

PURCHASE & SALE AGREEMENT

Dated as of July 26, 2012

Between

Mountain Lion Acquisitions, Inc.

As Buyer

And

Cuzco Capital Investment Management, LLC

As Seller

## PURCHASE & SALE AGREEMENT

This PURCHASE & SALE AGREEMENT, is made this 26th day of July 2012, by and between Mountain Lion Acquisitions, Inc. (“Buyer”), and Cuzco Capital Investment Management, LLC (“Seller”), a Delaware limited liability corporation with reference to the following facts and circumstances:

### WITNESSETH:

WHEREAS, Seller purchased Accounts from [Originating Creditors] either directly or through another seller;

WHEREAS, Seller desires to sell to Buyer approximately \_\_\_\_\_ outstanding face value of these (e.g. credit card or loans) Accounts, on the terms and conditions herein set forth, as such Accounts exist as of the Cut-Off Date; and

WHEREAS, Buyer wishes to purchase the aforementioned Accounts, on the terms and conditions herein set forth, as such Accounts exist as of the Cut-Off Date; and

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter set forth and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

**1.01 Definitions.** As used in this Agreement, the following terms shall have the following meanings unless otherwise defined herein:

“Account” means a receivable being purchased by Buyer pursuant to this Agreement, including any substituted Account.

“Account Balance” means the outstanding principle amount on the Account as of the Charge-off date less any applied payments.

“Account Debtor” means the applicant or, if applicable, the co-applicant on an Account, but does not include guarantors, sureties or authorized users who are not the applicant or co-applicant with respect to such Account.

“Account Document” means any application, agreement, billing statement, abstract of cardholder account, remittance check or other correspondence relating to an Account and relevant to the collection of the related Account, to the extent such item is in Seller’s possession and reasonably available to Seller, in the form, if any, it exists in Seller’s possession.

“Agreement” means this Purchase & Sale Agreement, as it may from time to time be amended, supplemented, or otherwise modified in accordance with the terms hereof.

“Bankruptcy Case” means a case under Chapter 7, 11, 12, or 13 of Title 11 of the United States Code.

“Bill of Sale & Assignment” means a document, substantially in the form of Exhibit A hereto, to be delivered by Seller to Buyer on or after the Purchase Date.

“Business Day” means a day other than a Saturday, Sunday or day on which banks are required or permitted to be closed in New York.

“Buyer” shall have the meaning assigned to such term in the introductory paragraph hereto.

“Closing File” means a Computer File identifying the Accounts to be purchased by Buyer on the Purchase Date, which listing shall contain the following information with respect to each Account to the extent maintained by Seller as of the Cut-Off Date: Account number, open date, date of last payment, last payment amount, charge-off date, name, address, telephone number and social security number of the Account Debtor, and the Cut-Off Date Account Balance.

“Cut-Off Date” means July 30<sup>th</sup>, 2012.

“Original Purchase Agreement” means the agreement(s), including the bills of sale, entered into between Seller and the Originating Creditor, Seller and a Prior Owner, or a Prior Owner and Originating Creditor (collectively “Chain of Title”) redacted copies of which have been delivered to Buyer prior to the Closing Date and which are attached hereto as Exhibit F.

“Originating Creditor” means the entities or institutions that originated the loan or credit to the Debtor and from which, either directly or indirectly, Seller originally purchased the Accounts.

“Non-Conforming Accounts” shall have the meaning assigned to such term in Article V hereof.

“Person” shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

“Prior Owner” shall mean any Person who owned the Accounts after the Originating Creditor but before Seller acquired them.

“Purchase Date” means July 26<sup>th</sup>, 2012.

“Purchase Price” means with respect to the Accounts being sold on the Purchase Date, an amount equal to

“Put-Back Period” means, with respect to the Accounts, the time period (as specified in Article V of this Agreement) during which the Buyer may require the Seller to repurchase or substitute a Non-Conforming Account as defined in Article V hereof and shall not be governed by the periods established in the Original Purchase Agreements.

“Seller” shall have the meaning assigned to such term in the introductory paragraph hereto.

“Unpaid Balance” means the total outstanding unpaid principle balance, as shown on the Seller’s books and records (including all amounts due in respect of purchases, cash advances, finance charges, late fees, return check charges, over-limit fees, and all other applicable fees and charges.

**1.02 General Definitions.** The words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Agreement as a whole, including the Schedules and Exhibits hereto, as the same may from time to time be amended or supplemented, and not to any particular section, subsection or clause contained in this Agreement. References herein to an Exhibit, Schedule, Section, subsection or clause refer to the appropriate Exhibit, Schedule, Section, subsection or clause in this Agreement. Wherever from the context it appears appropriate, all terms expressed herein in the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter gender.

## ARTICLE II

### PURCHASE & SALE OF ACCOUNTS

**2.01 Purchase and Sale.** On the Purchase Date, Seller shall sell and Buyer shall buy all right, title, and interest in and to the Accounts with respect to which Buyer has received a final file, without recourse and without warranty of any kind (including, without limitation, warranties pertaining to title, validity, collectability, or sufficiency of information) except as specifically set forth in Section 3.01(e) of this Agreement, on the terms and subject to the conditions set forth in this Agreement.

**2.02 Bill of Sale & Assignment.** After Seller’s receipt of payment in full of the Purchase Price on the Purchase Date, Seller shall deliver to Buyer a Bill of Sale & Assignment relating to the Accounts executed by Seller.

**2.03 Closing File.** After Seller’s receipt of payment in full of the Purchase Price on the Purchase Date, Seller shall deliver a Closing File to Buyer within two (2) Business Days.

**2.04 Payment.** On the Purchase Date, Buyer shall remit to Seller an amount equal to

Buyer shall make payment of the Purchase Price by wire transfer of funds to the bank designated by Seller in accordance with the funding instructions in Exhibit B. All collections received by Seller on or after the Purchase Date with respect to any Account included herein shall be paid to Buyer according to the procedures set forth in Section 4.08b herein.

**2.05 Reporting Requirements.** Buyer shall be solely responsible for any reporting requirements and/or filings required by any federal, state or local law, rule, or regulation relating to the Accounts.

**2.06 Taxes.** Neither of the parties is aware of any state or federal sales, transfer, or similar taxes that would be applicable to this Agreement.

**2.07 Sophisticated Investor.** Buyer is a sophisticated, informed investor, with knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transaction contemplated by this Agreement. As a sophisticated, informed investor, Buyer is able to bear the economic risk of such purchase and is able to bear the risk that Buyer may be required to hold the Accounts for an indefinite period of time, able to afford a complete loss of the Purchase Price for the Accounts. Buyer represents, warrants, and certifies to Seller that it is a sophisticated purchaser that is in the business of buying or originating accounts of the type being purchased pursuant to this Agreement and the transactions contemplated hereby are true and correct in all material respects and Seller has not failed to state any fact required to make the information contained herein not misleading.

**2.08 Investigation of Accounts.** Buyer has made such independent investigations as it deems to be warranted into the nature, validity, enforceability, collectability, and value of the Accounts and Accounts Receivable, and all other facts it deems material to the purchase of the Accounts and Accounts Receivable and is entering into this transaction solely on the basis of that investigation and the Buyer's own judgment, and is not acting in reliance on any representation made or information furnished by the Seller, its employees, agents, representatives, or independent contractors (other than the representations and warranties of the Seller contained in this Agreement). Buyer agrees and represents that the Accounts and Account Files made available to it were an adequate and sufficient basis on which to determine whether and at what price to purchase the Accounts and Accounts Receivable. Buyer has been urged, invited and directed to conduct and has conducted such due diligence review and analysis of the Accounts, Account Files, Account Documents, and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts as the Buyer deems necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Accounts and Accounts Receivable. BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS PURCHASING THE ACCOUNTS BASED UPON BUYER'S INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE ACCOUNTS AND THAT BUYER IS RELYING UPON ITS OWN DETERMINATION OF THE QUALITY, VALUE, AND CONDITION OF THE ACCOUNTS AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER.

**2.09 Payments Received.** If Seller receives any credits, payments or other consideration distributed or paid by or on behalf of any Account Debtor with respect to the Accounts prior to or on the applicable Cut-Off Date, Seller shall be entitled to accept such payments or other consideration and Buyer shall be entitled to any credit, discount, refund or reimbursement by Seller of any portion of the Purchase Price. The amount of any payment shall either be reflected in the Account Balance of such Account prior to the calculation of the Purchase Price paid by the Buyer or the Purchase Price shall be adjusted accordingly.

If Seller shall receive any other credits, payments or other consideration distributed or paid by or on behalf of any Account Debtor, with respect to the Accounts after the applicable Cut Off Date, Seller shall pay over and/or deliver such payments, or other consideration to Buyer (without interest thereon from Seller) within thirty (30) days after the Purchase Date. If any Account is repurchased by Seller pursuant to Article V hereof, Seller shall not transfer to Buyer any payments or other consideration, regardless of when received. Seller may indicate on the records related to any of the Accounts the date of receipt and amount of any payments.

If Seller has deposited payments received from any Account Debtor and issues a check or payment therefore to Buyer, Buyer shall bear the risk that any such payment so deposited by Seller may be returned due to insufficient funds. Seller shall have a period of thirty (30) days after the date Seller delivers to Buyer payments made by or on behalf of any Account Debtor on or after the Cut Off Date to notify Buyer in writing that any such payments were returned due to insufficient funds and specifying the amount thereof, whereupon Buyer shall pay promptly, but not later than thirty (30) days following receipt of such notice, to Seller or to such entity as Seller shall designate, the amount of such payment by check and identifying thereon the effective date of the Sale.

If, with respect to any repurchased Account or any Account not transferred to Buyer, Seller sends to Buyer any funds or Buyer receives any funds from any Account Debtor, then Buyer shall immediately notify Seller and Buyer shall pay such funds to Seller within thirty (30) days of Buyer's receipt of such funds.

In regard to any payments received by an Originating Creditor, transfer of payments shall be governed under the provisions of Original Purchase Agreements attached hereto as exhibits. By incorporating the provisions of the Original Purchase Agreements it is the intent of the parties, except as may be modified by this Purchase & Sale Agreement, that the Buyer's rights and liabilities be the same as those assumed by Seller under the various agreements as to the accounts purchased thereunder. Seller specifically warrants that it will add no additional fees to the transfer of payments other than those levied by the Originating Creditors, if any.

## ARTICLE III

### REPRESENTATIONS & WARRANTIES

**3.01 Representations and Warranties of the Seller.** Except as set forth in Section 3.01, Seller makes no warranty or representation with respect to the Accounts, Account Documents, or any other matter relating to the Accounts. The Seller's representations, obligations, and warranties in this Section 3.01 shall survive the Buyer's acquisition of the Accounts for a period of thirty (30) days after the Purchase Date.

The Seller hereby makes the following representations and warranties solely to Buyer:

(a.) Organization and Good Standing. Seller is a Delaware limited liability corporation, being organized and validly existing and in good standing under the laws of the jurisdiction of their organization and have full power, authority and the legal right to own their properties and conduct their business as now conducted, and to execute, deliver and perform their obligations under this Agreement.

(b.) Due Qualification. The Seller is (i.) duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where such qualification is necessary in order to perform its duties hereunder, (ii.) has obtained all licenses and approvals as required under federal and state law that are necessary to perform its duties hereunder and (iii.) is in compliance with its organizational documents.

(c.) Due Authorization. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary corporate action on its part and do not and will not contravene any provision of its Articles of Organization. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium and/or other similar laws and general equitable principles.

(d.) No Conflict. The execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby does not violate, conflict with or result in a breach or default under, as applicable, the charter, certificate of incorporation or bylaws of Seller, any federal, state or local law, rule or regulation applicable to Seller or any agreement or other document to which Seller is a party or by which it or any of its property is bound.

(e.) Title to the Accounts. As of the Purchase Date, Seller holds title in and to the Accounts, free and clear of all encumbrances, liens and claims and is the lawful owner of the Accounts and, upon the purchase by Buyer of the Accounts hereunder from Seller, Buyer shall acquire unencumbered title in and to the Accounts, except for such encumbrances, liens and claims caused or created by Buyer.

(f) Accuracy of Information. Seller represents and warrants that for each individual Account, the Account's information and data furnished to Buyer in connection with this Agreement is true and accurate to its best belief and knowledge.

### **3.02 Representations and Warranties of the Buyer.**

The Buyer hereby makes the following representations and warranties to the Seller:

(a.) Organization and Good Standing. The Buyer is a California corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power, authority and the legal right to own its properties and conduct its business as now conducted, and to execute, deliver and perform its obligations under this Agreement.

(b.) Due Qualification. The Buyer is (i.) duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where such qualification is necessary in order to perform its duties hereunder, (ii.) has obtained all licenses and approvals as required under federal and state law that are necessary to perform its duties hereunder and (iii.) is in compliance with its organizational documents.

(c.) Due Authorization. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary corporate action on its part and do not and will not contravene any provision of its Articles of Organization. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium and/or other similar laws and general equitable principles.

(d.) No Conflict. The execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby does not violate, conflict with or result in a breach or default under, as applicable, the charter, certificate of incorporation or bylaws of Buyer, any federal, state or local law, rule or regulation applicable to Buyer or any agreement or other document to which Buyer is a party or by which it or any of its property is bound.

(e.) No Proceeding. There is no litigation or administrative proceeding before any court, tribunal or governmental body presently pending or threatened against Buyer which would have a material adverse effect on the transactions contemplated by, or Buyer's ability to perform its obligations under, this Agreement. Further, there are no lawsuits, administrative proceedings or investigations pending or, to the best knowledge of Buyer, threatened against the Buyer before any court, regulatory body, administrative



agency, or other tribunal or governmental instrumentality relating to the Buyer's collection activities which have a reasonable likelihood of resulting in liability to the Buyer in excess of five thousand (5,000) dollars.

(f.) Primary Purpose. The Buyer represents and warrants to Seller that the Buyer's primary purpose in purchasing Accounts is to attempt legal collection of the Unpaid Balances owed on such Accounts and is not to commence an action or proceeding against Account Debtors obligated under such Accounts.

(g.) Buyer Accepts "As-Is" Condition.

EXECUTION OF THIS AGREEMENT SHALL CONSTITUTE AN ACKNOWLEDGEMENT BY BUYER THAT THE ACCOUNTS WERE ACCEPTED WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OR OTHERWISE IN AN "AS-IS", "WITH ALL FAULTS" CONDITION BASED SOLELY ON BUYER'S OWN INSPECTION. NO EVENT OR CONDITION SHALL ENTITLE BUYER TO REFUSE TO PURCHASE AN ACCOUNT OR TO REQUEST SELLER TO REPURCHASE A LOAN, EXCEPT AS SPECIFIED IN THIS AGREEMENT. Buyer acknowledges and agrees that Seller has not and does not represent, warrant or covenant the nature, completeness, enforceability or validity of any of the Accounts, Accounts Receivable, Account Files, Account Documents and/or collateral documents. All documentation, information, analysis and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Buyer with respect to any and all Accounts or Accounts Receivable are done so on an "as is" basis, with all faults.

(h.) Except to the extent that the representations and warranties conflict with the representations and warranties contained herein, Buyer shall assume and be subject to the representations and warranties contained in the Original Purchase Agreements. by incorporating the provisions of the Original Purchase Agreements it is the intent of the parties, except as may be modified by this Purchase & Sale Agreement, that the Buyer's rights and liabilities be the same as those assumed by Seller under the various agreements as to the accounts purchased thereunder.

#### ARTICLE IV

##### CONDUCT OF BUSINESS AFTER PURCHASE

**4.01 Interim Servicing.** Until the Cut-Off Date, Seller may continue to service the Accounts to be transferred and, in connection therewith, shall have the right to handle the

Accounts and any matter relating to the Accounts in any manner that Seller deems appropriate. Buyer shall be bound by the actions taken by the Seller in compliance with applicable law with respect to any Account prior to the Purchase Date. Buyer shall take no action to communicate with Account Debtors (or their agents or representatives) or enforce, service or otherwise manage any Account until after the purchase of the Accounts, and only in accordance with any and all applicable federal and state laws, rules, regulations and court orders. In no event shall Seller be deemed a fiduciary for the benefit of Buyer with respect to the Accounts or any Account.

**4.02 Compliance With Law.** Any and all servicing, billing, processing, communications, notices as are required by contract or by applicable federal and state laws, rules, regulations and court orders, collections or recovery by Buyer with respect to the Accounts shall conform in all respects to the terms and conditions of the Account and to any and all applicable federal and state laws, rules, regulations and court orders. Buyer shall ensure that each subsequent purchaser or assignee of the Accounts and any Person acting on behalf of Buyer or such purchaser or assignee complies with the requirements contained in this Section 4.02.

**4.03 Retrieval of Account Documents.** Except as such documents that are in Seller's possession at the time of closing, production of documentation shall be governed under the provisions of Original Purchase Agreements attached hereto as exhibits. By incorporating the provisions of the Original Purchase Agreements it is the intent of the parties, except as may be modified by this Purchase & Sale Agreement, that the availability be the same as that provided to Seller with all provisions as to duration and costs (with an additional \$2.50 fee per document request) assumed by Seller under the various agreements as to the accounts purchased thereunder.

**4.04 Oral Information.** Seller shall not be obligated to furnish Buyer with any oral information.

**4.05 Reporting to Credit Reporting Agencies.** Buyer acknowledges that Seller has no liability for the way in which any Person, including Originating Creditor, reports the status of the Accounts to the credit reporting agencies. If Seller so elects, it will either (i.) report the Accounts as either sold, charged-off sold or another similar designation or (ii.) delete any reporting that Seller has done to the credit reporting agencies on the Accounts. Buyer represents and warrants that it shall continue to report to those credit bureaus to which it reports, after the Purchase Date, appropriate updates with respect to each Account purchased from Seller hereunder.

**4.06 Seller as Witness.** If Buyer files any legal action to collect on an Account and Buyer requests or subpoenas an officer or employee of Seller to appear at a trial, hearing or deposition to testify about the Account (and in the case of a request Seller agrees to provide an officer or employee to so appear), Buyer will pay Seller in advance for the officer's or employee's time in traveling to, attending and testifying at the trial, hearing or deposition, whether or not the officer or employee is called as a witness. Buyer will also pay Seller, in advance, the officer's or employee's reasonable out-of-pocket and travel-related expenses. For

the avoidance of doubt (and notwithstanding anything otherwise provided herein), Buyer acknowledges that Seller is not obligated to provide a witness upon Buyer's request. FAILURE TO PROVIDE A WITNESS WILL NOT RESULT IN A BREACH OR DEFAULT OF THIS AGREEMENT. Additionally, an Account shall not constitute a Non-Conforming Account solely because Seller is unable to provide a witness related to such Account.

**4.07 Legal Notices Received After the Purchase Date.** Buyer and Seller shall promptly notify each other of any claim, threatened claim, pending or threatened obligation or any other legal proceeding or governmental action related to Accounts and involving or implicating Buyer or Seller or actions taken in respect of Accounts. In the event Buyer receives a notice from any state or federal agency that it is being investigated for violations of any debt collection practices statute or regulation, Buyer shall promptly, but in no event more than ten (10) Business Days after receipt of such notice, notify Seller that such investigation has been initiated. Buyer shall provide Seller with details of the allegations made and of Buyer's intended response thereto.

**4.08 Extent of Seller's Obligations After Purchase Date.**

(a.) Except as stated herein, Seller shall have no obligation to perform any servicing activities with respect to Accounts from and after the Purchase Date.

(b.) Seller shall provide to Buyer, within fifteen (15) days after the end of each of Seller's fiscal months, a report indicating the amounts of payments received by Seller in respect of Accounts during the immediately preceding fiscal month and shall remit to Buyer such amounts within thirty (30) days after its provision of such report, except that, with respect to any payments received during the fiscal month in which the Purchase Date occurs, such report and remittance shall reflect only amounts received on or after the Purchase Date.

(c.) Seller shall use good faith, commercially reasonable efforts to identify and forward to Buyer, within fifteen (15) days after the end of each of Seller's fiscal months, all written correspondence received during such fiscal month by Seller in respect of Accounts that is relevant to Buyer's recovery or ownership thereof, including bankruptcy and probate notices.

**4.09 UCC Filings.** On or after the date hereof, Buyer may file such UCC financing statements or continuation statements as are required to perfect the sale of the Accounts to Buyer from Seller

**4.10 Use of Names.** Buyer shall use (and shall ensure that each permitted assignee, subsequent purchaser of Accounts and any other Person taking action in respect of Accounts only shall use) only Buyer's (or such other Person's) own name when taking action in respect of Accounts. Buyer shall not state, represent or imply (and shall ensure that no permitted assignee, subsequent purchaser of Accounts or other Person taking action in respect of Accounts states, represents or implies) that Buyer (or such other Person) is connected in any manner with, or acting for or on behalf of, Seller, Seller's Affiliates, Originating Creditor, any other prior

Seller/Owner of the Accounts or any Person with whom Originating Creditor or its Affiliates has a program or other agreement relating to Accounts. Buyer shall not (a) use the marks and/or names of, or otherwise refer to (and shall ensure that no permitted assignee, subsequent purchaser or other Person taking action in respect of Accounts uses the marks and/or names of, or otherwise refers to) Seller, Seller's Affiliates, Originating Creditor, any other prior Seller/Owner of the Accounts or any Person with whom Originating Creditor or its Affiliates has a program or other agreement relating to Accounts, including the marks and/or names of the establishment(s) at which the credit card generating the Account was used or (b) use (and shall ensure that no permitted assignee, subsequent purchaser or other Person taking action in respect of Accounts uses) any names and/or marks similar to the names and/or marks of Seller, Seller's Affiliates, Originating Creditor, any other prior Seller/Owner of the Accounts or any Person with whom Originating Creditor or its Affiliates has a program or other agreement relating to Accounts, including the name of the establishment(s) at which the credit card generating the Account was used or (c) use (and shall ensure that no permitted assignee, subsequent purchaser or other Person taking action in respect of Accounts uses) the marks and/or names of Seller, Seller's Affiliates, Originating Creditor, any other prior Seller/Owner of the Accounts or any Person with whom Originating Creditor or its Affiliates has a program or other agreement relating to Accounts, in litigation which Buyer undertakes in the caption of the action, either as plaintiff or in any other capacity.

The foregoing notwithstanding, however, Buyer (and any person acting on behalf of Buyer, any permitted assignee, subsequent purchaser of Accounts and any other Person servicing such Accounts) may use the name of Seller and/or Originating Creditor solely for the purpose of identifying an Account (a) in communications with an Account Debtor on such Account in order to collect amounts outstanding thereon, (b) in connection with filing suit, (c) in connection with the sale or financing of the purchase of such Account, (d) for internal reporting purposes, (e) in bankruptcy and probate proceedings or (f) in connection with entering into any servicing arrangement. Provided, however, that neither Buyer nor any person acting on behalf of Buyer (or any permitted assignee, subsequent purchaser of Accounts and any other Person servicing such Accounts) shall state or represent in any way that it is taking action for or on behalf of Seller, Seller's Affiliates, Originating Creditor, any prior Seller/Owner of the Accounts or any Person with whom Originating Creditor or its Affiliates has a program or other agreement relating to Accounts. Buyer agrees, acknowledges, confirms and understands that there may be no adequate remedy at law for a violation of the terms, provisions, conditions and limitations set forth in this Section 4.10 and Seller shall have the right to seek the entry of an order by a court of competent jurisdiction enjoining any violation hereof.

**4.11 Communication.** Buyer agrees not to refer any inquiries from an Account Debtor whose Account is the subject of this Agreement to Seller or Originating Creditor, but to handle any such inquiries directly with Account Debtor.

**4.12 No Direct Cause of Action.** Buyer has no direct cause of action against, or right of indemnification from, the Originating Creditor of the Accounts being purchased under this Agreement. Buyer acknowledges that its only direct cause of action or any right of indemnification, arising from this Agreement, exists solely with Seller. Buyer acknowledges

that Originating Creditor has no obligation to Buyer as to the Accounts to which this Agreement pertains.

**4.13 Direct Cause of Action.** Buyer acknowledges and agrees that BOTH ORIGINATING CREDITOR AND SELLER HAVE DIRECT RIGHTS OF ACTION AGAINST BUYER IN THE EVENT THAT BUYER FAILS TO FULLY COMPLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT.

## ARTICLE V

### NON-CONFORMING ACCOUNTS

**5.01 Definition.** For purposes of the Agreement, an Account shall be considered a “Non-Conforming Account” if any of the following conditions apply to such Account:

- (a.) the Account was, in the reasonable opinion of Seller, created as a result of fraud or forgery or Seller's mistake;
- (b.) on or prior to the Cut-Off Date, all the Account Debtors were deceased;
- (c.) on or prior to the Cut-Off Date, the debt represented by such Account was compromised, settled, paid in full or satisfied;
- (d.) on or prior to the Cut-Off Date, all the Account Debtors on such Account were released from liability on the Account by Seller or a court of competent jurisdiction;
- (e.) on or prior to the Cut-off Date, all the Account Debtors filed a Bankruptcy petition that were not dismissed by the Bankruptcy Court on or prior to the Cut-off Date; and
- (f.) on or prior to the Cut-off Date, there are legal proceedings pending by or against any Account Debtor involving Seller and/or Seller's Agent; and

**5.02 Account Documentation.** For the avoidance of doubt (and notwithstanding anything otherwise provided herein), the parties hereto acknowledge and agree that an Account shall not constitute a Non-Conforming Account solely because Seller is unable to produce Account Documentation related to such Account. If an Account is an alleged Non-Conforming Account pursuant to 5.01(a), Buyer must provide either (i.) documentation that a police report was filed by the Account Debtor or (ii.) a notarized affidavit from the Account Debtor asserting that fraud occurred on the Account or such other documentation as may be identified in the Original Purchase Agreements.

### **5.03 Seller's Duty/Right to Repurchase.**

(a.) Notwithstanding any provisions to the contract in the Original Purchase Agreements, the Buyer may, once, at any time within ninety (90) days of the Purchase Date of Accounts, notify Seller in writing, which notification shall be substantially in the form of Exhibit D hereto, of any good faith determination by Buyer that an Account is a Non-Conforming Account. Included with Buyer's written notification must be documentation or information reasonably needed by Seller to verify the status of any Non-Conforming Account.

(b.) Within thirty (30) days following Seller's receipt of Buyer's determination that the Account is a Non-Conforming Account, in the format specified in the Agreement, Seller shall in good faith confirm or deny that the Account is a Non-Conforming Account. Any dispute between the parties as to whether an Account is a Non-Conforming Account shall be resolved through friendly consultations between Buyer and Seller. Provided that Seller confirms that the Account is a Non-Conforming Account, Seller shall, at Seller's sole discretion, either (i.) repurchase the Non-Conforming Account and pay Buyer the dollar amount of the Purchase Price for such Non-Conforming Account less the amount of any monies received or collected by Buyer on such Non-Conforming Account. Any payments received by Buyer on such Accounts will be promptly forwarded to Seller.

(c.) In the event that Seller at any time determines that (i) an Account is a Non-Conforming Account, (ii) there is a pending or threatened suit, action, arbitration or other legal proceeding or investigation relating to Seller on an Account and resolution of the matter would be facilitated if Seller owned such Account, or (iii) such Account should not be recovered or collected or should not have been sold due to a possible legal defect or infirmity, Seller may advise Buyer that it wishes to repurchase the same, in which event Seller shall purchase such Account for an amount equal to the Purchase Price therefor. Nothing contained in clause (iii) of the immediately preceding sentence shall impose any duty on or constitute a representation of Seller with respect to the validity, enforceability, or collectability of any Account. Except for the Purchase Price, if any provision of this subsection shall conflict with the Original Purchase Agreement under which Seller acquired the subject Account, the repurchase provision of the particular Original Purchase Agreement shall govern so as to give the Seller the right to re-acquire the subject account.

(d.) Repurchase by the Seller pursuant to this Article V shall constitute the sole and exclusive remedy of the Buyer in respect of any Non-Conforming Account and, except for the remedies in this Article V, Buyer hereby waives any and all rights and remedies to sue Seller in law or equity for damages or other relief in respect of such Non-Conforming Account.

**5.04 Extent of Buyer's Obligations After Repurchase.**

(a.) Should any Account be repurchased by Seller from Buyer pursuant to Section 5.03, Buyer shall provide to Seller, within thirty (30) days after the end of each of Buyer's fiscal months, a report indicating the amounts of payments received by Buyer in respect of the repurchased Accounts during the immediately preceding fiscal month and shall remit to Seller such amounts within thirty (30) days after its provision of such report, except that, with respect to any payments received during the fiscal month in which the date of repurchase occurs, such report and remittance shall reflect only amounts received on or after the date of repurchase.

(b.) Buyer shall use good faith, commercially reasonable efforts to identify and forward to Seller, within fifteen (15) days after the end of each of Buyer's fiscal months, all written correspondence received during such fiscal month by Buyer in respect of repurchased Accounts that is relevant to Seller's recovery or ownership thereof.

ARTICLE VI

**BUYER'S RIGHT OF TRANSFER**

**Section 6.01 Right of Sale and Transfer.**

All of Buyer's rights of sale and transfer shall be governed under the provisions of Original Purchase Agreements attached hereto as exhibits. By incorporating the provisions of the Original Purchase Agreements it is the intent of the parties, except as may be modified by this Purchase & Sale Agreement, that the Buyer's rights and liabilities be the same as those assumed by Seller under the various agreements as to the accounts purchased thereunder.



## ARTICLE VII

### INDEMNIFICATION

**7.01 By Buyer.** Buyer shall indemnify and hold harmless Seller, Seller's Affiliates, Originating Creditor, any prior Seller/Owner of the Accounts or any Person with whom Seller or its Affiliates has a program or other agreement relating to Accounts (including owners of the establishment(s) at which the credit card generating the Accounts were used), and any of their respective shareholders, officers, directors, agents or employees, from and against any claim, loss, cost, liability, damage or expense (including, without limitation, reasonable attorney's fees and costs of suits) that arise from or relate to (a) any breach by Buyer or any assignee or subsequent purchaser of the Accounts of the representations, warranties, covenants and other responsibilities set forth in this Agreement, (b) any other act or omission by Buyer or any assignee or subsequent purchaser of the Accounts or any of their respective officers, directors, agents, employees, representatives, assignees or subsequent purchasers with respect to the Accounts committed or occurring after the Purchase Date, or (c) except as permitted pursuant to Section 4.10, the use by Buyer or any assignee or subsequent purchaser of the Accounts of the name, marks or other property or information of Seller, its Affiliates or any other Person with whom Seller or its Affiliates has a program or other agreement relating to Accounts.

**7.02 By Seller.** Seller shall indemnify and hold harmless Buyer, Buyer's Affiliates and any of their respective shareholders, officers, directors, agents or employees, from and against any claims, loss, cost, liability, damage or expense (including, without limitation, reasonable attorney's fees and costs of suits) that arise from or relate to (a) any breach by Seller of its representations, warranties, covenants or other responsibilities set forth in this Agreement or (b) any other act or omission by Originating Creditor, Seller or any of its prior Seller/Owner of the Accounts or any of their respective officers, directors, agents, employees, representatives or assignees with respect to the Accounts committed or occurring prior to the Purchase Date.

**7.03 Limitations on Seller's Indemnification Obligations.** Buyer acknowledges that it has purchased the Accounts "AS IS," without reliance on any representations or warranties of Seller except as expressly provided herein. As a result, Buyer agrees that in no event shall Seller be liable for any damages or claims for lost profits or consequential, incidental, indirect or punitive damages of Buyer, Buyer's Affiliates or any purchaser or assignee of Accounts. Buyer also agrees that no subsequent purchaser or assignee of the Accounts shall have a direct cause of action against, or right of indemnification from, Seller and that all purchase agreements with such Persons shall so provide.

**7.04 Indemnification Procedure.** Whenever any claim of the type which would occasion indemnification under Article VII hereof is asserted or threatened against any party hereto, that party shall promptly notify the other party hereto. The notice shall include, if known, the facts constituting the basis for such claim, including, if known, the amount or an estimate of the amount of the liability arising therefrom. In the event of any claim for indemnification

hereunder resulting from or in connection with the claim or legal proceedings of a claimant not a party to this Agreement, the indemnifying party shall have the right, at its option, at its expense and with its own counsel which counsel shall be reasonably satisfactory to the party seeking indemnification to assume the defense of any such claim or any litigation resulting from such claim or to participate with its own counsel which counsel shall be reasonably satisfactory to the party seeking indemnification in the compromise or defense thereof. If the indemnifying party undertakes to assume the defense of any such claim or litigation or participate in the compromise thereof, it shall promptly notify the indemnified party of its intention to do so, and, as a condition to the indemnifying party's indemnification obligation, the indemnified party shall cooperate reasonably with the indemnifying party and its counsel (but at the sole expense of the indemnifying party) in the defense against or compromise of any such claim or litigation. Anything in this Section 7.04 to the contrary notwithstanding, the indemnified party shall not compromise or settle any such claim or litigation without the prior written consent of the indemnifying party, which consent will not be unreasonably withheld; provided, however, that if the indemnified party shall have any potential liability with respect to, or may be adversely affected by, such claim or litigation, the indemnifying party shall not settle or compromise such claim or litigation without the prior written consent of the indemnified party.

## ARTICLE VIII

### CONFIDENTIALITY

**8.01 General.** All oral and written information about Seller and Buyer, their respective credit card businesses and customers, including Account Holders, and this Agreement (including the Purchase Price) (collectively, the "Records"), are valuable and proprietary assets. Seller and Buyer (and each of their respective employees and agents) shall treat the Records as strictly confidential and, except as expressly authorized hereunder, will not disclose such Records to any Person or use such Records other than in accordance therewith, provided that Buyer may disclose such Records to any subsequent purchaser or potential purchaser of the Accounts if such purchaser or potential purchaser agrees to the terms of this confidentiality provision in writing, such Records directly relate to the Accounts purchased or proposed to be purchased and such Records as are reasonably required by such purchaser or subsequent purchaser to collect or assess the Accounts. Each party hereto will use its best efforts to ensure that its employees and agents maintain such confidentiality. Each party hereto will notify the other party hereto immediately upon receiving a subpoena or other legal process about the other party's Records and will cooperate with the other party thereto to comply with or oppose the subpoena or legal process.

**8.02 Limitation.** This Article VIII will not apply to information, documents, and material that are in or enter the public domain other than through a wrongful act or omission of a party hereto.

ARTICLE IX  
MISCELLANEOUS

**9.01 Notices, etc.** All notices, demands, instructions, and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, by recognized carrier of overnight mail (with messenger delivery specified), or by facsimile (receipt confirmed). Notice given by registered or certified mail, postage prepaid, shall be deemed to be given for purposes of this Agreement three (3) Business Days after the date sent. Notice given by recognized carrier of overnight mail shall be deemed to have been given on the second Business Day after delivery thereof to the carrier. Notice given by personal delivery shall be deemed to be given when delivered. Notice given by facsimile as aforesaid, shall be deemed to be given when sent, if properly addressed to the party to whom sent. Unless otherwise specified in a notice in writing sent or delivered in accordance with the foregoing provisions of this Section 9.01, notices, demands, instructions and other communications shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective facsimile number) indicated below:

If to Buyer to:                      Mountain Lion Acquisitions, Inc  
   8448 Katella Avenue  
   Stanton, Calif 90680

If to Seller to:                      Cuzco Capital Investment Management, LLC.  
   111 Great Neck Road, Suite 306  
   Great Neck, NY 11021  
   Attn: Jay Barsky  
   FAX: (917) 210-3009

**9.02 Complete Agreement; Successors and Assigns; Relationship of Parties.** This Agreement constitutes the complete agreement between the parties hereto with respect to the subject matter hereof and supersedes all existing agreements and all oral, written, or other communications between the parties concerning its subject matter. The parties make no representations or warranties to each other, except as specifically set forth in or specified by this Agreement. All prior representations and statements made by any party or its representatives, whether verbally or in writing, are deemed to have been merged into this Agreement. This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns; provided, that Buyer

may not assign the Accounts, this Agreement and/or any of its rights or obligations hereunder without Seller's prior written consent, except Buyer may transfer Accounts pursuant to Article VI hereof. Seller may freely assign this Agreement and/or its rights and/or its obligations hereunder without Buyer's consent.

**9.03 Expenses.** Except as otherwise expressly provided in this Agreement, Buyer and Seller will each bear its own out-of-pocket expenses in connection with the transaction contemplated by this Agreement.

**9.04 Amendment.** Neither this Agreement nor any of its provisions may be changed, waived or discharged orally. Any change, waiver or discharge may be effected only by a writing signed by the party against which enforcement of such change, waiver or discharge is sought.

**9.05 Waivers, Etc.** No waiver of any single breach or default of this Agreement shall be deemed a waiver of any other breach or default of this Agreement. All rights and remedies, either under this Agreement or by law or otherwise afforded to a party, will be cumulative and not alternative.

**9.06 Severability.** If any one or more of the provisions of this Agreement, for any reason, is held to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed without this invalid, illegal or unenforceable provision.

**9.07 Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE INTERNAL CONFLICT OF LAWS PROVISION OF SUCH STATE). THE PARTIES AGREE THAT ANY PERMITTED LEGAL ACTIONS BETWEEN OR AMONG BUYER AND SELLER REGARDING THIS AGREEMENT OR THE ACCOUNTS SHALL BE BROUGHT IN THE STATE OR FEDERAL COURTS IN THE STATE OF NEW YORK AND EACH OF THE PARTIES HEREBY CONSENTS TO THE JURISDICTION OF SUCH COURTS (AND OF THE APPROPRIATE APPELLATE COURTS) IN ANY SUCH ACTION AND WAIVES ANY OBJECTION TO VENUE LAID THEREIN. Process in any such action may be served upon any party in the manner provided for giving of notices to it herein.

**9.08 Public Announcement.** Neither Buyer nor Seller shall make any public announcement of this Agreement, or provide any information concerning this Agreement or the subject matter hereof to any representative of the news media or any other Person not a party to this transaction, without the prior approval of the other party. The parties herein will not respond to any inquiry from public, governmental or administrative authorities concerning this Agreement without prior consultation and coordination with each other.

**9.09 Survival.** Except as otherwise expressly provided herein, all the representations, warranties, terms and covenants of the parties hereto, including but not limited to indemnifications, shall survive the sale of the Accounts from Seller to Buyer.

**9.10 Headings.** Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**9.11 Counterparts.** This Agreement may be signed in one or more counterparts, all of which taken together will be deemed one original. A copy of an executed signature page to this Agreement delivered by either party hereto via telecopy shall be deemed effective on the date of such delivery.


**9.12 Offsets.** Any payment required to be made by any party to the other party may be offset by any payment required to be made by the second party to the first party.

**9.13 Retained Claims.** Buyer and Seller agree that the sale of the Accounts pursuant to this Agreement shall exclude the transfer to Buyer of any and all claims and/or causes of action Seller has or may have against: (a) Officers, directors, employees, insiders, accountants, attorneys, other Persons employed by Seller, underwriters or any other similar Person or Persons who have caused a loss to Seller in connection with the initiation, origination or administration of any of the Accounts, (b) any third parties involved in any alleged fraud or other misconduct relating to the making or servicing of any of the Accounts, or (c) any other party from whom Seller has contracted services in respect of the Accounts.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

Mountain Lion Acquisitions, Inc.

Cuzco Capital Investment Management, LLC

  
\_\_\_\_\_  
Scott Carruthers  
ATTORNEY

  
\_\_\_\_\_  
Jay Barsky  
President

Exhibit A

**BILL OF SALE & ASSIGNMENT**

The undersigned Assignor ("Assignor") on and as of the date hereof hereby absolutely sells, transfers, assigns, sets over, quitclaims and conveys to Mountain Lion Acquisitions, Inc. ("Assignee") without recourse and without representations or warranties of any type, kind, character or nature, express or implied, subject to Seller's repurchase rights as set forth in Article V, all of Assignor's right, title and interest in and to each of the accounts identified in the Closing File attached hereto (the "Accounts", together with the right to all principal, interest or other proceeds of any kind with respect to the Accounts remaining due and owing as of the Cut-off Date applicable to such Accounts as set forth in the Purchase & Sale Agreement dated July 27<sup>th</sup>, 2012 pursuant to which the Accounts are being sold.

Dated this the 27<sup>th</sup> of July 2012.

ASSIGNOR: Cuzco Capital Investment Management, LLC

Jay Barsky  
President

A handwritten signature in black ink, appearing to read 'Jay Barsky', is written over a horizontal line. The signature is stylized and cursive.