

PURCHASE AND SALE AGREEMENT  
CHARGED-OFF DEBT PORTFOLIO

BETWEEN

MIDFIRST BANK  
AS SELLER

-- AND --

CAVALRY SPV I, LLC.  
AS BUYER

Dated and Effective as of

June 7, 2002

PLAINTIFF'S  
EXHIBIT

(1) (33 0000)

"Business Day" means any day on which Seller is open for business other than a Saturday, a Sunday or a federal holiday.

"Closing Date" means on or about June 21, 2002, to be mutually agreed upon by the Parties.

"Computer File" means that certain computer file or files to be provided by Seller to Buyer, setting forth all relevant information on the Accounts and the Obligor(s), including, but not limited to, Current Balance, Seller's account number, Issuer's account number, Issuer or Prior Owner, name, and, if available, address, phone number, social security number, payment history, date of last payment, charge-off date, open date, date of first delinquency, interest rate, accrued interest and other charges and account collateral, if any.

"Current Balance" means, as to any Account, the amount that was provided to Seller by the Issuer or Prior Owner, as due and owing to the Issuer or Prior Owner of the Account as of the date Seller purchased the Account, less any payments received by Seller after the date Seller purchased the Account not applied to interest charged by Seller. This figure may include interest (accrued and unaccrued), costs, fees and expenses up to the charge off date of each Account, with the exception of Accounts purchased from Nations Bank, Charge-Off Clearinghouse, Colorado Asset & Financial Group, Midland Credit Management, Mercantile Bank and Norwest Bank, which may have interest, costs and fees after the Charge-Off Date. This figure may also reflect payments made by or on behalf of any Obligor which have been deposited and credited to the Current Balance of such Account, but which may subsequently be returned to Seller due to insufficient funds to cover such payments.

"Cutoff Date" means midnight on May 3, 2002.

"Deposit" means [REDACTED] which Buyer shall submit to Seller along with the executed original of this Agreement.

"Issuer or Prior Owner" means the entity from which an Account originated or the entity which owned the Account immediately preceding Seller.

"Obligor" means the current and unreleased obligor(s) on or under the Account Documents, including, without limitation, any and all guarantors, sureties or other persons or entities liable on the Account.

"Parties" means Buyer and Seller.

"Purchase Price" means the amount, in dollars, to purchase the Accounts as stated in Section 2.4, calculated by multiplying the aggregate Current Balances for each respective pool as shown on the Account Schedule by the Purchase Price Percentage for each pool.

"Purchase Price Percentage" means the percentage of the aggregate Current Balances for the Accounts bid at auction by the Buyer to purchase the Accounts, which is multiplied by the aggregate Current Balances as shown on the Account Schedule to determine the Purchase Price.

"Seller" means MidFirst Bank, a federally chartered savings association.

"Servicing Agent" means First Credit Solutions, Inc., an Oklahoma corporation and affiliate of MidFirst Bank.

"Transfer Date" shall be the same as the Closing Date, at which time Seller transfers the Accounts to Buyer and makes available for pick-up by, or delivery of, the Transfer Documents to Buyer.

"Transfer Documents" means all documents that are required to be delivered on the Transfer Date by Seller or the Buyer pursuant to Article III.

"Unenforceable Account" means an Account that is or may be legally unenforceable or uncollectible as of the Cut-Off Date for one of the following reasons: (a) the death of all Obligor on an Account; (b) the bankruptcy filing of all Obligor on an Account; (c) the full settlement or release of all Obligor on the Account by Seller or Issuer or Prior Owner; (d) the Account was created as a result of fraud, mistake or forgery, such that all purported Obligor have no liability for such Account; or (e) the Account is a duplicate record of any other Account in the Portfolio.

## ARTICLE II PURCHASE AND SALE OF THE ACCOUNTS

Section 2.1. Agreement to Sell and Purchase Accounts. Seller agrees to sell, and Buyer agrees to purchase all of Seller's right, title and interest in and to the Accounts described in the Account Schedule, subject to the terms, provisions, conditions, limitations, waivers and disclaimers set forth in this Agreement.

Section 2.2. Agreement to Assign/Buyer's Right to Act. On the Transfer Date, Seller shall deliver to Buyer a Bill of Sale and Assignment, in the form of Exhibit B hereto, executed by an authorized representative of Seller, which Bill of Sale and Assignment shall sell, transfer, assign, set-over, quitclaim and convey, in each case without recourse (except as expressly provided for in this Agreement), to Buyer all right, title and interest of Seller in and to each of the Accounts sold and the proceeds (except as described in Section 2.5, below) of the Accounts received by Seller from and after the Cutoff Date, if any. Buyer shall have no right to communicate with any Obligor or otherwise take any action with respect to any Account or any Obligor until the Transfer Date.

Section 2.3. Account Schedule & Computer File. Seller shall deliver to Buyer on or prior to the Closing Date a Computer File with information as of the Cut-Off Date, in a format reasonably acceptable to Buyer, and the Account Schedule, Exhibit A hereto, setting forth all of the Accounts which Buyer has agreed to purchase.

Section 2.4. Purchase Price/Payment. Buyer shall pay to Seller the Purchase Price as follows:

(i) Deposit. Buyer has delivered the amount of [REDACTED] in the form of a wire transfer, according to the instructions of the Seller, made payable to MidFirst Bank (the "Deposit") to secure Buyer's performance under this Agreement and as partial payment for the Accounts. The Deposit shall be non-refundable.

Buyer [Signature]  
Seller [Signature]

(ii) Balance. On or before 3:00 p.m., EDT on the Closing Date, Buyer shall pay to Seller the balance of the Purchase Price of [REDACTED], less any Credit due Buyer as provided in Section 2.5 below. All of such funds must be in immediately available funds in United States Dollars by wire transfer according to the instructions of the Seller made payable to Seller.

Section 2.5. [REDACTED]

### ARTICLE III TRANSFER OF ACCOUNTS AND DOCUMENTS

Section 3.1. Assignment of Accounts and Documents. On the Transfer Date, Seller shall execute and deliver or make available to Buyer the Bill of Sale and Assignment substantially in the form of Exhibit B attached hereto and such other documents as the Parties deem reasonably necessary, proper or appropriate for the legal transfer of its right, title and interest in and to the Accounts purchased pursuant to this Agreement (collectively, the "Transfer Documents"). The Bill of Sale and Assignment shall have the same effect as an individual and separate bill of sale and assignment of each and every Account referenced therein. Buyer shall be responsible at its own expense for the recording and/or filing of the originals of any such assignments as it deems necessary or appropriate in its sole discretion. Seller reserves the right to retain copies of all or any of the Transfer Documents it provides to Buyer under

Section 3.2. Buyer shall bear the expenses of transportation of such Transfer Documents and of the other documents, instruments and files to be delivered to Buyer pursuant to this Article III. Following delivery of said Transfer Documents, Seller shall have no further responsibility or cost whatsoever with respect to the recording or processing of said Transfer Documents and/or any other steps required to effect said transfer and/or assignment, and it shall be the sole responsibility of Buyer to record or process said instruments and/or to take such other steps as may be necessary to effect said transfer or assignment, and Buyer shall be responsible for all costs incurred in connection therewith. Notwithstanding anything to the contrary above, in the event Buyer reasonably requests additional documentation to establish the transfer of the Accounts, Seller shall cooperate with Buyer in executing those additional documents needed, which shall be prepared by Buyer and at Buyer's expense.

Section 3.2. Account Documents and Buyer's Requests for Oral Information on Accounts.

(a) Account Documents. Seller shall attempt to obtain consent from those Issuers or Prior Owners with Account Document availability, to assign its rights to obtain Account Documents to Buyer. If consent is not obtained, Seller, at the request of and on behalf of Buyer agrees to order and use its best efforts to obtain within 45 days, requested Account Documents, if available, for the Accounts sold under this Agreement. Buyer shall be responsible for paying the costs incurred in obtaining the Account Documents from the Issuers and/or Prior Owners as provided in Seller's purchase agreements with such Issuers and/or Prior Owners, except that if Seller must obtain Account Documents for Buyer, Buyer shall pay to Seller a processing fee of an additional [REDACTED] per Account Document received. A copy of the charges for Account Documents and Affidavits is attached hereto as Exhibit C. Requests for Account Documents made through Seller shall be made on the 15<sup>th</sup> and the last day of the month using the form(s) attached hereto as Exhibit D. Seller shall provide a notarized Affidavit of Debt (similar to Exhibit E) in lieu of Account Documents when no Account Documents are available. Buyer shall prepare the Affidavit and forward to Seller electronically for execution. Seller shall deliver executed Affidavits within fifteen (15) days of receipt. Seller shall deliver to Buyer Account Documents in its possession within 45 days of the Closing Date.

**THERE IS NO GUARANTEE THAT ACCOUNT DOCUMENTS WILL BE AVAILABLE, OTHER THAN ACCOUNT DOCUMENTS CURRENTLY IN SELLER'S POSSESSION, ACCOUNT DOCUMENTS SHALL BE PROVIDED ONLY IF AVAILABLE FROM SELLER, THE ISSUER OR PRIOR OWNER.** Proceeds paid for Account Documents, if required in advance under Seller's Agreements with Issuers or Prior Owners, will be returned if documents are not available. ✓

(b) Oral Information. Seller will not be obligated to furnish Buyer with any oral information unless required by court order or regulatory/governmental body. If Buyer requests information and Seller has information that Seller elects, rather than is required, to provide, Buyer will pay at the hourly rate of [REDACTED] for time and effort in collecting and communicating to Buyer the information requested.

Section 3.3. Pending Legal Proceedings. With respect to any Account which is, as of the Transfer Date, the subject of litigation where Seller is the plaintiff or a bankruptcy, Buyer agrees that it shall use its best efforts, to the extent applicable, at its own cost, within sixty (60) days but no more than one-hundred twenty (120) days after the Transfer Date, to notify all concerned parties and substitute

itself as the party litigant. Buyer acknowledges that its failure to comply with the provisions of this paragraph may affect Buyer's rights in any such action or proceeding including, without limitation, any dismissal with prejudice or the running of any statute of limitations if any such action or proceeding is dismissed. Buyer shall reimburse and indemnify Seller for any claims, costs and legal fees incurred by Seller in connection with Buyer's failure to comply with this provision from and after the Transfer Date. In addition, Seller will cooperate with Buyer in assigning and transferring to Buyer its rights under, and substituting Buyer as a party to, any pending legal proceedings with respect to any of the Accounts, provided, however, that the Seller shall not be required to institute any lawsuit or (unless the Buyer agrees to reimburse the Seller or indemnify the Seller in a manner satisfactory to the Seller, in its sole discretion, with respect to any such expense) to expend any money in connection with such cooperation.

Section 3.4. Collection/Contingency Fees. The Accounts are not subject to any third party collection or contingency agreements except for those attorney agreements provided in Exhibit F relating to the "Legal Accounts" described in Exhibit A. To the extent that any Account transferred and sold hereunder is subject to any pending contingency fee agreement with attorneys, then the transfer of such Account shall be made subject to the rights of any such entity or person and Buyer does hereby agree to assume, and shall be deemed to have assumed, the collection and/or contingency fee agreement and shall be bound by the terms thereof to the same extent as if Buyer had independently contracted for such services. Buyer shall reimburse and indemnify Seller for any costs and legal fees incurred by Seller in connection with such arrangements from and after the Transfer Date. Upon Buyer's written request, Seller and/or its Servicing Agent shall terminate any contingency agreements Buyer does not wish to maintain.

Section 3.5 Assignments of Judgment. At the request of Buyer and on a form provided by Buyer, Seller will cause to be executed an Assignment of Judgment for any Account which has been reduced to judgment. Seller shall provide such Assignments to Buyer within 15 days of request. Seller shall provide to Buyer prior to the Closing Date, a schedule of all judgments, which shall include Obligor's name, judgment amount, attorney of record, jurisdiction, judgment date and docket/case number, which docket/case number may or may not be available.

#### ARTICLE IV SERVICING/COLLECTION

Section 4.1. Servicing After Transfer Date. The Accounts shall be sold and conveyed to Buyer on a servicing-released basis. As of the Transfer Date, all rights, obligations, liabilities and responsibilities with respect to the servicing of the Accounts shall pass to Buyer, and Seller shall be discharged from all servicing liability therefore and shall take no further action with respect to the Accounts, except as provided in this Agreement. Seller and Buyer acknowledge and agree that Buyer will make written notification, as required by law, to Obligors of the transfer of the Accounts to Buyer within thirty (30) days of the Transfer Date and direct all future payments to be made at its address. At the request and cost of Buyer, Seller shall send written notification to all Obligors with a mailable address that the Accounts have been sold to Buyer and shall provide contact name, address and phone number of Buyer. Seller shall forward to Buyer within ten (10) business days of receipt, any and all correspondence, notices or other documents received on any Account. Seller shall notify

all Obligor who contact Seller after the Transfer Date that the Accounts have been sold to Buyer and shall provide such Obligor with a telephone number as provided by Buyer.

Buyer understands and agrees that, although Seller has provided Buyer with the interest rates Seller applied to the Accounts, if any, Seller makes no representation or warranty as to the accuracy of those rates and Seller and/or its Servicing Agent assumes no responsibility or liability, including but not limited to any obligation to indemnify Buyer, for Buyer's continued use of those rates or attempts to collect interest based upon those rates. ✓

Section 4.2 Interim Servicing/Buyer Bound – Until the Transfer Date, Seller or its Servicing Agent shall continue to service the Accounts in the normal course of business and Buyer shall be bound by the actions taken by Seller and/or its Servicing Agent prior to the Transfer Date. Buyer shall not take actions with respect to the Accounts until the Transfer Date. Seller and/or its Servicing Agent shall have no obligation to perform any servicing activities with respect to the Accounts from and after the Transfer Date except as required by this Agreement.

Section 4.3. Debt Collection of Accounts. If Buyer or its agent collects or attempts to collect on an Account, Buyer and/or its agent will at all times:

- (a) comply with all state and federal laws applicable to debt collection, including without limitation, the Gramm-Leach Bliley Act, the Consumer Credit Protection Act, the Fair Credit Reporting Act and the Fair Debt Collection Practices Act;
- (b) for any Account where the statute of limitations has run, not bring or threaten to bring any legal proceeding against any Obligor.
- (c) not charge any Obligor any charges which are unauthorized or illegal.

Buyer and Seller acknowledge that Buyer's breach of this Section 4.3 may result in actual and substantial damages to Seller. Buyer agrees to indemnify and hold harmless the Seller against any such damages or expenses as may result from Buyer's negligent acts or breach of this provision. The sale or transfer of any Accounts to qualified investors as provided in Article X of this Agreement will not constitute a breach under the terms of this section.

Section 4.4. Use of Seller's Name. Buyer will not use or refer to the name of Seller or the name of any other party from or through which Seller acquired an Account and will not portray itself as Seller's agent, partner, or joint venturer with respect to the Accounts, or as the agent, partner or joint venturer of any party from or through which Seller acquired the Accounts. However, Buyer may use the name of Seller and/or Issuer or Prior Owner for purposes of identifying an Account in communications with the Obligor in order to collect amounts outstanding on the Accounts, and as reasonably necessary in any offering materials relating to the Accounts. Except as necessary to substitute itself as required by Section 3.3, Buyer may not reference Seller, Issuer or Prior Owner in the caption of any lawsuit or other proceeding but may do so in the body of the document for purposes of identifying the origination of the Account. In contacting an Obligor, filing suit, or selling Accounts, Buyer will not state or represent in any way that Buyer is contacting the Obligor, filing suit or selling loans for or on behalf of Seller, Issuer or Prior Owner or that any of the above will take any action with regard to the Account or the Obligor.

Buyer and Seller understand and agree that the Seller may suffer immediate, irreparable harm in the event Buyer fails to comply with any of its obligations under this Agreement and that monetary damages will probably be inadequate to compensate Seller for such breach. Accordingly, Buyer agrees that Seller will be entitled to, in addition to any other remedies available to it at law or in equity, injunctive relief to enforce the provisions of this Agreement.

Section 4.5. Reporting to Credit Bureaus. Within thirty (30) days following the Closing Date, Seller or its Servicing Agent will instruct the credit reporting agencies to which it reports to delete from the credit reports of the Obligors all references to the Accounts being Seller's or Servicing Agent's Accounts. Except as required by law, Seller and its Servicing Agent shall have no further obligation with respect to credit reporting.

Section 4.6. Seller-Owned Accounts. As to any accounts owned by Seller and not sold to Buyer hereunder, Buyer agrees to use commercially reasonable efforts to send to Seller all information regarding such Accounts and to remit any monies received on such Accounts within ten (10) business days of receipt.

#### ARTICLE V SELLER'S CONDITIONAL RIGHT OR OBLIGATION TO REPURCHASE ACCOUNTS AFTER TRANSFER DATE

Section 5.1. Accounts Affected. For purposes of Section 5.1, an Affected Account is an Account which (i) is or becomes the subject of litigation to which Seller is or becomes a party and Seller cannot adequately protect itself without owning such Account; or (ii) is rightfully recalled from Seller by an Issuer or Prior Owner.

Section 5.2. Seller's Right to Repurchase. Seller may, at its sole option and upon providing reasonable notice and detail to Buyer, repurchase any Account described in Paragraph 5.1 above.

If Seller elects to repurchase the Account, Seller shall refund to Buyer the Allocated Account Price for such Account. Buyer shall reassign said Account to Seller and promptly remit to Seller any payments received on such Account from and after the date of Buyer's receipt of the Allocated Account Price.

Section 5.3. Seller's Obligation to Repurchase. If, within one hundred eighty (180) days from the Transfer Date, Buyer notifies Seller that an Unenforceable Account was among the Accounts purchased, then Seller agrees, upon receipt of proof reasonably satisfactory to Seller, to repurchase said Unenforceable Account in accordance with Section 5.2.

Section 5.4. Time for Repurchase. Seller shall not be obligated to repurchase on an Account by Account basis, but may elect to repurchase in no more than two transactions. Seller shall use its best efforts to pay Buyer the repurchase price within 30 days of Buyer's submission for repurchase, but in no event shall Seller remit the repurchase price to Buyer beyond 60 days. Seller makes no representations as to the number of Accounts that may be subject to repurchase pursuant to this Section, Article V.



Section 5.5. Title to Accounts. Title to any Account reassigned by Buyer to Seller pursuant to Sections 6.2 or 6.3 shall revert back from Buyer to Seller at the time Buyer receives the repurchase price.

## ARTICLE VI REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BUYER

6.1 Buyer hereby represents, warrants and covenants that:

a. Independent Evaluation. Buyer warrants and represents that it is a sophisticated investor, has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transaction contemplated by this Agreement, and that its bid for and decision to purchase the Accounts pursuant to this Agreement is and was based upon Buyer's own independent evaluation of information deemed relevant to Buyer, and of the information made available by Seller or Seller's personnel, agents, representatives or independent contractors to all potential bidders for the Accounts which Buyer acknowledges and agrees were made available to it and which it was given the opportunity to inspect to its complete satisfaction. Buyer has relied solely on its own investigation and it has not relied upon any oral or written information provided by Seller or its personnel, agents, representatives or independent contractors and acknowledges that no employee, agent, representative or independent contractor of Seller has been authorized to make, and that Buyer has not relied upon, any statements or written information other than those specifically contained in or referred to in this Agreement. Buyer acknowledges that the Seller has attempted to provide accurate information to all prospective bidders but that Seller does not represent, warrant or insure, except as provided in this Agreement, the accuracy or completeness of any information or its sources of information contained in the bid package. Buyer agrees and represents that the Accounts, and any documentation made available to it were an adequate and sufficient basis on which to determine whether to purchase the Accounts. Buyer has made such independent investigations as it deems to be warranted into the nature, validity, enforceability, collectibility, and value of the Accounts, and all other facts it deems material to its purchase and is entering into this transaction solely on the basis of that investigation, Buyer's own judgment, and the representations, warranties and obligations of Seller under this Agreement. ✓

b. Authorization. Buyer is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws to which it may be subject and that the undersigned representative is authorized to act on behalf of and bind Buyer to the terms of this Agreement.

c. Binding Obligations. Assuming due authorization, execution and delivery by each other party hereto, this Agreement and all of the obligations of Buyer hereunder are the legal, valid and binding obligations of Buyer, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

d. No Breach or Default. The execution and delivery of this Agreement by the Buyer and the Buyer's performance and compliance with the terms of this Agreement will not:

- (i) violate the Buyer's charter documents or bylaws,
- (ii) violate any administrative or judicial decree or order or any material law, rule or regulation to which it is subject, or
- (iii) constitute a default (or, an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material contract, agreement or other instrument to which Buyer is a party or which may be applicable to the Buyer or any of its assets; or result in the creation of a lien on any of its assets,

e. Pending Litigation. There is no proceeding, action, investigation or litigation pending or, to the best of Buyer's knowledge, threatened against the Buyer which, individually or in the aggregate, may have a material adverse effect on this Agreement or any action taken or to be taken in connection with the Buyer's obligations contemplated herein, or which would be likely to impair materially its ability to perform under the terms of this Agreement.

f. Approvals and Notices. No consent, approval, authorization, or order of, registration or filing with, or notice to, any governmental authority or court is required under federal laws, or the laws of any jurisdiction, for the execution, delivery, and performance of or compliance by the Buyer with this Agreement or the consummation of any other transaction contemplated hereby.

g. Economic Risk. The transactions contemplated by this Agreement do not involve, nor are they intended in any way to constitute, the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Buyer shall create any inference that the transactions involve any "security" or "securities". The Buyer acknowledges, understands and agrees that the acquisition of these Accounts involves a high degree of risk and is suitable only for persons or entities of substantial financial means who have no need for liquidity and who can hold the Accounts indefinitely or bear the partial or entire loss of the value thereof.

h. Nondisclosure. Buyer is in full compliance with its obligations under the terms of any Confidentiality Agreement executed by Buyer to review the information made available by Seller or its personnel, agents, representatives or independent contractors to all potential bidders for the Accounts, and the terms thereof are hereby incorporated herein subject to Buyer's ownership rights and interests acquired by Buyer hereunder.

i. Contact with Issuer/Prior Owner. Except to the extent Seller obtains consent for Buyer to communicate directly with Issuer or Prior Owner, Buyer and its assignees shall not contact or have its agents contact, directly or indirectly, the Issuer or Prior Owner of the Accounts without written permission from Seller. Notwithstanding written permission, Buyer agrees to insert a provision prohibiting contact with Issuers or Prior Owners in any agreement of purchase in the event Buyer transfers any of the Accounts.

j. Assistance of Third Parties. Buyer hereby agrees, acknowledges, confirms and understands that Seller shall have no responsibility or liability to Buyer arising out of or related to any third parties' failure to assist or cooperate with Buyer, except for Seller or any affiliate or related entity of Seller to the extent required under this Agreement. In addition, Buyer is not relying upon the continued actions or efforts of Seller or any third party in connection with its decision to purchase the Accounts, except for those actions required under this Agreement. The risks attendant to the potential failure or refusal of third parties to assist or cooperate with Buyer and/or Seller in the effective transfer, assignment, and conveyance of the purchased Accounts, and/or assigned rights shall be borne by Buyer.

k. Enforcement/Legal Actions. Buyer covenants, agrees, warrants and represents that Buyer shall not institute any enforcement or legal action or proceeding in the name of Seller, or any subsidiary or affiliate thereof. Buyer may use the name of the Seller, Issuer or Prior Owner in the body of a lawsuit as a means of identifying the ownership of the Account prior to purchase by Buyer. Buyer also represents, warrants and covenants not to take any enforcement action against any Obligor which would be commercially unreasonable and Buyer shall not misrepresent, mislead, deceive, or otherwise fail to adequately disclose to any particular Obligor or guarantor the identity of Buyer, the owner of the Accounts and possession of any related documents. 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 6(k) and Seller shall have the right to seek the entry of an order by a court of competent jurisdiction enjoining any violation hereof.

l. Status of Buyer. The Buyer represents, warrants and certifies to the Seller that it is (i) a financial institution; (ii) an institutional purchaser including a sophisticated purchaser that is in the business of buying or originating or collecting Accounts of the type being purchased or that otherwise deals in such Accounts in the ordinary course of the Buyer's business; or (iii) an entity that is defined as an accredited investor under the federal securities laws.

m. DTPA Waiver. The Buyer represents and warrants to the Seller that it has knowledge and experience in financial and business matters that enables Buyer to evaluate the merits and risks of the transactions contemplated hereby. Further, the Buyer represents and warrants to the Seller that it is not in a disparate bargaining position relative to the Seller. The Buyer hereby waives, to the maximum extent permitted by law, any and all rights, benefits and remedies under any state deceptive or unfair trade practices/consumer protection act, with respect to any matters pertaining to this Agreement and the transactions contemplated hereby.

n. No Collusion. Neither Buyer, its affiliates, nor any of their respective officers, partners, agents, representatives, employees or parties in interest (i) has in any way colluded, conspired, connived or agreed directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid, or any bid other than a bona fide bid, in connection with the Sale resulting in Buyer being the highest bidder for the Accounts subject to this Agreement, or (ii) has, in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder at the Sale resulting in Buyer being the highest bidder for the Accounts subject to this Agreement, or to secure any advantages against Seller.

✓ o. Insurance. At all times Buyer owns or handles the Accounts, it will maintain standard commercial general liability insurance, including coverage for personal injury and property damage, with a liability limit of not less than \$1 million per occurrence and errors and omissions insurance with a minimum of \$1 million covering Buyer's managers and employees and other persons acting on its behalf with respect to the Accounts. On or before the Closing Date, Buyer agrees to provide Seller with proof of insurance, including the expiration date of the policy.

p. Prior Agreements. Buyer and its assigns expressly assume the obligations of Seller under the agreements under which Seller originally purchased the Accounts to the extent they are consistent with the terms of this Agreement, true and correct copies of which are attached hereto as Exhibit G, and agrees to be bound by and comply with all of their terms and provisions to the extent they are consistent with the terms of this Agreement.

Section 6.2 Survival. The representations and warranties set forth in this Section shall survive the Closing Date.

## ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE SELLER

Section 7.1 Seller hereby represents, warrants, and agrees that:

a. Seller is duly and legally authorized to execute, deliver and perform this Agreement, and such execution, delivery and performance complies with all laws, rules, regulations, charter provisions and by-laws to which it may be subject.

b. Assuming the due authorization, execution and delivery of this Agreement by each party hereto, this Agreement and all of the obligations of Seller hereunder are the legal, valid, and binding obligations of Seller, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

c. Seller has title to the Accounts, is the lawful holder of the Accounts and Account Documents and is duly and legally authorized to sell, transfer, convey and assign its rights therein. Seller has not made any prior assignment, conveyance, transfer or sale of any of its rights or interests in the Accounts. The Accounts are being sold free and clear of all liens and encumbrances.

d. Seller has obtained proper consent from all Issuers and/or Prior Owners requiring consent to resale to sell and assign the Accounts to Buyer. Except for Accounts bought from Charge-Off Clearinghouse, Colorado Asset & Financial Group, Inc., Commercial Credit Corporation and Midland Credit Management, Seller has the right to obtain from Issuers and Prior Owner any Account Documents not in its possession.

e. The Accounts have been collected and serviced by Seller and/or its Servicing Agent in accordance with all applicable laws.

f. Seller and/or its authorized Servicing Agent has terminated any outstanding collection agreements with outside collection agencies and has recalled all Accounts previously placed. To the best of Seller's knowledge, no Accounts are subject to any third party contingency agreements except as provided in Exhibit F.

g. To extent provided on Schedule A and the Computer File, the Obligor(s) name, social security and Current Balance are accurate. To the actual knowledge of Ron Edlin and April Harlton, there were no documents or information withheld that would knowingly adversely affect Buyer.

h. There is no pending litigation against Seller or its Servicing Agent relating to any Obligors or the Accounts and to the best of Seller's knowledge and belief, there is no threatened litigation against Seller or its Servicing Agent relating to any Obligors or the Accounts except as provided on Exhibit I. There are no regulatory or governmental investigations or proceedings against Seller or its Servicing Agent relating to Obligors or the Accounts.

i.

j.

k. Except for Accounts purchased from Charge-Off Clearinghouse, from Chase Bank under contracts dated January 22, 1999 and February 2, 1999 and from Midland Credit Management, Seller has the right to be indemnified by the Prior Owner or Issuer of each Account to the extent provided in Section 9.1, clauses (4) and (5).

Section 7.2 The representations and warranties set forth in this Section shall survive the Closing Date.

#### ARTICLE VIII NO WARRANTIES OR REPRESENTATIONS

BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT, EXCEPT FOR THOSE EXPRESSED IN SECTION 6.1, OR ELSEWHERE IN THIS AGREEMENT, NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, ARE OR HAVE BEEN

MADE BY SELLER, OR ANYONE ACTING ON ITS BEHALF, PARTICULARLY, WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, NO WARRANTIES OR REPRESENTATIONS REGARDING (i) THE COLLECTABILITY OF ANY ACCOUNT; (ii) THE CREDITWORTHINESS OF ANY OBLIGOR; (iii) THE FORM OR SUFFICIENCY OF ANY ACCOUNT DOCUMENTATION; (iv) THE FORM OR SUFFICIENCY OF ANY COLLATERAL OF ANY TYPE WHICH SECURES THE REPAYMENT OF ANY ACCOUNT; (v) THE TRANSFERABILITY AND ENFORCEABILITY OF ACCOUNTS OR (v) THE VALIDITY OF ANY COLLATERAL DOCUMENT OR ITS RECORDATION. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALL ACCOUNTS SOLD TO BUYER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE ON AN "AS IS" BASIS AND WITH ALL FAULTS. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT SELLERS HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY DISCLAIM ANY REPRESENTATION, WARRANTY, PROMISE, COVENANT, AGREEMENT OR GUARANTEE OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE ACCOUNTS, OR (B) THE INCOME TO BE DERIVED FROM THE ACCOUNTS OR, (C) THE SUITABILITY OF THE ACCOUNTS FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY INTEND, OR (D) ANY OTHER MATTER WITH RESPECT TO THE ACCOUNTS. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE ACCOUNTS WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLERS HAVE NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE SALE OF THE ACCOUNTS AS PROVIDED HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS.

## ARTICLE IX INDEMNIFICATION/ARBITRATION

### Section 9.1 Seller's Indemnity.

From and after the Closing Date of this Agreement, Seller shall indemnify and hold harmless Buyer, its affiliates, shareholders, officers, partners and members (collectively, "Buyer Affiliates") from any liabilities, losses, costs, expenses (including, without limitation, reasonable fees and disbursements of outside counsel) (collectively, "Losses") as a result or arising out of (1) Seller's or Servicing Agent's acts or omissions with respect to the servicing of the Accounts, (2) Seller's breach of conditions or covenants contained in this Agreement, (3) Seller's breach of its representations and warranties contained in this Agreement; (4) the failure of any of the Accounts to have been originated and serviced in accordance with applicable law or to constitute a valid, binding or legally enforceable obligation; or (5) any actions or omissions of the Issuers or Prior Owners.

Notwithstanding the foregoing:

(A) For purposes of clause (3) above, except for Section 7.1(g), any representation or warranty of Seller which is qualified as being to "the best of Seller's knowledge" or "the Seller's knowledge" shall be deemed not to contain any such qualification;

(B) Seller shall not be liable to indemnify Buyer or any Buyer Affiliate to the extent that any Losses resulted from or are caused by any acts or omissions of Buyer, Buyer Affiliate or Buyer's assigns which (i) could have in the ordinary course of Buyer's business reasonably have been avoided after Buyer first became aware of the facts or circumstances giving rise to the indemnification claim against Seller, (ii) constitute a violation of applicable law or (iii) constitute a breach of any of the terms or provisions of this Agreement;

(C) Seller shall not be liable to indemnify Buyer or any Buyer Affiliate under or pursuant to clause (4) above (to the extent related to actions or omissions of Prior Owner or Issuer) or (5) above, to the extent that Seller does not have a right to be indemnified against the applicable Losses by the Issuer or the Prior Owner under terms of the agreement pursuant to which Seller acquired the applicable Account(s) (each a "Seller Purchase Agreement");

(D) The indemnification obligations of Seller contained in clause (4) above (to the extent related to actions or omissions of Prior Owner or Issuer) or (5) above, shall expire 42 months following the Closing Date (the "Expiration Date"); provided, however, that: (i) any indemnification claim made by Buyer prior to the Expiration Date shall survive the Expiration Date; and (ii) following the Expiration Date, at the request of Buyer, Seller shall continue to use (and Seller's obligation hereunder shall be limited to using) its best efforts, at Buyer's expense, to obtain indemnification from the Issuer or Prior Owner of any Account(s) in question to the extent Seller has the right to do so under any Seller Purchase Agreement. (Seller agreeing to promptly remit to Buyer any amounts recovered from any Prior Owner or Issuer with respect thereto);

(E) Without limiting anything contained in Section 5.2 hereof, Seller shall not be liable to indemnify Buyer or any Buyer Affiliate as a result of the failure of any Account to be enforceable due to the conditions enumerated in clauses (a) and (b) of the definition of "Unenforceable Accounts" contained in the Agreement.

(F) Except for third party claims or litigation filed against Buyer or any Buyer Affiliate, and for claims for which Seller is able to collect on an indemnity from an Issuer or Prior Owner, Seller shall not be liable to indemnify Buyer or any Buyer Affiliate under this Agreement unless and until the aggregate amount of the actual Losses suffered by the Buyer and the Buyer Affiliates, collectively exceeds \$200,000 (the "Minimum Indemnity Amount") and then only for those amounts exceeding the Minimum Indemnity Amount; provided that Seller shall continue to use its best efforts, at Buyer's expense, to obtain indemnification from the Issuer or Prior Owner of an Account(s) in question (Seller agreeing to promptly remit to Buyer any amounts recovered from any Issuer or Prior Owner with respect thereto). The limitation contained in this clause (F) shall not affect the right of Buyer to make a claim for indemnification under Section 9.1 in order to enable Buyer to obtain credit against the Minimum Indemnity Amount for indemnification which would otherwise be due but for such limitation.

Section 9.2 Buyer's Indemnity.

From and after the Closing Date of this Agreement, Buyer shall indemnify and hold harmless Seller, its affiliates, shareholders, officers, partners and members (collectively, "Seller Affiliates") from any liabilities, losses, costs, expenses (including, without limitation, reasonable fees and disbursements of outside counsel) (collectively, "Losses") as a result or arising out of (1) Buyer's or Buyer's agent's acts or omissions with respect to the servicing of the Accounts, (2) Buyer's breach of conditions or covenants contained in this Agreement, (3) Buyer's breach of its representations and warranties contained in this Agreement, or (4) actions or omissions of any subsequent servicers of the Accounts; provided that notwithstanding anything contained in this Agreement to the contrary, Buyer shall not be liable to indemnify Seller or any Seller Affiliate to the extent that any Losses resulted from or is caused by any acts or omissions of Seller which (i) could have in the ordinary course of Seller's business reasonably have been avoided after Seller first became aware of the facts or circumstances giving rise to indemnification claim against Buyer, (ii) constitute a violation of applicable law or (iii) constitute a breach of any of the terms or provisions of this Agreement.

Section 9.3 Mitigation.

Each indemnified party hereunder shall be obligated in connection with a claim for indemnification hereunder to use its best efforts to mitigate Losses upon and after first becoming aware of the facts or circumstance giving rise to any such Loss, provided, however, an indemnified party shall not be obligated to act in a manner that it reasonably believes is adverse to its own best interests.

Section 9.4 Limitation on Damages.

With regard to a dispute or action between the Parties to this Agreement not relating to a third party claim, the amount sought by either party shall be limited to the party's actual damages which is defined to include the purchase price, direct damages and costs and financing costs, but does not include lost profits, consequential damages, speculative damages, remote damages, damages to reputation, punitive damages and treble damages.

Section 9.5 Arbitration.

(a) All disputes, controversies and claims (collectively hereinafter, "disputes") between (i) Seller or any Seller Affiliate, on the one hand; and (ii) Buyer or any Buyer Affiliate, on the other hand (for the purposes of this Section 9.5, the person in clause (i) being collectively one "party" and the persons in clause (ii) being collectively the other "party") with respect to their rights, obligations and duties hereunder shall, to the fullest extent permitted by law, be solely and finally settled by a board of arbitrators consisting of either one arbitrator or three arbitrators, as set forth below in this Section 9.5 (the term "Arbitrators" referring to the board of arbitrators, whether it consists of one or three members). The arbitration proceedings shall be held in Tulsa, OK or such other place or places as may be agreed to by both parties to the dispute. Except as otherwise provided in this Agreement, the arbitration proceedings shall be conducted in accordance with the then effective Commercial Arbitration Rules (the "AAA Rules") of the American Arbitration Association (the "AAA").



(b) Within thirty (30) days of the commencing of any arbitration proceedings by either party in accordance with the AAA Rules, both of the Parties shall attempt to agree on and then select one arbitrator (the "Sole Arbitrator"). The Sole Arbitrator shall be a person not subject to disqualification under Section 19 of the AAA Rules.

(c) If within such thirty (30)-day period, the two parties are unable to agree upon a Sole Arbitrator, each of them shall have five (5) days (following the expiration of the thirty (30)-day period) to select (and provide written notice of such selection to the other party and to the AAA) a Qualifying Arbitrator. A "Qualifying Arbitrator" is a person who is not: (i) any party or any affiliate of a party; or (ii) counsel to any such person at such time, or (iii) subject to disqualification under Section 19 of the AAA Rules. If either party fails to select a Qualifying Arbitrator or provide such notice within the five (5)-day period, the AAA shall make such selection. Within ten (10) days following their selection, the Qualifying Arbitrators shall agree upon and select (and provide written notice of such selection to the parties and to the AAA) a third arbitrator (the "Third Arbitrator") from a list of members of the AAA's National Panel of Commercial Arbitrators. The Third Arbitrator shall be a person not subject to disqualification under Section 19 of the AAA Rules.

(d) The parties to the dispute may submit briefs to the Arbitrators with respect to their claims, and the Arbitrators shall hold hearings with respect to the disputes in accordance with the AAA Rules. The Arbitrators shall have the power to authorize any and all forms of discovery that are reasonable in scope, timing and cost. The final decision of the Arbitrators shall be due on or before the thirtieth (30th) day following the date of the last hearing with respect to the disputes. The Arbitrators shall make a final decision that, in their judgment: (i) is consistent with, and does not add to, subtract from, or otherwise modify the provisions of this Agreement involved in the disputes or (ii) if the subject matter of the disputes is not specifically addressed in this Agreement, is determined under this Agreement consistent with the intent of the parties as supported by evidence presented in the arbitration proceeding. The Arbitrators shall send a written statement of their decision (signed by each Arbitrator joining in the decision) to the AAA and both Parties, but the Arbitrators shall not be required to provide reasons for their decision. In awarding damages or other remedies or relief, the Arbitrators must honor or abide by any applicable limitations or restrictions expressed or described in this Agreement.

(e) In the arbitration proceeding: (i) the fees and expenses of counsel shall be paid by the party engaging such counsel; (ii) the fees and expenses of witnesses shall be paid by the party producing such witnesses; (iii) the fees and expenses of each Qualifying Arbitrator shall be borne by the party that selected him or her; and (iv) the fees and expenses of the Third Arbitrator and the AAA, the fees and expenses of any witness produced at the direct request of the Arbitrators, and all other expenses of the arbitration proceeding shall be shared equally by the Parties, that is, one-half by each party.

(f) To the extent permissible under applicable law, the Parties agree that the award of the Arbitrators shall be final and not be subject to judicial review. Judgment on the arbitration award may be entered and enforced in any court having jurisdiction over the parties or their respective assets. It is the intent of the Parties that the arbitration provisions hereof be enforced to the fullest extent permitted by applicable law. A party enforcing any award under this Section 9.5 shall be entitled to recover the costs and expenses associated with such enforcement, including (without limitation) reasonable attorneys' fees.

(g) Nothing in this Section 9.5 shall limit the rights of the Parties otherwise described in this Agreement to: (i) foreclose on collateral; (ii) exercise self-help remedies, such as set off; or (iii) obtain provisional, ancillary or equitable remedies, such as injunctive relief, specific performance or appointment of a receiver.

#### Section 9.6 Indemnification Procedure.

(a) An indemnified party (an "Indemnified Party") shall notify the indemnifying party (the "Indemnifying Party") of any claim of such Indemnified Party for indemnification under this Agreement within ten (10) business days of the date on which the Indemnified Party, or an executive officer or representative of such Indemnified Party, first becomes aware of the existence of such claim, whether such claim would be subject to the limitations set forth in Section 9 or otherwise. Such notice shall specify the nature of such claim in reasonable detail and the Indemnifying Party shall be given reasonable access to any documents or properties within the control of the Indemnified Party as may be useful in the investigation of the basis for such claim. The failure to so notify the Indemnifying Party within such ten (10) business day period shall not constitute a waiver of such claim, but an Indemnified Party shall not be entitled to receive any indemnification with respect to Losses that occurred as a result of the failure of such person to give such notice. The Indemnifying Party shall have thirty (30) days after receipt of such notice to investigate the basis of such claim and within five (5) days thereafter shall either (i) pay the amount set forth in the claim by wire transfer or other readily available funds or (ii) give notice to the Indemnified Party that it disputes either the basis or the amount of such claim setting forth in reasonable detail the basis of such dispute.

(b) In the event any Indemnified Party is entitled to indemnification hereunder based upon a claim asserted by a third party, the Indemnifying Party shall, promptly after receipt by the Indemnified Party of service, summons to appear or notice of commencement of any action, or within ten (10) business days (or such shorter period as may be necessary in order that the rights of the Indemnifying Party will not be prejudiced) after the assertion in writing of any other claim by a third party, give the Indemnifying Party written notice thereof together with a copy of such claim, process, summons or other legal pleading. The failure to so notify the Indemnifying Party shall not constitute a waiver of such claim, but an Indemnified Party shall not be entitled to receive any indemnification with respect to Losses that occurred as a result of the failure of such person to give such notice. The Indemnifying Party shall have the right (without prejudice to the right of any Indemnified Party to participate at its expense through counsel of its own choosing) to defend or prosecute such claim at its expense and through counsel of its own choosing if it gives written notice of its intention to do so not later than thirty (30) days following notice thereof by the Indemnifying Party or such shorter time period as required so that the interests of the Indemnified Party would not be materially prejudiced as a result of its failure to have received such notice; provided, however, that if the defendants in any action shall include both an Indemnifying Party and an Indemnified Party and the Indemnified Party shall have reasonably concluded that counsel selected by the Indemnifying Party has a conflict of interest because it would impair the Indemnified Party's ability to put on an adequate defense, the Indemnified Party shall have the right to select separate counsel to participate in the defense of such action on its behalf at the expense of the Indemnifying Party. If the Indemnifying Party does not so choose to defend or prosecute any such claim asserted by a third party for which any Indemnified Party would be entitled to indemnification hereunder, then the Indemnified Party shall undertake the defense, compromise or settlement of such claim on behalf of the Indemnifying Party and, if the Indemnifying Party has agreed in writing to its indemnification obligation for such claim, shall be

entitled to recover from the Indemnifying Party, on a monthly basis, all of its reasonable attorneys' fees and other reasonable costs and expenses of litigation of any nature whatsoever incurred in the defense of such claim. The Indemnified Party will notify the Indemnifying Party of any proposed compromise or settlement no later than ten (10) days before such compromise or settlement is effected. Notwithstanding the assumption of the defense of any claim by an Indemnifying Party pursuant to this paragraph, the Indemnified Party shall have the right to approve the terms of any compromise or settlement of a claim (which approval shall not be unreasonably withheld).

(c) The Indemnifying Party and the Indemnified Party shall cooperate in furnishing evidence and testimony and in any other manner which the other may reasonably request, and shall in all other respects have an obligation of good faith dealing, one to the other, so as not to unreasonably expose the other to an undue risk of loss.

## ARTICLE X BUYER'S RIGHT OF RESALE

Section 10.1. Notice. If Buyer wishes to sell or transfer any of the Accounts to a third party (including without limitation, any of Buyer's affiliated companies), Buyer must give Seller at least 10 business days' written notice of Buyer's desire to sell or transfer. Buyer's notice will:

- (a) identify the Account(s) that Buyer wishes to sell or transfer;
- (b) itemize each Account's outstanding balance;
- (c) state the date and manner that Buyer plans to sell or transfer the Account(s);  
and
- (d) identify by name and address of each third party that potentially would purchase or otherwise receive the Account(s) from Buyer.

Section 10.2. Approval. Seller shall have the right to approve of such sale within the 10 day period. Seller's approval shall not be unreasonably withheld. No response within the ten (10) day period shall be deemed an acceptance by Seller of the proposed sale.

Section 10.3. Assignment. In the event consent to the sale or transfer is granted, Buyer must assign to that third party all of Buyer's obligations under this Agreement, and Buyer's purchaser or transferee must accept the assignment in writing, a copy of which shall be provided to Seller. Notwithstanding said assignment, Buyer shall indemnify Seller and hold it harmless from any and all loss, damage and expense (including reasonable attorney fees) Seller may sustain by reason of such transferee's failure to comply therewith. Seller shall not be obligated in any way to a third party who purports to have acquired any of the Accounts. Any resale or assignment of Accounts without concurrent assignment of Buyer's obligations under this Agreement will be void. Notwithstanding anything to the contrary above, Buyer may assign the Accounts and/or an interest in this Agreement to a lender financing the Accounts pursuant to a pledge of a security interest in the Accounts to such lender.

Section 10.4. Liability. No sale or transfer of any Account by Buyer to a third party will relieve Buyer of any of its obligations or liabilities under this Agreement.

#### ARTICLE XI LIQUIDATED DAMAGES

IN THE EVENT THAT BUYER SHOULD FAIL TO CONSUMMATE THE PURCHASE OF THE ACCOUNTS HEREUNDER DUE TO THE FAILURE OF BUYER TO PERFORM HEREUNDER OR TO PAY THE PURCHASE PRICE FOR THE ACCOUNTS AS PROVIDED HEREIN, SELLER SHALL HAVE THE RIGHT TO RECEIVE AND RETAIN THE DEPOSIT, SUCH SUM BEING AGREED UPON AS LIQUIDATED DAMAGES. THE PARTIES HERETO AGREE THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT THAT BUYER OR BUYER'S AFFILIATES FAIL TO SO PERFORM UNDER THIS AGREEMENT OR TO PAY THE PURCHASE PRICE AS SET FORTH IN THIS AGREEMENT, OR OTHERWISE COMPLY WITH THE TERMS AND CONDITIONS HEREOF, WOULD BE DIFFICULT TO ASCERTAIN BECAUSE OF UNCERTAINTIES IN THE MARKET FOR SUCH ACCOUNTS AND POTENTIAL FLUCTUATIONS OVER TIME OF THE VALUE OF THE SAME, AND THAT THE DEPOSIT IS REASONABLE AS LIQUIDATED DAMAGES FOR THE BENEFIT OF SELLER HEREUNDER IN SUCH EVENT. THIS PROVISION SHALL NOT BE DEEMED TO LIMIT SELLER'S RIGHT TO SEEK ADDITIONAL DAMAGES (AT LAW OR IN EQUITY) FOR ANY BREACH BY BUYER OF THE OTHER TERMS, COVENANTS AND CONDITIONS SET FORTH HEREIN RELATED TO BUYER'S NOT CONSUMMATING THIS PURCHASE OTHER THAN DUE TO SELLER'S BREACH OF REPRESENTATIONS OR COVENANTS UNDER THIS AGREEMENT.

#### ARTICLE XII FILES AND RECORDS

Section 12.1. Conformity to Law. Buyer agrees, at its sole cost and expense, to abide by all applicable state and federal laws, rules and regulations regarding the handling and maintenance of all Accounts and all documents and records relating to the Accounts purchased hereunder including, but not limited to, the length of time such documents and records are to be retained and making any disclosures to Obligor as may be required by law.

Section 12.2. Inspection by Seller. After the transfer of documents or files to Buyer pursuant to the terms of this Agreement, Buyer agrees that Seller shall have the continuing right to use, inspect, and make extracts from, or copies of, any such documents or records, upon Seller's reasonable notice to Buyer and at Seller's sole cost. Buyer further agrees to allow Seller, upon providing Buyer an adequate security deposit and assuming full responsibility and liability for failure to return the documents, the temporary possession, custody and use of original documents for any lawful purpose and upon reasonable terms and conditions.

ARTICLE XIII  
NOTICE

Unless otherwise provided for herein, notices and other communications required or permitted hereunder shall be in writing to the parties and addresses below and shall be delivered by certified mail return receipt requested or express mail. Such notice shall be deemed to have been received on the date delivered, in each case to the parties at the following addresses (or at such other addresses as shall be specified by like notice):

If to the Buyer:

Michael Godner  
Calvary Investments, LLC  
7 Skyline Dr. 2<sup>nd</sup> Fl.  
Hawthorne, NY 10532

With a copy to:

Jonathan Klein  
Piper Rudnick  
1251 Avenue of the Americas, 29<sup>th</sup> Floor  
New York, NY 10020

If to the Seller:

Todd Dobson  
MidFirst Bank  
501 N.W. Grand Blvd, 6<sup>th</sup> Floor  
Oklahoma City, OK 73118

With a copy to:

David Morgan  
MidFirst Bank  
501 N.W. Grand Blvd, 3<sup>rd</sup> Floor  
Oklahoma City, OK 73118

ARTICLE XIV  
MISCELLANEOUS PROVISIONS

Section 14.1. Severability. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

Section 14.2. Rights Cumulative: Waivers. The rights of each of the parties under this Agreement are cumulative and may be exercised as often as any party considers appropriate under the terms and conditions specifically set forth. The rights of each of the parties hereunder shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. Any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right. Any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on the part of any party shall in any way preclude such party from exercising any such right or constitute a suspension or any variation of any such right.

Section 14.3. Headings. The headings of the Articles and Sections contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

Section 14.4. Construction. Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such noun or pronoun and pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender.

Section 14.5. Assignment. This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including the Addenda, Exhibits and Schedules hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and assigns. Neither party may assign this Agreement or any of its rights in this Agreement without the other party's prior written consent, except that Buyer or Seller may freely assign this Agreement, without consent to an affiliate, or as permitted by Section 10.3 or 14.6. Notwithstanding anything in this Agreement to the contrary, Seller's duties and obligations under this Agreement shall not inure to the benefit of any transferee of Accounts without the prior written consent of Seller.

Section 14.6 Collateral Assignment by Buyer. Notwithstanding anything to the contrary in this Agreement or any other agreement between Seller and Buyer, Buyer may collaterally assign, and grant a security interest in, the Accounts and this Agreement and all of Buyer's right, title and interest hereunder, to any lender (the "Lender") (including, without limitation, Foothill Capital Corporation ("Foothill"), as administrative agent and a lender) under and pursuant to a certain loan and security agreement and related loan documents between Buyer and Lender, pursuant to which Buyer shall obtain financing for a portion of the Purchase Price. Seller consents to such collateral assignment and security interest and agrees to recognize and attorn to all rights of Foothill (or any other Lender) as collateral assignee and secured party. Without limiting the foregoing, Seller acknowledges and agrees that (a) Foothill (or any other Lender), as collateral assignee and secured party, shall be entitled to enforce all rights and interests of Buyer under this Agreement, including without limitation as provided by Section 9.1 (in each case subject to and in accordance with the terms thereof) and (b) notwithstanding anything in this Agreement to the contrary, Foothill (or any other Lender) shall be entitled to exercise all rights and remedies of a secured party in respect of the Accounts as provided by the applicable Uniform Commercial Code. Notwithstanding anything in this Section or this Agreement to the contrary, to the extent Lender seeks to enforce rights of the Buyer against the Seller under this Agreement, the Lender shall be subject to the same agreements made by the Buyer in this Agreement as if it were the Buyer. Nothing herein shall constitute an assumption by the Lender, and

the Lender shall have no liability for, any of the Buyer's obligations under the Agreement other than, to the extent it undertakes to service the Accounts, to service the Accounts in accordance with applicable law. Buyer shall remain bound by its obligations under this Agreement and nothing contained in this Section 14.6, nor any actions taken by the Lender, shall relieve Buyer of any of its obligations under this Agreement.

Section 14.7. Prior Understandings. This Agreement supersedes any and all prior discussions and agreements between Seller and Buyer with respect to the purchase of the Accounts and other matters contained herein, and this Agreement contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein.

Section 14.8. Integrated Agreement. This Agreement and all Addenda, Exhibits and Schedules hereto constitute the final complete expression of the intent and understanding of the Buyer and the Seller. This Agreement shall not be altered or modified except by a subsequent writing, signed by Buyer and Seller.

Section 14.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and either party hereto may execute this Agreement by signing any such counterpart. A facsimile signature shall be deemed an original signature for purposes of executing this Agreement, to be followed by two (2) originals.

Section 14.10. Non-Merger/Survival. Each and every covenant hereinabove made by Buyer or Seller shall survive the delivery of the Transfer Documents and shall not merge into the Transfer Documents, but instead shall be independently enforceable.

Section 14.11. Governing Law/Choice of Forum. This Agreement shall be construed, and the rights and obligations of Seller and Buyer hereunder determined, in accordance with the law of the State of Oklahoma, without giving effect to any choice of law principles. The parties agree that any legal actions between Buyer and Seller regarding the purchase of the Accounts hereunder shall be originated in the United States District Court in and for the State of Oklahoma, and Buyer hereby consents to the jurisdiction of said court in connection with any action or proceeding initiated concerning this Agreement and agrees that service by mail to the address specified in Article XIII of this Agreement shall be sufficient to confer jurisdiction over Buyer in such United States District Court. In the event of litigation under this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

Section 14.12. No Third-Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the parties hereto, and none of the provisions of this Agreement shall be deemed to be for the benefit of any other person or entity.


Section 14.13. Expenses. Except as otherwise expressly provided in this Agreement, Buyer and Seller will each bear its own out-of-pocket expenses, including fees and disbursements of its attorneys, brokers, consultants and any other agents or representatives in connection with the transaction contemplated by this Agreement. Seller shall be responsible for any brokerage or other agency fees associated with the sale of the Accounts hereunder.

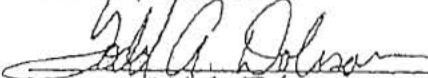
Section 14.14. Limited Power of Attorney. Seller shall grant Buyer a limited Power of Attorney in a form substantially similar to Exhibit H.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER: CAVALRY SPV, I, LLC.

SELLER: MIDFIRST BANK

By:   
Name: Michael S. Gordon  
Title: Exec. VP & CFO

By:   
Name: Todd A. Dolson  
Title: Exec. VP & CFO



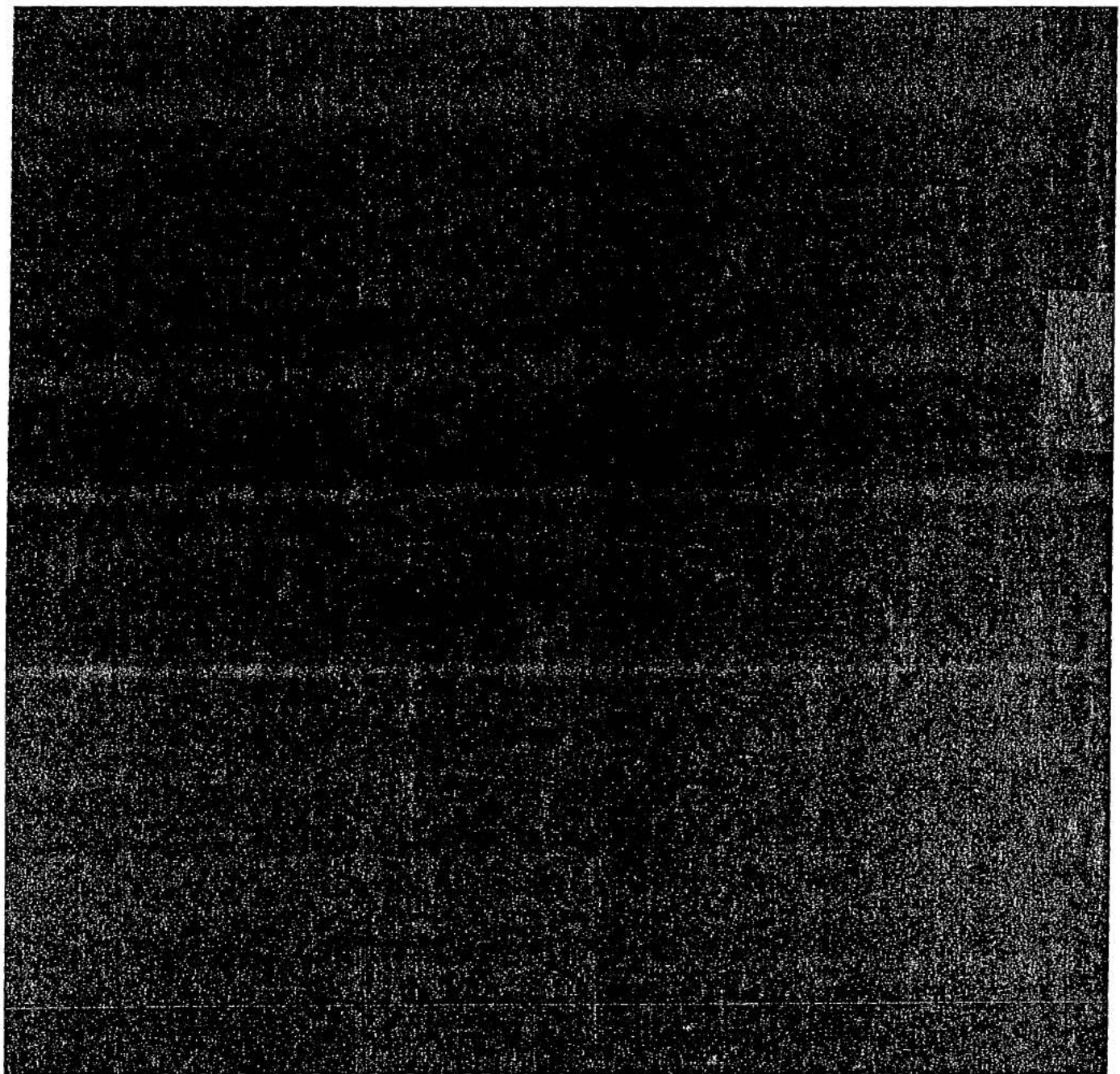


EXHIBIT B

BILL OF SALE AND ASSIGNMENT OF ACCOUNTS

MidFirst Bank, a federally chartered savings association, (collectively, "Seller" or "Assignor") hereby absolutely sells, transfers, assigns, sets over and conveys to Cavalry, SPV I, LLC, a Delaware Limited Liability Company ("Assignee"), without recourse and without representations or warranties, express or implied, of any type, kind or nature, except as provided in the Purchase and Sale Agreement dated June 7, 2002:

- (a) all of Assignor's right, title and interest in and to each of the Accounts identified in the Account Schedule attached hereto as Exhibit "A" (the "Accounts"), together with other evidence of indebtedness, if any; and
- (b) all principal, interest or other proceeds of any kind with respect to the Accounts, but excluding any payments or other consideration received by or on behalf of Assignor on or before May 3, 2002, with respect to the Accounts.

This Bill of Sale is being executed and delivered pursuant to and in accordance with the terms and provisions of that certain Purchase and Sale Agreement made and entered into by and between the Seller, and the Buyer dated June 7, 2002, (the "Agreement"). The Accounts are defined and described in the Agreement and are being conveyed hereby subject to the terms, conditions and provisions set forth in the Agreement.

This Bill of Sale shall be governed by the laws of the State of Oklahoma without regard to the conflicts-of-laws rules thereof.

DATED: June 21, 2002

SELLER: MIDFIRST BANK

By: Todd A. Dobson

Name: Todd A. Dobson

Title: EUPACFO

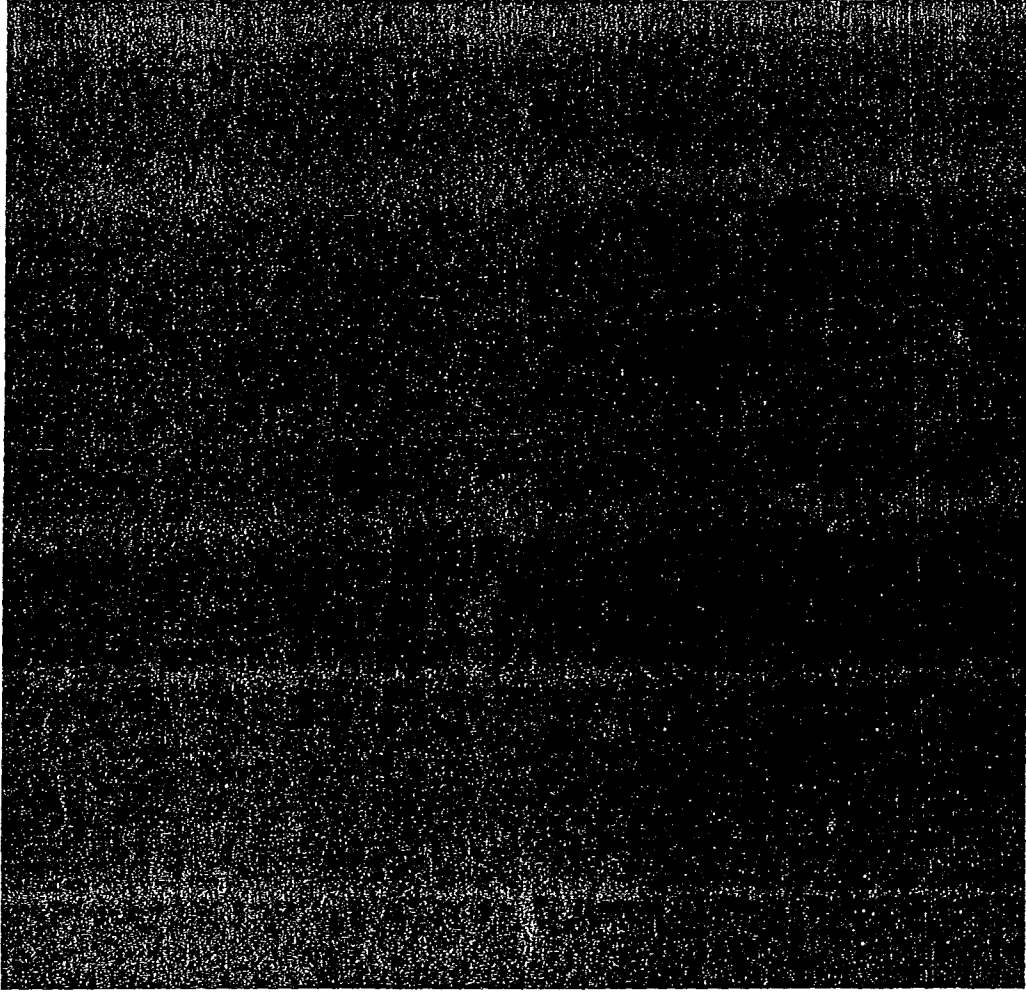
STATE OF Oklahoma )  
COUNTY OF Oklahoma ) ss.

This Bill of Sale was acknowledged before me on the 21<sup>st</sup> day of June, 2002, by Todd Dobson as Attorney-in-Fact on behalf of Seller.

My Commission Expires: 11-14-05

Notary Public in and for the State of Oklahoma

Sandra Blount



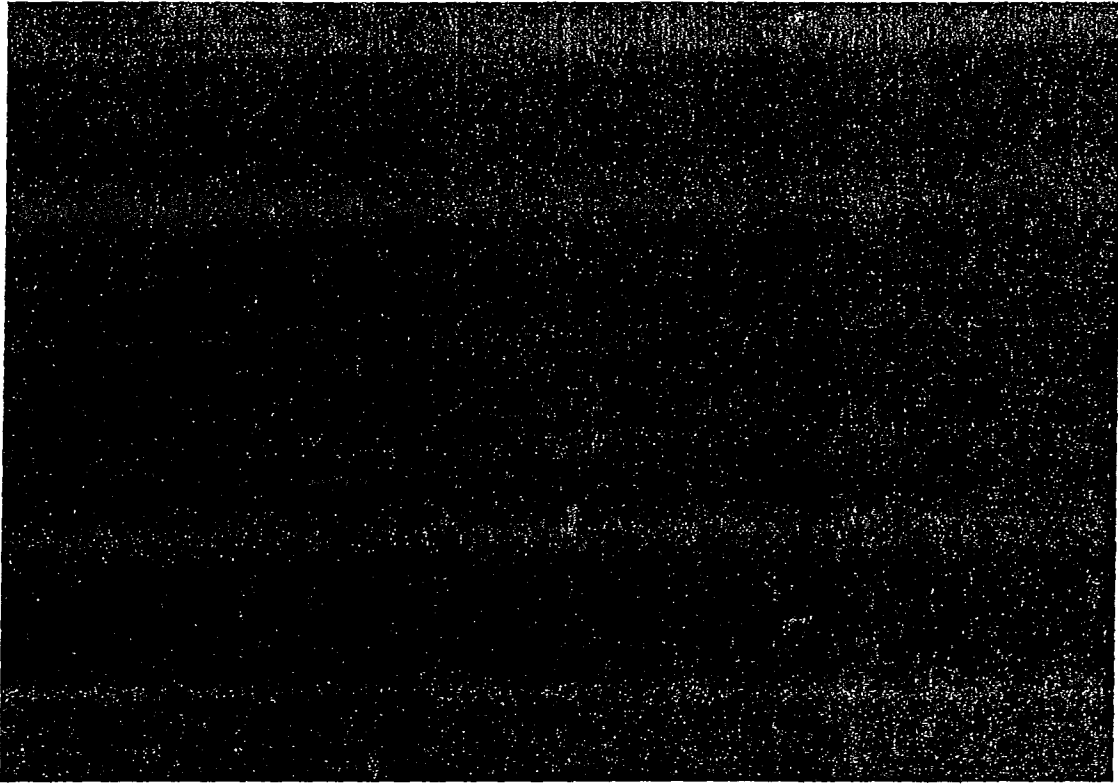


EXHIBIT E TO PURCHASE & SALE AGREEMENT BETWEEN  
MIDFIRST BANK & CAVALRY SPV I, LLC  
DATED JUNE 7, 2002

AFFIDAVIT OF DEBT

I, \_\_\_\_\_, the \_\_\_\_\_ [title] of \_\_\_\_\_ [institution], am duly authorized by my employer \_\_\_\_\_ [title] to make the following statements:

1. According to the books and records forwarded to MidFirst Bank from \_\_\_\_\_, there is due and owing from \_\_\_\_\_ which debtor's account number is \_\_\_\_\_, the principal amount \$ \_\_\_\_\_ as of \_\_\_\_\_ [date], including legally chargeable interest, with a last payment date of \_\_\_\_\_.

2. Said account was, on \_\_\_\_\_ 2002, sold, transferred and conveyed to \_\_\_\_\_ with full power and authority to do and perform all acts necessary for the collection, settlement, adjustment, compromise or satisfaction of the said claim. Further, Affiant states that, to the best of Affiant's knowledge, information and belief, there were no uncredited payments, just counterclaims or offsets against the said debt when sold. Further, the Affiant acknowledges that, in making this affidavit, \_\_\_\_\_ is now the owner of said account, and that \_\_\_\_\_ has complete authority to settle, adjust, compromise and satisfy the same and that \_\_\_\_\_ [institution] has no further interest in said debt for any purpose.

\_\_\_\_\_ (Affiant's signature)

\_\_\_\_\_ (Affiant's printed name & title)

DATED: \_\_\_\_\_, 2002

STATE OF OKLAHOMA

COUNTY OF \_\_\_\_\_

DATED: \_\_\_\_\_ 2002

Personally appeared the above-named Affiant and made oath that he/she as read the above and knows the contents hereof; that the same is true of his personal knowledge; and I do hereby certify under my seal that I am authorized to administer oaths under and virtue of the laws of the State of Oklahoma and that commission, as a Notary Public, expires on the \_\_\_\_ day of \_\_\_\_\_, 2002.

Before me:

\_\_\_\_\_  
Notary Public

EXHIBIT H TO PURCHASE & SALE AGREEMENT BETWEEN  
MIDFIRST BANK & CAVALRY SPV I, LLC  
DATED JUNE 7, 2002

LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that MIDFIRST BANK ("Seller"), with respect to those certain purchased Accounts, described in that certain Purchase and Sale Agreement dated June 7, 2002 (the "Agreement") between Seller and Cavalry SPV I, LLC, ("Buyer"), hereby names, constitutes and appoints Buyer, or any of its authorized agents, employees or representatives, its duly authorized attorney and agent with limited power and authority to i) endorse checks and other negotiable instruments which may be received by the Buyer; ii) perfect, maintain, and release any security interests in the Accounts; iii) transfer and obtain any titles, evidence of ownership or Account Documents; iv) settle any insurance claims or litigation and apply for any insurance, warranty or sales tax refunds; v) terminate or modify any third party agreements; and vi) to perform any and all acts relating to the Accounts which the undersigned was entitled to do as the owner of said purchased Accounts.

EXECUTED this 21<sup>st</sup> day of June 2002

SELLER: MidFirst Bank

By: [Signature]  
Name: Todd H. Dobson  
Title: VP & CFO

STATE OF Oklahoma )  
COUNTY OF Oklahoma ) ss.

This instrument was acknowledged before me on the 21<sup>st</sup> day of June, 2002  
by Todd Dobson as Executive Vice President on behalf of  
Midfirst Bank

[Signature]  
Notary Public in and for the State of Oklahoma

Note:

pg 46 follows

pg 29.

