

## ASSET PURCHASE AND SALE AGREEMENT

THIS ASSET PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into this 21st day of November, 2012, by and among (i) Howard Marc Spector, solely in his capacity as court appointed receiver ("Seller"); (ii) Cavalry Investments, LLC, a Delaware limited liability company ("Buyer"); (iii) Cavalry SPV II, LLC, as lender ("Cavalry SPV II"); and (iv) Cavalry Advisory Services, LLC, as agent for lender ("Cavalry").

### WITNESSETH:

WHEREAS, Precision Recovery Analytics, Inc., a Texas corporation ("Precision"), owned those certain portfolios of charged-off consumer accounts and obligations identified on the Account Schedule (the "Accounts" or "Lot 1 Assets") (the Accounts do not include Precision's payday loans or medical receivables, which may sometimes be referred to as the "Lot 2 Assets");

WHEREAS, Precision entered into (i) that certain Credit Agreement (as amended, modified, supplemented, renewed, extended or restated, the "Credit Agreement"), dated as of February 6, 2006, among Precision, as borrower, Precision Recovery Analytics International, Inc., a Texas corporation, Paragon Way, Inc., a Texas corporation, as servicer, the lenders from time to time party thereto (the "Lenders"), and Wells Fargo Capital Finance, LLC, a Delaware limited liability company ("Wells Fargo"), as agent for the Lenders, pursuant to which the Lenders agreed to provide Precision with a revolving credit facility in the maximum principal amount of \$50,000,000; and (ii) that certain Security Agreement, dated as of February 6, 2006 (the "Security Agreement"), between Precision, as grantor, and Wells Fargo, as secured party, pursuant to which Precision granted to Wells Fargo, for the benefit of the Lenders, Wells Fargo and certain bank product providers, a continuing first priority security interest in and a lien on all assets of Precision, including, without limitation, all of the Accounts (the "Security Interest");

WHEREAS, pursuant to that certain Temporary Injunction and Order Appointing Receiver Through Trial, dated April 28, 2011, entered in the case styled, "*Wells Fargo Capital Finance, LLC, Plaintiff vs. Precision Recovery Analytics, Inc. and Paragon Way, Inc., Defendants*", Cause No. 11-04722, in the District Court (the "State Court") of Dallas County, Texas, 162nd Judicial District (as amended and supplemented from time to time, the "Receivership Order"), Seller was appointed as receiver and granted control over the assets of Precision subject to the Security Interest, including, without limitation, all of the Accounts; in addition, the assets included within the receivership are subject to the second-priority lien interest of LBC Credit Partners II, L.P. (the "Subordinate Lender");

WHEREAS, Precision entered into that certain Master Servicing Agreement, dated May 4, 2011 (the "Servicing Agreement"), among Precision (acting through Seller), Cavalry Advisory Services, LLC, a Delaware limited liability company and an affiliate of Buyer (the "Servicer") and Wells Fargo, pursuant to which Precision engaged the Servicer to manage, service and collect the Accounts in exchange for the payment by Precision to the Servicer of certain Servicing Fees (as defined in the Servicing Agreement);

WHEREAS, pursuant to that certain Assignment and Acceptance Agreement, dated November 19, 2012, between Wells Fargo, as assignor, and Cavalry SPV II, as assignee, Wells Fargo assigned to Cavalry SPV II all of Wells Fargo's right, title and interest in and to the Credit Agreement, Security Agreement, Master Servicing Agreement, and other loan documents, Cavalry SPV II assumed certain obligations of Wells Fargo, as lender, as more fully set forth in such agreement, and, thereafter, Wells Fargo resigned as agent under the Credit Agreement, and Cavalry was appointed as successor agent by Cavalry SPV II, and Cavalry succeeded to all of Wells Fargo's rights, privileges, obligations and defenses as agent under the Credit Agreement and the Security Agreement, including, without limitation, the right to receive all amounts owed by Precision under the Credit Agreement and the right to enforce the Security Interest granted by Precision under the Security Agreement;

WHEREAS, Seller desires to sell to Buyer and Buyer desires to purchase from Seller, the Accounts (i.e., the Lot 1 Assets), free and clear of all liens, claims and encumbrances, at the price and on the terms and subject to the conditions specified herein.

NOW, THEREFORE, in consideration of the mutual promises herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

#### **ARTICLE I DEFINITIONS**

For purposes of this Agreement, the following terms shall have the respective meanings indicated below or in the Sections of the Agreement referred to below:

"Account Document(s)" means any application, agreement, promissory note, retail installment contract, statement or other evidence of indebtedness reasonably necessary to establish the validity or balance of an Account, which is in Seller's possession and relates to an Account. Such Account Documents may be in hardcopy or electronic format.

"Accounts" has the meaning set forth in the recitals; provided, however, that the Accounts do not include any "payday loans" or medical receivables owned by Precision.

"Account Schedule" means that certain schedule, attached as Exhibit A hereto, setting forth (i) a summary of the Accounts to be purchased hereunder, (ii) the aggregate number of Accounts, (iii) the aggregate Current Balance for the Accounts, (iv) the Purchase Price Percentage for the Accounts, and (v) the aggregate Purchase Price for the Accounts.

"Agreement" has the meaning set forth in the preamble.

"Alternative Transaction" means the sale, transfer or any other disposition, directly or indirectly, including through an asset sale of any other similar transaction, including resulting from the Auction, or any material portion of the Accounts in a transaction or a series of transactions with one or more persons or entities other than Buyer.

"Auction" shall mean the auction conducted by Seller pursuant to the Bid Procedures Order for the Accounts.

"Auction Bid" has the meaning set forth in the Bid Procedures Order.

"Bid Deadline" has the meaning set forth the Bid Procedures Order.

"Bid Procedures Order" has the meaning set forth in Section 3.2(a).

"Bill of Sale and Assignment" has the meaning set forth in Section 2.2.

"Break-Up Fee" means \$100,000, which shall be paid as set forth in Section 8.2 hereof.

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

"Buyer" has the meaning set forth in the preamble.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Competing Bid" has the meaning set forth in the Bid Procedures Order.

"Computer File" means that certain computer file setting forth certain relevant information with respect to each Account and the Obligor(s) thereunder, including, without limitation, the Current Balance, Issuer, account number, Obligor name, address, phone number, social security number, open date, date of last payment, and charge-off date.

"Credit Agreement" has the meaning set forth in the recitals.

"Current Balance" means the unpaid balance in United States Dollars for each Account identified in the Account Schedule and specified as the Current Balance as of the close of business on the Cut-Off Date. The Current Balance may include interest, fees and other charges accrued after the charge-off date of the Account.

"Cut-Off Date" means one Business Day prior to the date of this Agreement.

"Good Faith Deposit" has the meaning set forth in the Bid Procedures Order.

"Issuer" means the entity from which an Account originated.

"Lenders" has the meaning set forth in the recitals.

"Minimum Increment" has the meaning set forth in the Bid Procedures Order.

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

"Outstanding Indebtedness" means all indebtedness owed by Precision to Lenders under the Credit Agreement as of immediately prior to the Closing.

"Outstanding Service Fees" means all fees owed by Precision to Servicer under the Servicing Agreement as of the Closing, including, without limitation, any liquidated damages, which would be payable resulting from the sale of the Accounts under the Servicing Agreement.

"Precision" has the meaning set forth in the recitals.

"Purchase Price" has the meaning set forth in Section 2.4.

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

"Qualified Bidder" has the meaning set forth in the Bid Procedures Order.

"Receivership Order" has the meaning set forth in the recitals.

"Sale Order" has the meaning set forth in the Bid Procedures Order.

"Sales Hearing" has the meaning set forth in the Bid Procedures Order.

"Security Agreement" has the meaning set forth in the recitals.

"Security Interest" has the meaning set forth in the recitals.

"Seller" has the meaning set forth in the preamble.

"Servicer" has the meaning set forth in the recitals.

"Servicing Agreement" has the meaning set forth in the recitals.

"Servicing Fees" has the meaning set forth in the Servicing Agreement.

"State Court" has the meaning set forth in the recitals.

"Transfer Documents" means all documents that are required to be delivered on the Closing Date by Seller or Buyer pursuant to Section 3.2 or Section 3.3.

"Wells Fargo" has the meaning set forth in the recitals.

## ARTICLE II PURCHASE AND SALE OF THE ACCOUNTS

Section 2.1 Agreement to Sell and Purchase Accounts. On the Closing Date, Seller shall sell, transfer, convey, assign, and deliver to Buyer, and Buyer shall purchase, acquire, and accept from Seller 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. Except for the Accounts, Seller shall retain and shall not transfer or sell to Buyer any other assets, rights or interests of Seller, Precision and/or the Receivership Estate.

Section 2.2 Agreement to Assign/Buyer's Right to Act. On the Closing Date, Seller shall deliver to Buyer a Bill of Sale and Assignment, substantially in the form attached hereto as Exhibit B (the "Bill of Sale and Assignment"), executed by Seller, which Bill of Sale and Assignment shall sell, transfer, assign, set-over, quitclaim and convey, in each case without recourse, to Buyer all right, title and interest of Seller in and to each of the Accounts, AS-IS, WHERE-IS. 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 Closing Date.

Section 2.3 Account Schedule & Computer File. Seller has provided as Exhibit A hereto the Account Schedule setting forth (among other things) all of the Accounts and corresponding Current Balance which Buyer has agreed to purchase and Buyer acknowledges that the same has been reviewed to its full satisfaction. Seller shall also deliver to Buyer on the Business Day prior to the Closing Date, a Computer File with information as of that date, along with a calculation of the Net Collections (as defined below).

Section 2.4 Purchase Price/Payment. The Purchase Price for the Accounts shall be an amount equal to (x)(i) \$20 million, less (ii) the amount of proceeds collected on the Accounts between the Cut-Off Date and the Closing Date, net of collection costs incurred pursuant to the Servicing Agreement (the "Net Collections"), which sum shall have been credited to the Outstanding Indebtedness on the Closing Date *plus* (y) the Outstanding Service Fees on the Closing Date, to the extent not paid earlier (collectively, the "Purchase Price"). On the Closing Date, in exchange for the transfer of the Accounts and in full satisfaction of the Purchase Price, Buyer shall (or shall cause the Servicer and Cavalry SPV II to): (i) credit the amount of the Purchase Price against the Outstanding Indebtedness owed by Precision under the Credit Agreement, (ii) consent to the release of the Lenders' Security Interests solely against the Accounts, (iii) cancel all Outstanding Service Fees owed by Precision under the Servicing Agreement, and (iv) credit any outstanding obligations owed by Seller to Buyer under the Servicing Agreement, without further liability or obligation to Seller or Precision.

Section 2.5 DISCLAIMER REGARDING TERMS OF SALE. EXCEPT AS EXPRESSLY STATED WITHIN THIS AGREEMENT, THE SALE AND TRANSFER OF THE ACCOUNTS TO BUYER FROM SELLER PURSUANT TO THIS AGREEMENT IS EXPRESSLY MADE WITHOUT RECOURSE, AND WITHOUT WARRANTY OF ANY KIND OR CHARACTER, INCLUDING, BUT NOT LIMITED TO WARRANTIES PERTAINING TO COLLECTABILITY, OR SUFFICIENCY OF INFORMATION FURNISHED TO BUYER. SELLER HAS NOT MADE AND DOES NOT NOW MAKE ANY REPRESENTATIONS EITHER WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREUNDER OR



THE ACCOUNTS, OTHER THAN THOSE REPRESENTATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT. SELLER MAKES NO WARRANTY REGARDING THE PROBABLE SUCCESS OR PROFITABILITY OF THE ACCOUNTS AFTER THE CLOSING. BUYER EXPRESSLY DISCLAIMS RELIANCE UPON ANY REPRESENTATION OF SELLER AND STIPULATES THAT IT IS RELYING UPON ITS OWN JUDGMENT, AND NOT ANY EXPRESS OR IMPLIED STATEMENT OR REPRESENTATION OF ANY OTHER PARTY. BUYER HEREBY FURTHER WAIVES ANY CLAIM FOR FRAUDULENT INDUCEMENT.

### ARTICLE III CLOSING; CONDITIONS TO CLOSING

Section 3.1 Closing; Closing Date. The closing (the "Closing") will be held at 10:00 a.m. Central Time, at the offices of K&L Gates LLP, 1717 Main Street, Suite 2800, Dallas, Texas 75201, no later than the (i) the date the Sale Order is signed and entered; or (ii) such other later date, time and place as the parties hereto may mutually agree upon in writing (the day upon which the Closing ultimately occurs, the "Closing Date"). All documents which Seller shall deliver shall be in form and substance reasonably satisfactory to Buyer and Buyer's counsel. All documents which Buyer shall deliver shall be in form and substance reasonably satisfactory to Seller and Seller's counsel.

Section 3.2 Conditions to Buyer's Obligation. The obligation of Buyer under this Agreement to consummate the Closing on the Closing Date shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

(a) Court Approval. Seller shall have obtained a court order or orders (providing that it is immediately effective unless otherwise stayed) in the pending receivership proceeding, which order has not been stayed (i) approving the bidding procedures substantially in the form attached to the Bid Procedures Order and itself attached as an exhibit hereto.; (ii) affirming Buyer as the successful bidder in the Auction, if necessary, (iii) approving this Agreement and the Transfer Documents, (iv) directing the consummation of the actions contemplated by this Agreement and the Transfer Documents and (v) expressly excluding the following from Buyer's obligations hereunder: (x) Precision's and its agents' continued conduct of its business; (y) any of the contracts and agreements, assets or obligations of Precision not specifically included in this Agreement; and (z) any act or omission by Precision or any of its agents occurring before the Closing, whether or not foreseeable by the parties hereto or Precision at the time of entry by the parties hereto into this Agreement (the order regarding the foregoing items (ii) through (v), the "Sale Order").

(b) No Injunctions or Restraints. There is no litigation, legal action or other governmental action commenced and pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit, or restraining or prohibiting, the consummation of the transactions contemplated by this Agreement.

(c) Governmental Approval. Buyer and Seller shall have timely obtained, from each governmental authority, all approvals, waivers and consents, if any, necessary for the

consummation of or in connection with the transactions contemplated by this Agreement or the Transfer Documents.

(d) Bill of Sale; Further Assurances. Subject to Court Approval, Seller shall execute and deliver to Buyer the Bill of Sale and Assignment and such other documents as Seller deems reasonably necessary or appropriate for the legal transfer of its right, title and interest in and to the Accounts purchased pursuant to this Agreement.

Section 3.3 Conditions to Seller's Obligation. The obligation of Seller under this Agreement to consummate the Closing on the Closing Date shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

(a) No Injunctions or Restraints. There is no litigation, legal action or other governmental action commenced and pending before any court, tribunal or governmental authority seeking or threatening to restrain or prohibit, or restraining or prohibiting, the consummation of the transactions contemplated by this Agreement.

(b) Governmental Approval. Buyer and Seller shall have timely obtained, from each governmental authority, all approvals, waivers and consents, if any, necessary for the consummation of or in connection with the transactions contemplated by this Agreement or the Transfer Documents.

(c) Purchase Price. Buyer shall deliver to Seller evidence (i) that Buyer, Servicer, and Cavalry SPV II, as applicable, have credited Seller with the Purchase Price against the Outstanding Indebtedness and the cancellation of any Outstanding Service Fees under the Servicing Agreement, as evidenced by a document to be executed by each of Buyer, Servicer, and Cavalry SPV II, as applicable; (ii) that Buyer and Cavalry, as agent, have consented to the release of its Security Interests solely against the Accounts; and (iii) that the Seller has no additional liability under the Servicing Agreement to Buyer, as evidenced by a document to be executed by Servicer.

#### **ARTICLE IV SERVICING TRANSFER**

Section 4.1 Servicing After Closing Date. On the Closing Date, all rights, obligations and responsibilities with respect to the servicing of the Accounts, except as specifically provided in this Agreement, shall pass to Buyer, and Seller shall take no further action against the Accounts. Buyer hereby agrees and acknowledges that Seller (including its agents) shall have no responsibility or liability to Buyer arising out of or related to any third parties' failure to assist or cooperate with Buyer. In addition, Buyer is not relying upon the continued actions or efforts of Seller (or its agents) in connection with its decision to purchase the Accounts. The risks attendant to the potential failure or refusal of third parties to assist or cooperate with Buyer in the effective sale, transfer, assignment and conveyance of the purchased Accounts or assigned rights shall be borne solely by Buyer.

**ARTICLE V**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER**

Buyer hereby represents, warrants and covenants, as of the date of this Agreement and as of the Closing Date, that:

Section 5.1 Independent Evaluation. Buyer 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 is not in a disparate bargaining position relative to Seller. Buyer's bid for and decision to purchase the Accounts pursuant to this Agreement is and was based upon Buyer's independent evaluation of the information made available by Seller or Seller's personnel, agents, or representatives to Buyer. Buyer has made such independent investigations as it deems to be warranted into the nature, enforceability, collectability 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, the terms and conditions of this Agreement and Buyer's own judgment. Buyer hereby waives, to the maximum extent permitted by law, any and all rights, benefits and remedies under any state deceptive trade practices or consumer protection act, with, respect to any matters pertaining to this Agreement, the transactions contemplated hereby and the Accounts and the related assets.

Section 5.2 Authorization. Buyer is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws in 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.

Section 5.3 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).

Section 5.4 Non-Contravention. The execution and delivery of this Agreement by Buyer and Buyer's performance and compliance with the terms of this Agreement will not:

- (a) violate Buyer's charter documents or limited liability company agreement,
- (b) violate any administrative or judicial decree or order or any material law, rule or regulation to which it is subject, or
- (c) 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 Buyer or any of its assets; or result in the creation of a material lien on any of its material assets.



Section 5.5 Litigation. There is no proceeding, action, investigation or litigation pending or, to Buyer's actual knowledge, threatened against 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 Buyer's obligations contemplated herein, or which would be likely to impair materially its ability to perform under the terms of this Agreement.

Section 5.6 Consent. No consent, approval, authorization, or order of, registration or filing with, or notice to, any governmental authority or court is required under law, for the execution, delivery, and performance of or compliance by Buyer with this Agreement or the consummation of any other transaction contemplated hereby.

Section 5.7 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 Buyer shall create any inference that the transactions involve any "security" or "securities". 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 and Buyer could lose part or all of its investment.

Section 5.8 Compliance with Law. In the ownership, servicing and collection of the Accounts sold to Buyer hereunder, Buyer and its agents, employees, representatives and assignees shall comply with all laws including, but not limited to, the Fair Debt Collection Practices Act, the Consumer Credit Protection Act, and the Fair Credit Reporting Act.

Section 5.9 Status of Buyer. Buyer represents, warrants and certifies to 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 Buyer's business; or (iii) an entity that is defined as an accredited investor under the federal securities laws.

Section 5.10 Use of Seller's Name. Buyer may use only the name of Seller, Precision or Issuer for purposes of identifying the chain of title to the Accounts. However, Buyer will not state or represent in any way that Buyer is performing such actions for or on behalf of Seller, Precision or Issuer, or that Seller, Precision or Issuer will take any action with regard to the Account or the Obligor, or that Buyer is Seller, Precision or Issuer's agent, partner, or joint venturer with respect to the Accounts.

Section 5.11 Survival. The representations, warranties and covenants set forth herein shall terminate on the Closing Date.

## **ARTICLE VI REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants, as of the date of this Agreement and as of the Closing Date, that:

Section 6.1 Appointment as Receiver. Seller was appointed receiver of the Receivership Estate of Precision pursuant to the Receivership Order and became the authorized assignee of the Accounts.

Section 6.2 No Actions Inconsistent with Receivership Order. Seller has taken no actions in contravention of the Receivership Order.

## **ARTICLE VII QUALIFIED COMPETING BIDS**

Section 7.1 Competing Bids. This Agreement and the transactions contemplated hereby are subject to Seller's right and ability to consider higher or better competing bids (each, a "Competing Bid") to purchase the Accounts pursuant to the Bid Procedures Order.

Section 7.2 Conflict with Bid Procedures Order. Notwithstanding anything to the contrary contained herein, in the event of a conflict between the terms and conditions of this Agreement and the Bid Procedures Order, the terms and conditions of the Bid Procedures Order shall control and be binding upon the parties hereto. Seller (with the consultation of Seller's financial advisor and Buyer) may establish such other and further procedures governing the sale process and the Auction as are not inconsistent with the Bid Procedures Order and are not inconsistent with this Agreement; provided that this Agreement shall not supersede the language of the Bid Procedures Order with respect to the sales procedures. Seller agrees, and shall represent to the State Court, that the Sellers actively solicited this "stalking horse" bid from Buyer, and Seller will introduce evidence about the extent of Seller's efforts to sell the Accounts to other third parties.

Section 7.3 Cooperation; Court Approvals. The parties hereto shall use commercially reasonable good faith efforts to assist the other party or parties hereto and cooperate with their respective legal counsel and accountants in connection with any steps to be taken as part of their respective obligations under this Agreement (including, without limitation, obtaining the entry of the Bid Procedures Order and the Sale Order and approval of the State Court with respect to this Agreement and the consummation of the transactions contemplated hereby), and all parties hereto shall use their commercially reasonable good faith efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder. Each of Seller and Buyer agrees to use commercially reasonable good faith efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions to the other party's or parties' obligations to consummate and make effective the transactions contemplated by this Agreement; provided, however, that nothing contained herein shall represent a covenant or guaranty of approval, completion or success with respect to any or all such procedures.

Section 7.4 Receivership Filings. From and after the date hereof, Seller shall provide such prior notice as may be reasonable under the circumstances before filing any papers in the State Court that relate, in whole or in part, to this Agreement or Buyer, and shall consult in good faith with the Buyer regarding the content of such materials prior to any such filing.

## ARTICLE VIII TERMINATION

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Closing by:

- (a) the mutual written consent of Buyer and Seller; or
- (b) automatically upon the consummation of an Alternative Transaction.

Section 8.2 Effect of Termination. In the event that this Agreement is validly terminated as provided herein, each of the parties hereto shall be relieved of its duties and obligations arising hereunder effective as of the date of such termination and such termination shall be without liability to Buyer or Seller; provided, however, that if this Agreement automatically terminates pursuant to Section 8.1(b), Seller shall pay to Buyer by wire transfer, immediately upon the closing of the Alternative Transaction to the other Qualified Bidder, an amount in cash equal to the Break-Up Fee.

## ARTICLE IX NOTICE

Section 9.1 Notice. Unless otherwise provided for herein, notices and other communications required or permitted hereunder shall be in writing addressed to the parties and addresses below and shall be delivered by certified mail return receipt requested or express mail signature required. Such notice shall be deemed to have been received on the date delivered.

### **If to Buyer:**

c/o Cavalry Investments, LLC  
Cavalry SPV II, LLC  
Cavalry Advisory Services, LLC  
500 Summit Lake Drive, Suite 400  
Valhalla, NY 10595  
Attn: Michael Godner  
Christian Parker  
Email: [msgodner@cavps.com](mailto:msgodner@cavps.com)  
[cparker@cavps.com](mailto:cparker@cavps.com)

*with a copy (which shall not constitute notice) to:*

DLA Piper LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020-1104  
Attn: Jonathan Klein, Esq.  
Email: [jonathan.klein@dlapiper.com](mailto:jonathan.klein@dlapiper.com)

Vince Slusher, Esq.  
DLA Piper LLP (US)  
1717 Main Street  
Suite 4600  
Dallas, Texas 75201  
Tel: (214) 743-4572  
Email: [vince.slusher@dlapiper.com](mailto:vince.slusher@dlapiper.com)

**If to Seller:**

Howard Spector, Esq.  
Spector & Johnson  
12770 Coit Road, Banner Place  
Suite 1100  
Dallas, Texas 75251  
Email: [hspector@spectorjohnson.com](mailto:hspector@spectorjohnson.com)

**ARTICLE X  
MISCELLANEOUS PROVISIONS**

Section 10.1 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 10.2 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 10.3 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 the Agreement or any provision hereof.

Section 10.4 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 10.5 No Presumptions. The parties have jointly participated in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation

arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any provisions of this Agreement.

Section 10.6 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. Seller may not assign this Agreement or the Accounts, without the express written consent of Buyer or pursuant to the terms of the express terms of this Agreement. Following the Closing, Buyer shall have the right to assign this Agreement and/or to resell or transfer the Accounts without the consent of Seller.

Section 10.7 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 10.8 Integrated Agreement. This Agreement and all Exhibits and Schedules hereto constitute the final complete expression of the intent and understanding of Buyer and Seller. This Agreement shall not be altered or modified except by a subsequent writing, signed by Buyer and Seller.

Section 10.9 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.

Section 10.10 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 10.11 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 Texas. The parties agree that any legal actions between Buyer and Seller regarding the purchase of the Accounts hereunder shall be originated in a court of competent jurisdiction in the State of Texas, and Seller hereby consents to the jurisdiction of such court in connection with any action or proceeding initiated concerning this Agreement and agrees that service by mail to the address specified in Article IX of this Agreement shall be sufficient to confer jurisdiction over Seller in such 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 10.12 Waiver of Jury Trial. To the extent enforceable, each party hereto knowingly, voluntarily and intentionally waives to the fullest extent permitted by law, the right to a trial by jury in any legal proceeding arising out of or related to this Agreement and agree that any legal proceeding shall be tried before a court and not a jury, and the parties consent to the jurisdiction of the state court to try any issues relating to this Agreement.

Section 10.13 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 10.14 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 all costs and expenses relating to the Accounts that were incurred by Seller prior to, or after the Cut Off Date.

Section 10.15 Limited Power of Attorney. Seller hereby grants, and shall execute and deliver, to Buyer a limited Power of Attorney in the form of Exhibit E **[IF EXHIBIT D IS ATTACHED]**.

Section 10.16 UCC Filing. Seller hereby consents to the filing of a UCC-1 financing statement, in the form of Exhibit F **[IF EXHIBIT D IS ATTACHED]**, which may be filed at the option of Buyer.

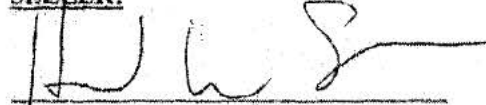
Section 10.17 Non-Recourse. This Agreement is executed solely in the Receiver's capacity as receiver, and is without recourse against the Receiver individually or his assets.

*[Signature Page Follows]*



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


**SELLER:**



Name: Howard Marc Spector  
Title: Receiver

**BUYER:**

**CAVALRY INVESTMENTS, LLC**

By: 


Name: Michael S. Godner  
Title: CFO

**CAVALRY ADVISORY SERVICES, LLC**

By: 

Name: Michael S. Godner  
Title: CFO

**CAVALRY SPV II, LLC**

By: 

Name: Michael S. Godner  
Title: CFO

**EXHIBIT A**

**ACCOUNT SCHEDULE**

# Accounts	\$ CURRENT BALANCE
307,343	\$668,001,944

(See Computer File for detailed list)

**EXHIBIT B**

**BILL OF SALE AND ASSIGNMENT OF ACCOUNTS**

\_\_\_\_ ("Seller"), hereby absolutely sells, transfers, assigns, sets over and conveys to Cavalry Investments, LLC, a Limited Liability Company organized under the laws of the State of Delaware ("Assignee"), without recourse and without representations or warranties except those as set forth in the Agreement (as defined below), express or implied, of any type, kind or nature:

- (a) all of Seller's right, title, and interest in and to each of the Accounts identified in the Account Schedule attached to the Agreement as Exhibit "A" (the "Accounts"); and
- (b) all proceeds or consideration of any kind received with respect to the Accounts after the Cut-Off Date (as defined in the Agreement).

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 Seller and Buyer, dated November, 2012 (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 Texas without regard to the conflicts-of-laws rules thereof.

DATED:

SELLER:

By:

Name:

Title:

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This Bill of Sale was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_ by \_\_\_\_\_ as Attorney-in-Fact on behalf of Seller.

My Commission Expires:

Notary Public in and for the State of

## EXHIBIT C

### BID PROCEDURES ORDER AND BID PROCEDURES

**EXHIBIT D**

**NOTICE OF COMPLETION OF DUE DILIGENCE**

**EXHIBIT E**

**LIMITED POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_  
("Seller"), with respect to those certain purchased Accounts, described in that certain  
Purchase and Sale Agreement dated \_\_\_\_\_ (the  
"Agreement") between Seller and \_\_\_\_\_ ("Buyer"), hereby names,  
constitutes and appoints Buyer, or any of their authorized agents, employees or  
representatives or assignees, its duly authorized attorney and agent with limited power  
and authority to i) endorse checks and other negotiable instruments which may be  
received by Buyer; ii) perfect, maintain, or release any security interests solely against  
the Accounts; iii) replace Seller as the party litigant or judgment holder as required under  
the Agreement; iv) terminate any third party servicing agreements; or v) take any lawful  
action with respect to the Accounts that Seller had the right to do prior to the sale.  
Capitalized terms used herein and not otherwise defined herein shall have the meanings  
set forth in the Agreement.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2012,

SELLER: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2012  
by \_\_\_\_\_ as President on behalf of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_



EXHIBIT F

FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING  
OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORANIZATION'S NAME (SELLER)					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY
1d. TAX I.D. # OR EIN	ADD'L INFO RE ORGANIZA TION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL I.D. #, if any <input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE COUNTRY
2d. TAX I.D. # SNN OR EIN	ADD'L INFO RE ORGANIZA	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL I.D. #, if any	

	TION DEBTOR			NONE	<input type="checkbox"/>
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3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE OF ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME (BUYER)					
	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS			CITY	STA TE	POSTAL CODE	COUNTR Y

This FINANCING STATEMENT covers the following types or collateral:

All of the Debtor/Seller's right, title and interest in and to all Accounts purchased by Secured Party/Buyer pursuant to the terms of that certain Purchase and Sale Agreement executed by Debtor/Seller and Secured Party/Buyer and dated as of [ ] [ ], 20\_\_ (the "Purchase Agreement"), specifically those Accounts, related indebtedness, all monies due thereon or paid thereunder or in respect thereof, liens, security interest, or other security instruments or encumbrances executed, filed and/or created in conjunction with said Accounts and all other rights ancillary to said Accounts including, without limitation, all proceeds for any of the foregoing and all other amounts payable in respect of the foregoing, as specified in the Purchase Agreement referenced above. Such Accounts are referred to in said Purchase Agreement. This filing reflects a true sale of the Accounts from Debtor/Seller to Secured Party/Buyer.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSOR/LESSEE ☐ CONSIGNOR/CONSIGNEE ☐ BAILEE/BAILOR  
☒ BUYER/SELLER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)  
 [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)