

### ITEMIZATION OF AMOUNT FINANCED

Amount Paid To You Directly.....  
 Amount Paid On Your Prior Loan.....  
 Amount Paid To MVD for lien fees .....  
 Processing fees.....

This Agreement is entered into by and between you (BORROWER/Debtor) and us (LENDER/Secured Party) as of the date set forth above, subject to the terms and conditions set forth below and on the reverse side, and any and all representations BORROWER has made to LENDER in connection with this transaction.

ANNUAL FINANCE RATE: (does not include filing service and document preparation fees).

**ARBITRATION AGREEMENT: THE TERMS AND CONDITIONS OF THE SEPARATE ARBITRATION AGREEMENT ATTACHED HERETO ARE INCORPORATED HEREIN BY THIS REFERENCE.**

**PROMISE TO PAY:** You, jointly and severally, promise to pay to LENDER (at LENDER'S address set forth on the front of this Agreement) in United States currency, the Amount Financed, plus interest thereon at the Annual Finance Rate, according to the agreed upon Payment Schedule (all as set forth on the front of this Agreement), until all amounts due hereunder have been fully repaid. Interest will be assessed on a daily basis and a day shall be counted as 1/360 of a year. A late fee will be assessed on the 11<sup>th</sup> day after a payment is due in the amount of 5% of the unpaid balance of the payment or \$10.00, whichever is less. Time is of the essence in your performance and payment of the monetary sums set forth by this Promissory Note. All monetary sums due hereunder shall be paid without prior demand or claim of set-off. You may prepay your loan in full at any time without penalty. After maturity or acceleration in the event of default, interest will continue to accrue on all unpaid amounts owed to us under this Agreement at a rate equal to the Annual Finance Rate.

**SECURITY AGREEMENT:** You have requested a loan in the principal amount stated above as the Amount Financed. To secure repayment of amounts due hereunder and performance of your promises in this Agreement, you hereby grant to LENDER a Security Interest in your motor vehicle described above, and in all accessions thereto and all proceeds thereof. Provided you do not default in the payment of any monetary sums due under this Agreement or fail to fully perform pursuant to this Agreement, you may retain physical possession, ownership and use of the motor vehicle. However, should you default in any payment required hereunder or break any promise contained herein, LENDER shall have the absolute right to exercise any and all rights and remedies provided for by the Uniform Commercial Code of the State of Arizona and other applicable laws, which include taking physical possession of the motor vehicle regardless of where it may be located, and thereafter selling the motor vehicle to fully cure and repay amounts due under this Agreement, together with all costs or charges incurred by LENDER in enforcing its rights, including attorney's fees and collection costs as permitted by applicable law. Any notice that we as LENDER are required to provide you pursuant to this Agreement and/or the Uniform Commercial Code of the State of Arizona will be deemed reasonable if sent to you at the address set forth by you below at least five (5) days before the event with respect to which notice is required.

Until all amounts due under this Agreement are paid in full: (i) you shall keep the vehicle described above insured, at your own expense, against such risks as loss by fire, theft, and collision accordance with the Insurance Agreement, a separate copy of which is attached and incorporated herein by this reference, (ii) such vehicle shall not be removed from the State of Arizona, (iii) you expressly grant to LENDER an irrevocable power(coupled with an interest) to act as your attorney-in-fact to execute and file in your name any and all documents necessary to perfect its security interest in such vehicle or to effectuate the enforcement of LENDER'S lien, including the repossession, sale and/or liquidation of the vehicle in accordance with this Agreement and applicable law, (iv) you shall not attempt to or seek to obtain a duplicate title to such vehicle, and (v) you shall remain the legal owner of such vehicle pursuant to the laws of the State of Arizona

**BORROWER'S LIABILITY FOR FAILURE TO RETURN VEHICLE:** It is unlawful to fail to return a motor vehicle subject to a security interest within thirty days of receiving notice of default. In the event of default, a notice of default will be mailed to you at the address on this contract and it is your responsibility to keep your address current on our records. However, nothing in this paragraph imposes any contractual obligation upon us to give you notice of default. Our failure to do so will not be a breach of this Agreement and will not limit or impair any of our rights or remedies in the event of your default, as provided above. Unlawful failure to return a motor vehicle subject to a security interest is a class 6 felony which, for a first offense, carries a maximum jail sentence of one and one-half years. The maximum jail sentence may be greater if the defendant has a prior criminal record. The court may also impose a fine of no more than \$150,000.

**GENERAL:** This Agreement shall be governed by the laws of the State of Arizona and, specifically, this Agreement constitutes a secondary motor vehicle finance transaction governed by Title 44, Chapter 2.1 of the Arizona Revised Statutes. Any provisions found to be invalid shall not invalidate the remainder hereof. Waiver of any default shall not constitute waiver of any subsequent default. All words used herein shall be construed to be of such gender and number as the circumstances require and all references herein to you shall include all other persons primarily or secondarily liable hereunder. This Agreement shall be binding upon your heirs, personal representatives, successors and assigns and shall inure to the benefit of our successors and assigns. This Agreement constitutes the entire agreement between the parties and may not be altered or amended unless made in writing and duly executed by both parties.

**NOTICE TO THE BUYER: 1. Do not sign this contract before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the contract you sign.**

**LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS AGREEMENT.**

**Borrower(s) hereby acknowledge(s) receipt of a fully completed copy of this Agreement and agrees to the terms and conditions of this Agreement.**

X \_\_\_\_\_  
BORROWER'S SIGNATURE

X \_\_\_\_\_  
BORROWER'S SIGNATURE

**Lender is regulated by and complaints concerning this Agreement may be addressed to: Arizona State Banking Department, 2910 North 44<sup>th</sup> Street, Suite 310, Phoenix, Arizona 85018; Telephone -- (602) 255-4421.**

By: \_\_\_\_\_  
Its: Authorized Representative

## **ARBITRATION AGREEMENT**

This Arbitration Agreement is a part of the Secondary Motor Vehicle Finance and Security Agreement (the "Finance Agreement") entered into by and between the Lender and I on . The terms and conditions of that Finance Agreement are incorporated herein by reference. In the event of any conflict between the Finance Agreement and the Arbitration Agreement, the Arbitration Agreement shall control.

**For the valuable consideration outlined below, the Lender and I agree that any claim, dispute or controversy between me and the Lender or claim by either me or the Lender against the other or the employees, agents, servicers, successors or assigns of the other, and any claim arising from or relating to this Agreement and any credit extended to me in connection thereunder or the relationships which result from this Agreement and any credit extended to me in connection thereunder, no matter by whom or against whom made, including without limitation, the validity of this Agreement, the validity, enforceability, applicability or scope of the Arbitration Agreement and any claims alleging fraud or misrepresentation, shall be resolved by neutral binding arbitration. For purposes of this Agreement the term "dispute(s)" shall be given the broadest possible meaning including controversies of state, federal or common law related to the Arbitration Agreement, the Finance and Security Agreement, and all claims brought against any of Lender's officers, directors, employees, managers, shareholders or related entities. Lender and I agree that I may elect to use any of the following arbitration organizations: the American Arbitration Association or the National Arbitration Forum. Alternatively, either party may propose another arbitrator who shall be selected if both parties agree. Lender and I agree that the arbitration shall take place in the County in which I reside.**

Notwithstanding any other provision of this Agreement, both the Lender and I agree that claims, disputes or controversies between us where the amount of relief sought is less than \$10,000 may be adjudicated, *by either of us*, in Justice Court, if the matter otherwise qualifies for use of small claims procedures. Any dispute that can not be resolved within the jurisdiction of Justice Court shall be resolved by binding arbitration.

I understand that there are fees associated with resolving any matter using third parties, be they arbitrators or Justices of the Peace. In some cases the party winning an arbitration or justice court action may be entitled to recover their fees and costs of the other party. These amounts may be considerable. As consideration for entering into this Arbitration Agreement, the Lender agrees to reimburse the Borrower an amount equal to the costs for filing an action in Justice Court. As additional consideration, Lender agrees to reimburse Borrower for any costs incurred in adjudicating a matter by arbitration up to one thousand dollars (\$1000.00). Borrower may claim their reimbursement by submitting a copy of a paid invoice or other document evidencing payment to Lender.

This Arbitration Agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1-18 ("FAA"). Judgment upon the award may be entered in any court having jurisdiction. This Arbitration Agreement shall survive the repayment of the Finance Agreement and any extensions, renewals or replacements thereof. If any portion of this Arbitration Agreement is deemed invalid or unenforceable under the FAA, it shall not invalidate the remaining portions of the Arbitration Agreement. For all purposes of the Arbitration Agreement, the terms "we" and "us" shall mean MLJD d/b/a Auto Equity Loans. and all of its parents, subsidiaries, affiliates, predecessors, successors, and assigns; and all of their independent contractors, agents, employees, directors and representatives.

THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE THROUGH A SUPERIOR COURT AND TO HAVE A JUDGE DECIDE THEIR CASE, BUT THEY CHOOSE TO HAVE ANY DISPUTES DECIDED THROUGH ARBITRATION OR AN ACTION IN JUSTICE COURT. BINDING ARBITRATION MEANS NEITHER I NOR LENDER WILL HAVE THE RIGHT TO LITIGATE IN SUPERIOR COURT. THE ARBITRATOR'S DECISION WILL GENERALLY BE FINAL AND BINDING. OTHER RIGHTS THAT WOULD BE AVAILABLE IN SUPERIOR COURT MAY NOT BE AVAILABLE IN ARBITRATION. THERE SHALL BE NO AUTHORITY FOR ANY CLAIMS TO BE ARBITRATED ON A CLASS ACTION OR REPRESENTATIVE BASIS, NOR SHALL MY MATTER BE JOINED OR CONSOLIDATED WITH ANY OTHER MATTER. I UNDERSTAND THAT I HAVE THE RIGHT TO RESCIND THIS AGREEMENT IF I SEND WRITTEN NOTICE TO LENDER WITHIN 3 DAYS OF EXECUTION OF THE FINANCE AGREEMENT WIHTOUT AFFECTING ANY OF MY RIGHTS OR OBLIGATIONS UNDER THE FINANCE AGREEMENT. ANY ACTION FOR RECOVERY ON A WRITTEN CONTRACT FOR DEBT MUST BE BROUGHT WITHIN 6 YEARS OF THE EXECUTION OF THE CONTRACT.

I HAVE RECEIVED, READ AND UNDERSTAND A FULLY COMPLETED COPY OF THIS AGREEMENT. BY SIGNING BELOW, I/WE AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORHT IN THIS AGREEMENT, WHICH IS A PART OF THE DEFERRED PRESENTMENT SERVICE AGREEMENT BY AND BETWEEN THE PARTIES.

**Borrower:**

**Lender:**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Its: Authorized Representative

**Borrower:**

\_\_\_\_\_  
Date

## INSURANCE AGREEMENT

If you borrow \$xxx.00 or more, you must maintain, at your expense, comprehensive and collision insurance on the Vehicle for so long as you have any obligations under this Agreement. This insurance must cover, at a minimum, all loss or damage by fire, theft, collision and such other coverage that we may reasonably require. You may obtain the insurance from anyone that is acceptable to us. All terms of the insurance, including terms relating to deductibles, must be reasonably satisfactory to us. We may also require you to name us as the loss payee with respect to such insurance. At our request, you agree to provide us with proof that you are maintaining the insurance required by this Agreement. Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own. You also agree that, to the extent permitted by law, interest shall accrue on any such amounts at the contract rate provided in this Agreement until such amounts are paid in full. You further assign to us the right to receive the proceeds of any insurance on the Vehicle, and direct any insurer to pay those proceeds directly to us. You authorize us to endorse any check or drafts provided to us as the proceeds of such insurance, and to apply those proceeds to the sums owed to us. You further authorize us to provide the insurer the necessary information to obtain or verify adequate coverage. You acknowledge that insurance, or any extension thereof, placed by us is or may be without benefit to you individually and is more may be primarily for the benefit and protection of us.

Agreed and Accepted

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

## INFORMATION PRIVACY STATEMENT

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

### Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information:

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

### Our Policies and Practices Regarding the Sharing of Your Personal Information:

We may share your Personal Information with our affiliates. We also may disclose your Personal Information: to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

### The Right to Access Your Personal Information and Ability To Correct Errors Or Request Changes Or Deletion:

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All such requests must be made in writing to the following address:

Privacy Compliance Officer

**Multiple Products or Services:** If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.