

ORIGINAL



0000176454

Transcript Exhibit(s)

Docket #(s): S-20906A-14-0063

---



---



---



---



---



---



---



---

Arizona Corporation Commission

DOCKETED

JAN 13 2017

DOCKETED BY

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2017 JAN 13 P 2:33

Exhibit #: S18a-S18d; S19a-S19d; S20a-S20c; S21a-S21d; S22a; S22b; S23a; S23b;  
S24a-S24i; S25a-S25l; S26a-S26g; S27a-S27e; S28a; S29a-S29f; S30a-S30c;  
S32a-S32d; S33a-S33d; S34a-S34d; S35a-S35f; S36a-S36d; S37a-S37b; S38a-S38d;  
S39a-S39d

**CONCORDIA FINANCING CO., LTD.**

**Sale of Contracts and Servicing Agreement**

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/1/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Theresa Patricola, Steven Patricola, a(n) IND. ("Investor") here in after collectively referred to as "the parties."

**RECITALS**

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. DEFINITIONS**

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.



ACC004468  
BERSCH

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

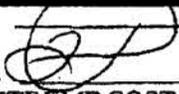
12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

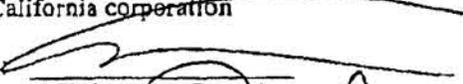
If to Investor:

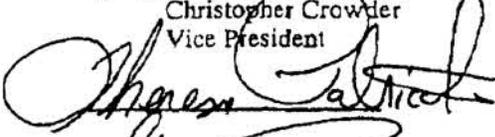
[Redacted] A2 [Redacted]

12.10 Waiver of Jury Trial.  (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
Christopher Crowder  
Vice President

Investor:   




5-10-05 10:44AM CONCORDIA FINANCE-Collections



# 10 / 13

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of \_\_\_\_\_ .2005

Total: \$ \_\_\_\_\_

ACC004476  
BERSCH

8-10-05 10:48AM: CONCORDIA FINANCE-COLLECTIONS

\$ 100,000

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a(n) \_\_\_\_\_ ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

HERESA PATRICOLA + STEVEN PATRICOLA  
RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/1/08 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC004477  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

Concordia Financing Co., Ltd  
a California corporation

Christopher Crowder  
Vice President

Investor:

Custodian:

ER Financial and Advisory Services

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 1, 2008 by and between Theresa Patricola & Steven Patricola and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about April 1, 2008 Theresa Patricola & Steven Patricola and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Theresa Patricola & Steven Patricola monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Theresa Patricola & Steven Patricola desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Theresa Patricola & Steven Patricola monthly payments in an amount equal to the interest payments

ACC004466  
BERSCH



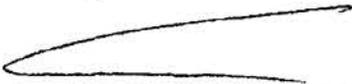


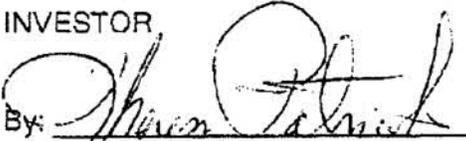
Concordia has been making to Theresa Patricola & Steven Patricola. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR  
By:   
Theresa Patricola

By:   
Steven Patricola



**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Theresa & Steven Patricola* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 1, 2008*, Concordia and *Theresa & Steven Patricola* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Theresa & Steven Patricola* 's investment balance. *Theresa & Steven Patricola* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

ACC004450  
BERSCH



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$107,599.32 to \$25,099.32.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Theresa & Steven Patricola* . In the event that *Theresa & Steven Patricola* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.



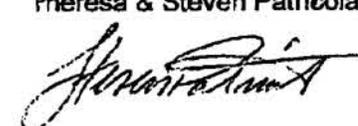
10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Theresa & Steven Patricola hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_  
Christopher Crowder  
President

INVESTOR  
By:   
Theresa & Steven Patricola  


## CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/1/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) IND. ("Investor") here in after collectively referred to as "the parties."

*Theresa Patricola, Steven Patricola*

## RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## 1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005601  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000. (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

ACC005602  
BERSCH

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC005603**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

ACC005604  
BERSCH

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

ACC005605  
BERSCH

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

**ACC005606**  
BERSCH

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

ACC005607  
BERSCH

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

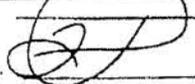
12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

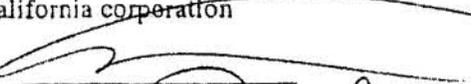
If to Investor:

[Redacted] A2 [Redacted]

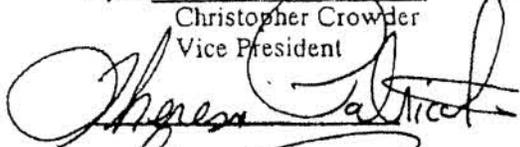
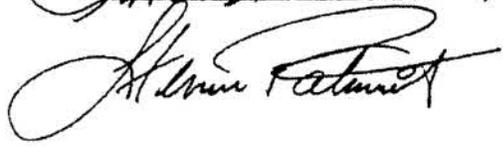
12.10 Waiver of Jury Trial.  (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
Christopher Crowder  
Vice President

Investor:

ACC005608  
BERSCH

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of \_\_\_\_\_ 2005

Total: \$ \_\_\_\_\_

**ACC005609**  
BERSCH

\$ 100,000

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a(n) \_\_\_\_\_ ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

TERESA PATRICOLA + STEVEN PATRICOLA

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/1/08 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.
2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.
3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.
4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC005610  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.



6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

Concordia Financing Co., Ltd.  
a California corporation

Christopher Crowder  
Vice President

Investor:

Custodian:

*Michael Berard ER*  
ER Financial and Advisory Services  
*Services.*



4879

AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 1, 2008 by and between Theresa Patricola & Steven Patricola and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about April 1, 2008 Theresa Patricola & Steven Patricola and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Theresa Patricola & Steven Patricola monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Theresa Patricola & Steven Patricola desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Theresa Patricola & Steven Patricola monthly payments in an amount equal to the interest payments



ACC005592  
BERSCH

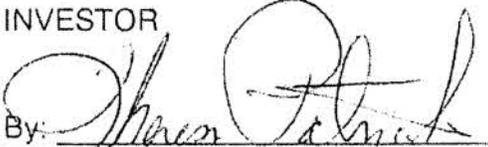
Concordia has been making to Theresa Patricola & Steven Patricola. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

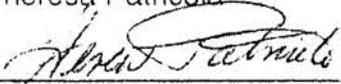
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR  
By:   
Theresa Patricola

By:   
Steven Patricola

4877

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Theresa & Steven Patricola* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 1, 2008*, Concordia and *Theresa & Steven Patricola* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

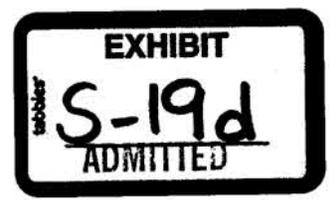
C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Theresa & Steven Patricola* 's investment balance. *Theresa & Steven Patricola* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

ACC005586  
BERSCH



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$107,599.32 to \$25,099.32.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Theresa & Steven Patricola*. In the event that *Theresa & Steven Patricola* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

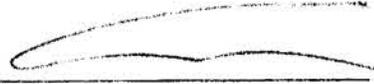
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Theresa & Steven Patricola hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Theresa & Steven Patricola



[REDACTED] 1187757

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Theresa & Steven Patricola* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 1, 2008*, Concordia and *Theresa & Steven Patricola* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Theresa & Steven Patricola* 's investment balance. *Theresa & Steven Patricola* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$107,599.32 to \$25,099.32.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Theresa & Steven Patricola*. In the event that *Theresa & Steven Patricola* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

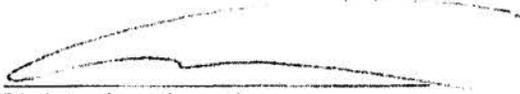
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Theresa & Steven Patricola hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Theresa & Steven Patricola



RECEIVED MAR 23 2009

0-863

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 23, 2004 by and between Samuel C. and Lea Rae Nichols and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 23, 2004 Samuel C. and Lea Rae Nichols and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Samuel C. and Lea Rae Nichols monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Samuel C. and Lea Rae Nichols desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Samuel C. and Lea Rae Nichols monthly payments in an amount equal to the interest payments Concordia

ACC004510  
BERSCH



has been making to Samuel C. and Lea Rae Nichols. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

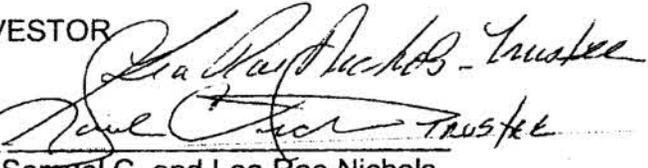
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President & COO

INVESTOR

By: 

Samuel C. and Lea Rae Nichols  
Nichols Family Trust

ACC004511  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 23, 2004*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Samuel Nichols & Lea Rae* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 23, 2004*, Concordia and *Samuel Nichols & Lea Rae* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Samuel Nichols & Lea Rae's* investment balance. *Samuel Nichols & Lea Rae* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$85,508.60 to \$14,337.06.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Samuel Nichols & Lea Rae*. In the event that *Samuel Nichols & Lea Rae* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

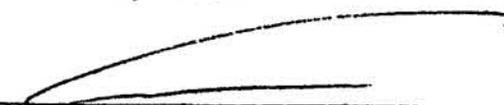
10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

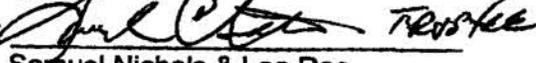
11. By execution of this Second Amendment, Samuel Nichols & Lea Rae hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:  *Lea Rae, Trustee*  
 *Samuel Nichols, Trustee*  
Samuel Nichols & Lea Rae

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to e effective as of the day and year first above written.

Concordia:

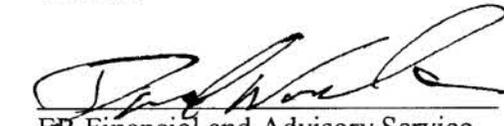
Concordia Financing Co., Ltd.  
A California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
Trustee

Custodian:

  
\_\_\_\_\_  
ER Financial and Advisory Service

ACC004524  
BERSCH



CONCORDIA FINANCING CO., LTD

Sales of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of January 23, 2004 by and between Concordia Finance Co., Ltd., a California corporation ("Concordia"), and the Nichols Family Trust Dated December 15, 2000, Samuel C & Lea Rae Nichols, Trustees ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer, a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.



ACC006599  
BERSCH

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$60,000.00 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into the Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all

executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payments of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fee, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the

appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor, of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1. and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles he Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

**ACC006603**  
BERSCH

## 9. ARBITRATION

At the election of either party, and controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties and (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, Warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party,
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit or creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect

11.2 Remedies After Default In the event of any Default by Concordia have not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof; which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer,
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidence of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement.
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer, and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is neither a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement whether or not suit is

brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provisions(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitute the entire agreement of the parties and supersede all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.) or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Finance Co, Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: Nichols Family Trust  
Samuel & Lea Rae Nichols, Trustees  
[REDACTED], AZ [REDACTED]

12.10 Waiver of Jury Trial. EN CC (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND

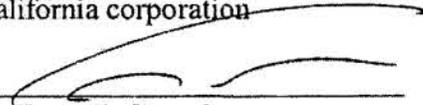
ACC006607  
BERSCH

CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 23<sup>rd</sup> day of January, at Ontario, California.

Concordia:

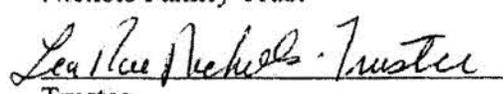
Concordia Financing Co, Ltd.  
A California corporation

By: 

Kenneth Crowder  
President

Investor:

Nichols Family Trust

  
Trustee

## CONCORDIA FINANCING CO., LTD. CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of January 23, 2004 by and between Concordia Financing Co., a California corporation ("Concordia"), and The Nichols Family Trust Dated December 15, 2000, and E R Financial and Advisory Service, and Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated January 23, 2004 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

ACC006609  
BERSCH



3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement

4. Right, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 for the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity or any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in his possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodial shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in this possession back to Concordia and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under

this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

0-863

RECEIVED MAR 23 2009

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 23, 2004 by and between Samuel C. and Lea Rae Nichols and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 23, 2004 Samuel C. and Lea Rae Nichols and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Samuel C. and Lea Rae Nichols monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Samuel C. and Lea Rae Nichols desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Samuel C. and Lea Rae Nichols monthly payments in an amount equal to the interest payments Concordia

ACC006592  
BERSCH

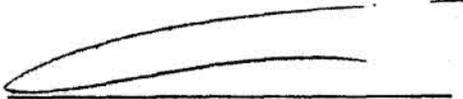


has been making to Samuel C. and Lea Rae Nichols. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

 - Trustee  
By:  Trustee  
Samuel C. and Lea Rae Nichols  
Nichols Family Trust

[REDACTED] 08/15

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 23, 2004*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Samuel Nichols & Lea Rae* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 23, 2004*, Concordia and *Samuel Nichols & Lea Rae* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Samuel Nichols & Lea Rae's* investment balance. *Samuel Nichols & Lea Rae* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$85,508.60 to \$14,337.06.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Samuel Nichols & Lea Rae*. In the event that *Samuel Nichols & Lea Rae* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Samuel Nichols & Lea Rae hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_  
Christopher Crowder  
President

INVESTOR

By: Lea Rae Nichols, Trustee  
Samuel Nichols & Lea Rae Trustee

RECORDED & INDEXED

ACCRUE  
INTEREST

12 90

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of August 28, 2002, by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and THE MCCULLOUGH FAMILY TRUST DATED MAY 13, 1988 ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC004512  
BERSCH



- 1.5 "Customer" means the account debtor under a Contract.
- 1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.
- 1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.
- 1.8 "Default" shall have the meaning set forth in Section 11 hereof.
- 1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.
- 1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 60000<sup>00</sup> (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

- 3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.
- 3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.
- 3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.
- 3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

ACC004516  
BERSCH

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

ACC004517  
BERSCH

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

**ACC004518**  
BERSCH

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer, and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor:

FLORENCE McCULLOUGH  
[REDACTED]  
[REDACTED] AZ [REDACTED]

12.10 Waiver of Jury Trial. F.M.C. (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: [Signature]  
Kenneth Crowder  
President

Investor:

[Signature]  
FLORENCE McCULLOUGH, TRUSTEE  
THE McCULLOUGH FAMILY TRUST

ACC004520  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of August 28, 2002, by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), ~~THE MCCULLOUGH~~ FAMILY TRUST, a(n) TRUST ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated August 28, 2002 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.
2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.
3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.
4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC004521  
BERSCH

- 1 -



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

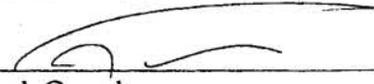
7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

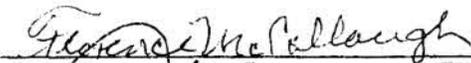
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

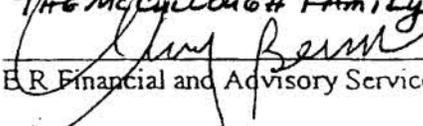
Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
FLORENCE McCULLOUGH, TRUSTEE  
THE McCULLOUGH FAMILY TRUST

Custodian:

  
\_\_\_\_\_  
E.R. Financial and Advisory Service

ACC004523  
BERSCH

ACCRUE  
INTEREST

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

12 90

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of August 28, 2002 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and THE MCCULLOUGH Family Trust DATEB (n) TRUST ("Investor") hereinafter collectively referred to as "the parties." MAY 13, 1988

### RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### 1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer, a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC006617  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 60000<sup>00</sup> (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

**ACC006618**  
BERSCH

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof, and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer, and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: FLORENCE McCULLOUGH

[REDACTED] AZ [REDACTED]

12.10 Waiver of Jury Trial. K. M. CW (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: [Signature]  
Kenneth Crowder  
President

Investor:

[Signature]  
FLORENCE McCULLOUGH, TRUSTEE  
THE McCULLOUGH FAMILY TRUST

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of \_\_\_\_\_, 2001

Total: \$ \_\_\_\_\_

**ACC006626**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of August 28, 2002, by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), ~~THE MCCULLOUGH FAMILY TRUST~~, a(n) TRUST ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated August 28, 2002 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.
2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.
3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.
4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC006627  
BERSCH

- 1 -



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

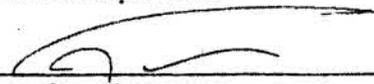
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

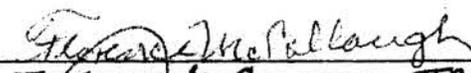
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

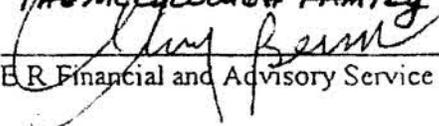
Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
FLORENCE McCULLOUGH TRUSTEE  
THE McCULLOUGH FAMILY TRUST

Custodian:

  
\_\_\_\_\_  
E.R. Financial and Advisory Service

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

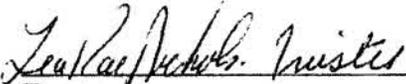
IN WITNESS WHEREOF, the undersigned have executed this Agreement to e effective as of the day and year first above written.

Concordia:

Concordia Financing Co., Ltd.  
A California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
Trustee

Custodian:

  
\_\_\_\_\_  
ER Financial and Advisory Service

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of October 6, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Donald T and Kathleen S Hodel, a married couple ("Investor") hereinafter collectively referred to as "the parties."

R E C I T A L S

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

- 1 -  
ACC004968  
BERSCH



1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, which the parties agree have an aggregate unpaid principal amount of \$75,285 as of the date hereof, for a purchase price of \$75,000 (the "Purchase Price").

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not

subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of

the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the

Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding

arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

#### 10. TERM AND TERMINATION

10. Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

#### 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: Donald T or Kathleen S Hodel

AZ

12.10 Waiver of Jury Trial. KC (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 11th day of October, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: Kenneth Crowder  
Kenneth Crowder  
President

Investor:

Kathleen S. Hodel  
Kathleen S. Hodel

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of October 6, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Donald T and Kathleen S Hodel, a married couple ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated October 6, 1999 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.



4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

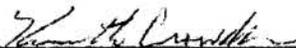
7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

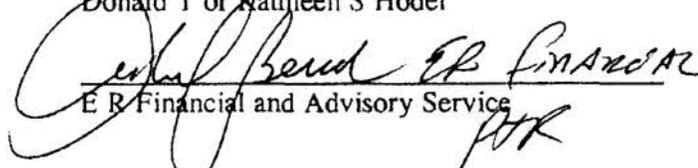
Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
Donald T or Kathleen S Hodel

Custodian:

  
\_\_\_\_\_  
E R Financial and Advisory Service  
ER

ACC004979  
BERSCH

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

100000  
10-19-01

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 10-19, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Don + KATHY Hodel, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC004766  
BERSCH



- 1.5 "Customer" means the account debtor under a Contract.
- 1.6 "Customer Dispute" means any claim by Customer against Concordia, of any nature whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.
- 1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.
- 1.8 "Default" shall have the meaning set forth in Section 11 hereof.
- 1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.
- 1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

- 3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.
- 3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.
- 3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.
- 3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

ACC004773  
BERSCH

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: Don + KATHY HODEL  
[Redacted] A2 [Redacted]

12.10 Waiver of Jury Trial. <sup>KC</sup> ~~KSH DTH~~ (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 19 day of October 2001, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: [Signature]  
Kenneth Crowder  
President

Investor: [Signature]  
[Signature]

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 10-19, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Don + Kathy Hodell, a(n) IND. ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 10-19, 2001 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

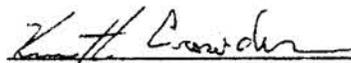
7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

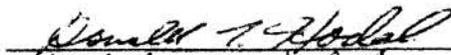
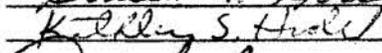
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

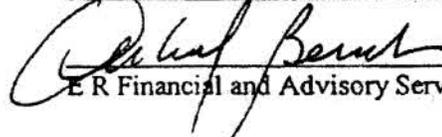
Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Custodian:

  
\_\_\_\_\_  
E R Financial and Advisory Service

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on October 19, 2001 by and between Donald T. and Kathleen S. Hodel and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about October 19, 2001 Donald T. and Kathleen S. Hodel and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Donald T. and Kathleen S. Hodel monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Donald T. and Kathleen S. Hodel desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.
2. In place thereon, Concordia will continue to pay to Donald T. and Kathleen

ACC004789  
BERSCH

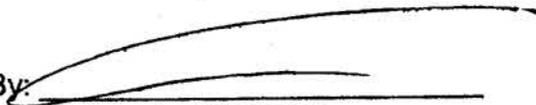


S. Hodel monthly payments in an amount equal to the interest payments Concordia has been making to Donald T. and Kathleen S. Hodel. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

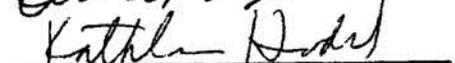
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President & COO

INVESTOR

By:   


Donald T. and Kathleen S. Hodel

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *October 19, 2001*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Donald T. & Kathleen S. Hodel* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *October 19, 2001*, Concordia and *Donald T. & Kathleen S. Hodel* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Donald T. & Kathleen S. Hodel's* investment balance. *Donald T. & Kathleen S. Hodel* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



ACC004743  
BERSCH

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$264,506.14 to \$44,349.39.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Donald T. & Kathleen S. Hodel*. In the event that *Donald T. & Kathleen S. Hodel* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

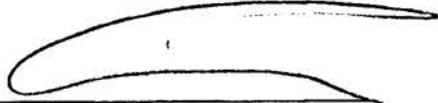
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Donald T. & Kathleen S. Hodel hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By: 

Donald T. & Kathleen S. Hodel

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

1090  
ACCUSED

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 2/13, 2007 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties."

DONALD T + KATHLEEN MODEL  
RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means Chino Commercial Bank, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC004812  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a .833% per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor:

*Don + KATHY Hodal*

**[REDACTED]**  
**[REDACTED]** **AZ** **[REDACTED]**

12.10 Waiver of Jury Trial. *KSH* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_ 2002, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: \_\_\_\_\_  
Kenneth Crowder  
President

Investor:

*Kathleen S. Hodal*  
*Donald T. Hodal*

# CONTRACT

CONCORDIA FINANCING CO., LTD.

## Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 1/10, 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Don + KATHY Hodel, a(n) INDIV ("Investor") hereinafter collectively referred to as "the parties."

### RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### 1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC004800  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4 CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a .83% per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

such notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia;

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12 MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid or via a private messenger/delivery service offering signature acknowledgement by return (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by fax, email, or wherever located:

To: Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor:

DON + KATHY HODEL

A2

12.10 Waiver of Jury Trial KH (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 10 day of January 2008, at Ontario, California

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: \_\_\_\_\_  
Christopher Crowder  
Vice President

Investor:

Kathy Hodel

ACC004808  
BERSCH

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 1/10, 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Don + KATNY, a(n) IND ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties"

Hodel

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 1/10, 2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature.

ACC004809  
BERSCH

EXHIBIT  
5-24-1  
ADMITTED

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

ACC004810  
BERSCH

Under this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees

08/33

~~6~~ Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of ~~0.25%~~ per month of the principal balance, payable monthly *1% for the YR*

7 Indemnification and Contribution

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd  
a California corporation

\_\_\_\_\_  
Kenneth Crowder  
President

Investor: *Kathy Huel*

Custodian: *Arthur Bernd*  
E R Financial and Advisory Service

ACC004811  
BERSCH

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 10, 2005 by and between Donald T. and Kathleen Hodel and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 10, 2005 Donald T. and Kathleen Hodel and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Donald T. and Kathleen Hodel monthly an amount equal to a 0.83% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Donald T. and Kathleen Hodel desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Donald T. and Kathleen Hodel monthly payments in an amount equal to the interest payments Concordia has

ACC004787  
BERSCH



been making to Donald T. and Kathleen Hodel. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

Donald T. and Kathleen Hodel

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 10, 2005*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Donald T. & Kathleen Hodel* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 10, 2005*, Concordia and *Donald T. & Kathleen Hodel* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Donald T. & Kathleen Hodel* 's investment balance. *Donald T. & Kathleen Hodel* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$80,977.19 to \$18,889.38.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Donald T. & Kathleen Hodel*. In the event that *Donald T. & Kathleen Hodel* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

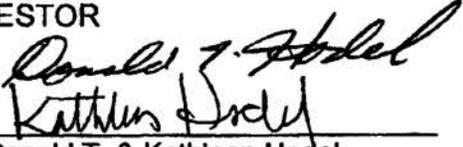
11. By execution of this Second Amendment, Donald T. & Kathleen Hodel hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

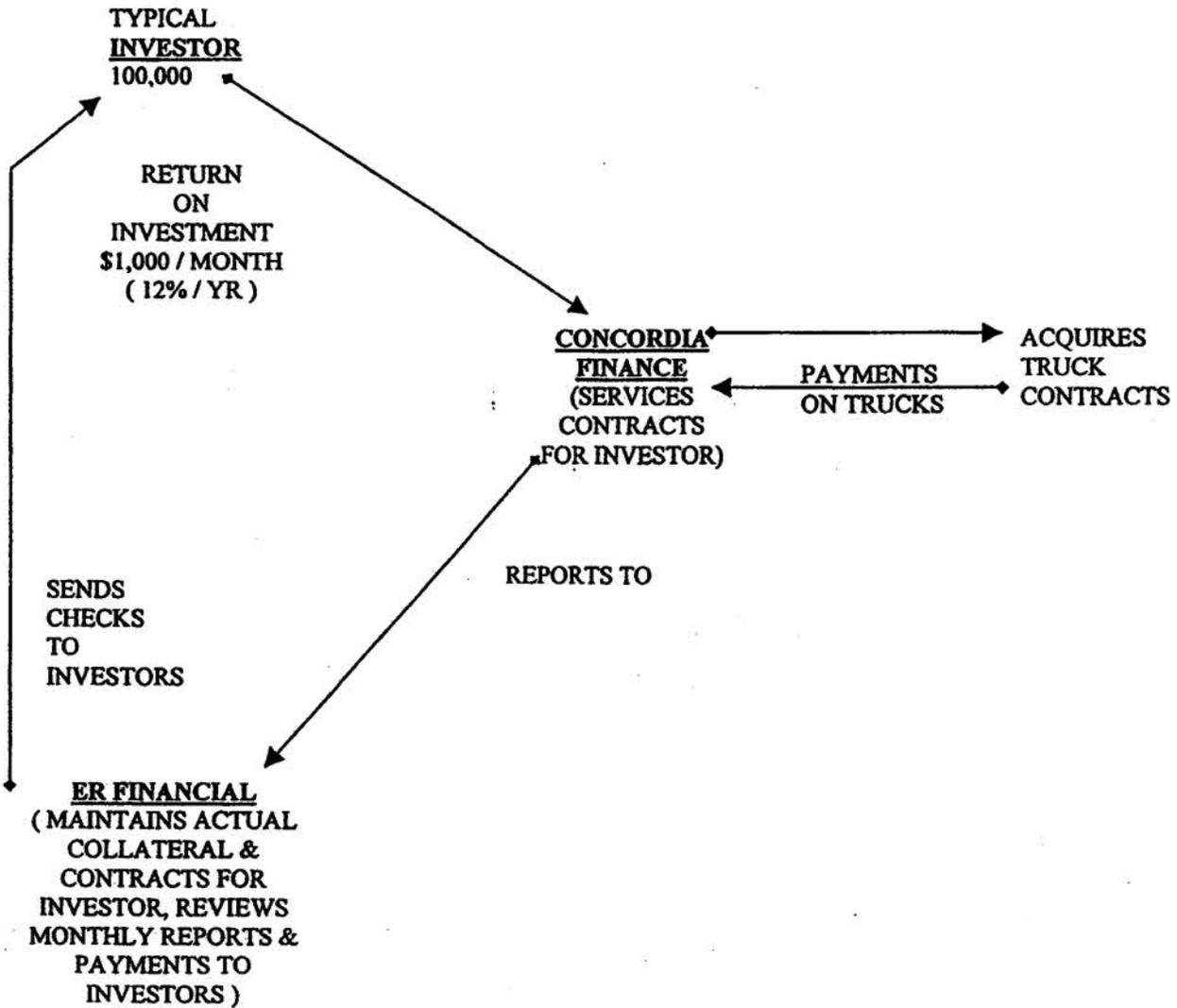
CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Donald T. & Kathleen Hodel

# CONCORDIA FINANCE



PRODUCT APPROVED BY  
KANSAS CITY LIFE INS.  
BROKER: SUNSET FINANCIAL



ACC004825  
BERSCH

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of October 6, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Donald T and Kathleen S Hodel, a married couple ("Investor") hereinafter collectively referred to as "the parties."

R E C I T A L S

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.



1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, which the parties agree have an aggregate unpaid principal amount of \$75,285 as of the date hereof, for a purchase price of \$75,000 (the "Purchase Price").

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not

subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of

the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the

Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding

arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10. Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: Donald T or Kathleen S Hodel  
[REDACTED] AZ [REDACTED]

12.10 Waiver of Jury Trial. KC (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 11th day of October, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: Kenneth Crowder  
Kenneth Crowder  
President

Investor:

Kathleen S. Hodel  
Kathleen S. Hodel

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of October 6, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Donald T and Kathleen S Hodel, a married couple ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated October 6, 1999 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

ACC009392  
BERSCH

- 1 -



4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

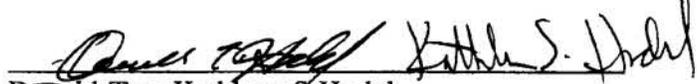
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.  
a California corporation



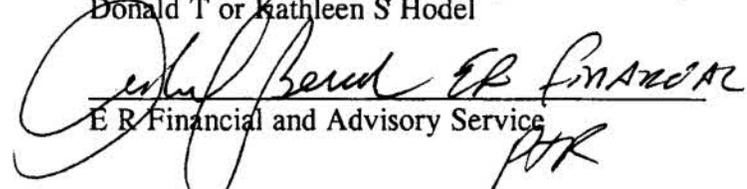
Kenneth Crowder  
President

Investor:



Donald T or Kathleen S Hodel

Custodian:



E R Financial and Advisory Service

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

100000  
10-19-01

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 10-19, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Don + KATHY Hodel, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC009373  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor:

Don + KATHY HODEL  
[REDACTED] A2 [REDACTED]

12.10 Waiver of Jury Trial. <sup>KC</sup> ~~KSF DTH~~ (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 19 day of October 2001, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: Kenneth H. Crowder  
Kenneth Crowder  
President

Investor:

Don + Kathy Hodel  
Kathleen S. Hodel

ACC009381  
BERSCH

Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of \_\_\_\_\_ 2001

Total:                      \$ \_\_\_\_\_

**ACC009382**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 10-19, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Don + Kathy Hodel, a(n) IND. ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 10-19, 2001 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

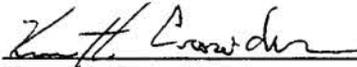
7. Indemnification and Contribution.

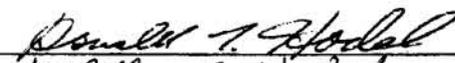
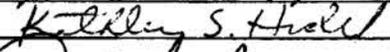
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

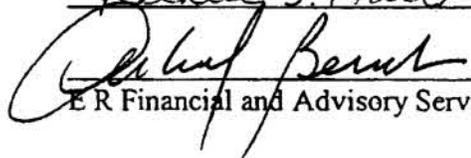
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:   
  
\_\_\_\_\_

Custodian:   
\_\_\_\_\_ E R Financial and Advisory Service

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on October 19, 2001 by and between Donald T. and Kathleen S. Hodel and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about October 19, 2001 Donald T. and Kathleen S. Hodel and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Donald T. and Kathleen S. Hodel monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Donald T. and Kathleen S. Hodel desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Donald T. and Kathleen

ACC009360  
BERSCH

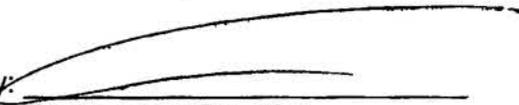


S. Hodel monthly payments in an amount equal to the interest payments Concordia has been making to Donald T. and Kathleen S. Hodel. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President & COO

INVESTOR

By: 

Donald T. and Kathleen S. Hodel

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *October 19, 2001*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Donald T. & Kathleen S. Hodel* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *October 19, 2001*, Concordia and *Donald T. & Kathleen S. Hodel* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Donald T. & Kathleen S. Hodel's* investment balance. *Donald T. & Kathleen S. Hodel* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$264,506.14 to \$44,349.39.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Donald T. & Kathleen S. Hodel*. In the event that *Donald T. & Kathleen S. Hodel* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

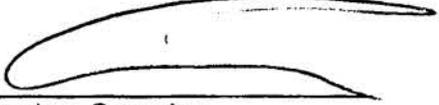
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

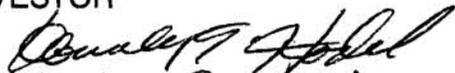
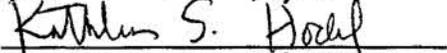
11. By execution of this Second Amendment, Donald T. & Kathleen S. Hodel hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
  
Donald T. & Kathleen S. Hodel

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

1090  
ACCURSED

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 2/13, 2007 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties."

DONALD T + KATHLEEN MODEL  
RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means Chino Commercial Bank, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC006035  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a .833% per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

**ACC006039**  
BERSCH

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor:

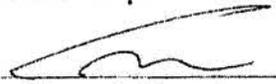
*Don + KATHY Hodges*

*AZ*

12.10 Waiver of Jury Trial. *KSH CC* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 13<sup>th</sup> day of February 2004, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
Kenneth Crowder  
President

Investor:

*Kathleen S. Hodges*  
*Donald T. Hodges*

ACC006043  
BERSCH

Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of 2004

Total:                      \$ \_\_\_\_\_

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 2/13, 2004 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, a(n) IND ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

DONALD T T KATLEEN NOBEL  
RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 2/13, 2004 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC006045  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

0833

~~6~~ Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of ~~0.25%~~ per month of the principal balance, payable monthly. *1% for the YR*

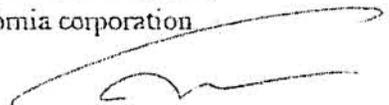
7. Indemnification and Contribution

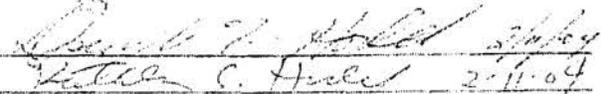
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

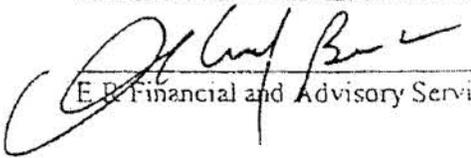
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:   
\_\_\_\_\_  
Robert C. Hines 2-11-04

Custodian:   
\_\_\_\_\_  
E.P. Financial and Advisory Service

Contract

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 1/10, 2009 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Don + KATHY Hodel, a(n) INDIV ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC006022  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a .83% per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

**ACC006026**  
**BERSCH**

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia;

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12 MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: DON + KATY HODEL  
[REDACTED] A2 [REDACTED]

12.10 Waiver of Jury Trial. KH CW (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 10 day of January, 2008, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: [Signature]  
Christopher Crowder  
Vice President

Investor:

[Signature]

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of ..... 200~~8~~

Total: \$ \_\_\_\_\_

**ACC006031**  
BERSCH

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 1/10, 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Don + KATHY, a(n) IND ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties"

Hodel

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 1/10, 2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that

ACC006032  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents.

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees

0833

~~6.~~ Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of ~~0.25%~~ per month of the principal balance, payable monthly *1.9% for the YR*

7. Indemnification and Contribution

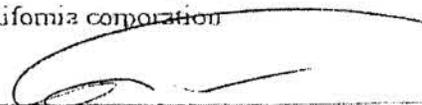
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise

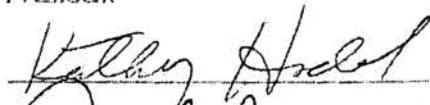
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

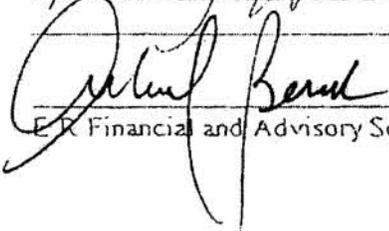
Concordia Financing Co., Ltd  
a California corporation

  
\_\_\_\_\_  
Kenneth Crowder  
President

Investor:

  
\_\_\_\_\_  
Kathy Hord

Custodian:

  
\_\_\_\_\_  
E.R. Financial and Advisory Service



0702

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 10, 2005 by and between Donald T. and Kathleen Hodel and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 10, 2005 Donald T. and Kathleen Hodel and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Donald T. and Kathleen Hodel monthly an amount equal to a 0.83% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Donald T. and Kathleen Hodel desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Donald T. and Kathleen Hodel monthly payments in an amount equal to the interest payments Concordia has

ACC006011  
BERSCH

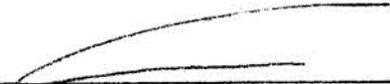


been making to Donald T. and Kathleen Hodel. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Donald T. and Kathleen Hodel

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 10, 2005*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Donald T. & Kathleen Hodel* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 10, 2005*, Concordia and *Donald T. & Kathleen Hodel* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Donald T. & Kathleen Hodel* 's investment balance. *Donald T. & Kathleen Hodel* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



ACC006006  
BERSCH

RECEIVED 12/11/2012

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$80,977.19 to \$18,889.38.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Donald T. & Kathleen Hodel*. In the event that *Donald T. & Kathleen Hodel* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

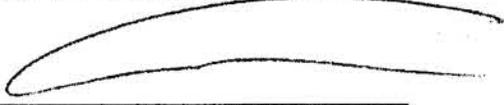
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

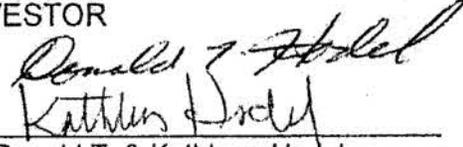
11. By execution of this Second Amendment, Donald T. & Kathleen Hodel hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Donald T. & Kathleen Hodel

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of NOV 10 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and TONY E LYNN (SPURD) INVESTOR ("Investor") here in after collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial & Advisors, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC007570  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 300,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

**ACC007571**  
**BERSCH**

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC007572**  
BERSCH

[REDACTED]

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

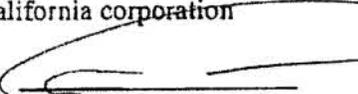
If to Investor:

*Tom & Lynn Caputo*

12.10 Waiver of Jury Trial. *cc. cc. C. (initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 10 day of November 2005, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
Christopher Crowder  
Vice President

Investor:

*Anthony Caputo*  
*John G. Caputo*

ACC007577  
BERSCH

Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of                      2005

Total:                      \$ \_\_\_\_\_

**ACC007578**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of Nov. 10 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), ~~sole and separate property~~, a(n) INVESTORS ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties". TONY & LYNN CAPUTO, A MARRIED COUPLE

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 11-10-2005 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

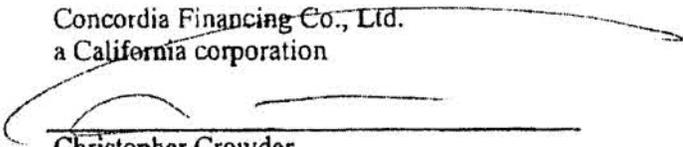
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

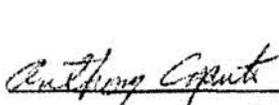
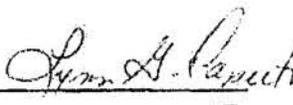
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

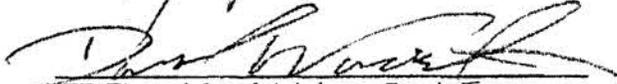
Concordia Financing Co., Ltd.  
a California corporation

  
\_\_\_\_\_  
Christopher Crowder  
Vice President

Investor:

Custodian:

  
\_\_\_\_\_  
ER Financial and Advisory Services

[Redacted] 0271

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on November 10, 2005 by and between Anthony J. Caputo and Lynn G. Caputo and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about November 10, 2005 Anthony J. Caputo and Lynn G. Caputo and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Anthony J. Caputo and Lynn G. Caputo monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Anthony J. Caputo and Lynn G. Caputo desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.
2. In place thereon, Concordia will continue to pay to Anthony J. Caputo and



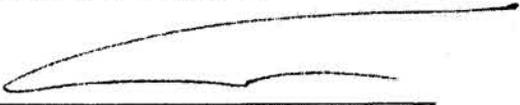
**ACC007562**  
BERSCH

Lynn G. Caputo monthly payments in an amount equal to the interest payments Concordia has been making to Anthony J. Caputo and Lynn G. Caputo. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

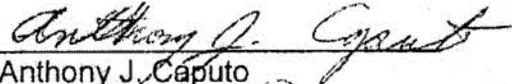
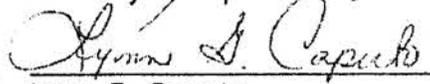
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Anthony J. Caputo  
  
Lynn G. Caputo 3/18/07

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *November 10, 2005*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Anthony J Caputo & Lynn G Caputo* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *November 10, 2005*, Concordia and *Anthony J Caputo & Lynn G Caputo* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Anthony J Caputo & Lynn G Caputo's* investment balance. *Anthony J Caputo & Lynn G Caputo* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$301,278.09 to \$70,278.09.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Anthony J Caputo & Lynn G Caputo*. In the event that *Anthony J Caputo & Lynn G Caputo* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

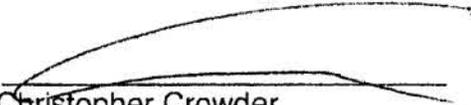
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

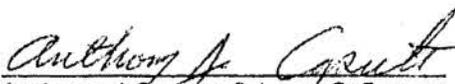
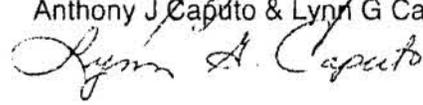
11. By execution of this Second Amendment, Anthony J Caputo & Lynn G Caputo hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Anthony J Caputo & Lynn G Caputo  


**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 19, 2007*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Lynn Caputo* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 19, 2007*, Concordia and *Lynn Caputo AND Anthony J. Caputo* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and 

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Lynn Caputo's* investment balance. *Lynn Caputo* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$215,198.63 to \$50,198.63.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Lynn Caputo*. In the event that *Lynn Caputo* fails to elect the custodian, Concordia will be the Custodian. *and Anthony J Caputo*

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

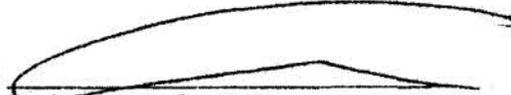
Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Lynn Caputo <sup>and Anthony J Caputo</sup> hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:

  
Christopher Crowder  
President

INVESTOR

By:

  
Lynn Caputo  


**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 19, 2007*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Lynn Caputo* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 19, 2007*, Concordia and *Lynn Caputo AND Anthony J. Caputo* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and 

B. WHEREAS effective *February 1, 2009*, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Lynn Caputo's* investment balance. *Lynn Caputo* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end. *Anthony J. Caputo*

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of *February 1, 2009*, is hereby cancelled as a bad debt as there is no

reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$215,198.63 to \$50,198.63.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Lynn Caputo*. In the event that *Lynn Caputo* fails to elect the custodian, Concordia will be the Custodian. *and Anthony J Caputo*

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Lynn Caputo <sup>and Anthony J. Caputo</sup> hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

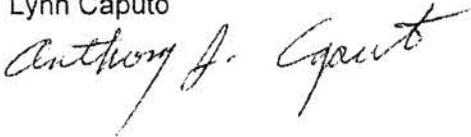
12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By:   


Lynn Caputo

Anthony J. Caputo

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 19, 2007*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Lynn Caputo* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *January 19, 2007*, Concordia and *Lynn Caputo AND Anthony J. Caputo* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and *(signature)*

B. WHEREAS effective *February 1, 2009*, the parties entered into an Amendment of the ~~Sale~~ of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Lynn Caputo's* investment balance. *Lynn Caputo is* familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end. *Anthony J. Caputo*

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of *February 1, 2009*, is hereby cancelled as a bad debt as there is no



ACC009146  
BERSCH

reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$215,198.63 to \$50,198.63.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Lynn Caputo*. In the event that *Lynn Caputo* fails to elect the *and Anthony J Caputo* custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

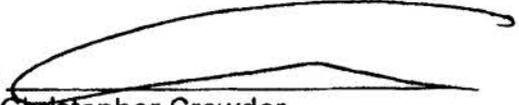
Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Lynn Caputo <sup>and Anthony J Caputo</sup> hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:

  
Christopher Crowder  
President

INVESTOR

By:

  
Lynn Caputo  


**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *February 2, 2007*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Anthony J Caputo & Lynn G Caputo* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *February 2, 2007*, Concordia and *Anthony J Caputo & Lynn G Caputo* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective *February 1, 2009*, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Anthony J Caputo & Lynn G Caputo's* investment balance. *Anthony J Caputo & Lynn G Caputo* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$71,732.97 to \$16,732.97.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Anthony J Caputo & Lynn G Caputo*. In the event that *Anthony J Caputo & Lynn G Caputo* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

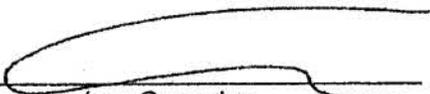
10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Anthony J Caputo & Lynn G Caputo hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

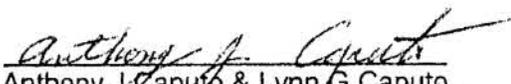
CONCORDIA FINANCING CO. LTD,  
a California Corporation

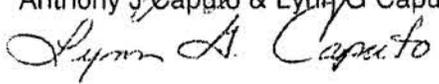
By:

  
Christopher Crowder  
President

INVESTOR

By:

  
Anthony J Caputo & Lynn G Caputo



**ACC007558**  
BERSCH

RECEIVED FEB 14 2011

**CONCORDIA FINANCING CO., LTD.**

**Sale of Contracts and Servicing Agreement**

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of Jan 19, 2007 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) \_\_\_\_\_ ("Investor") here in after collectively referred to as "the parties."

*L* LORRAINE H. GAYLE REV. TRUST  
RECITALS James Gayle & Lynn Gayle

A. Concordia desires to obtain short term financing by factoring, selling and assigning to *TRUSTEES* Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

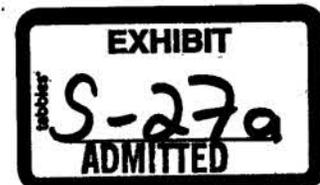
1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC007502  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

ACC007504  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: LORRAINE H. GAYLE REVOCABLE TRUST  
[Redacted]  
N.C.

12.10 Waiver of Jury Trial. *ABC Inc* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 9 day of January 2007 at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: [Signature]  
Christopher Crowder  
Vice President

Investor: [Signature]

\_\_\_\_\_  
Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of \_\_\_\_\_, 2005

Total:                      \$ \_\_\_\_\_

**ACC007510**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of JUN 19 2007 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a(n) Trust ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

LORRAINE H. GEYLA REVOCABLE TRUST  
RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated JUN 19 2007 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.
2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.
3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.
4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

- 1 -

ACC007511  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

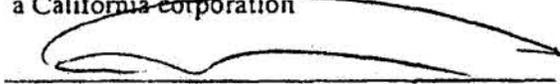
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

Concordia Financing Co., Ltd.  
a California corporation

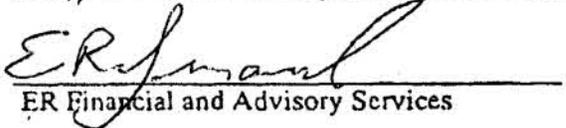


Christopher Crowder  
Vice President

Investor:

*Serrani H. Sayle Revocable Trust*  
*Lynn S. Caputo, Trustee*

Custodian:



ER Financial and Advisory Services

[REDACTED] 5153

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 19, 2007 by and between James Gayle and Lynn Caputo and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 19, 2007 James Gayle and Lynn Caputo and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying James Gayle and Lynn Caputo monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS James Gayle and Lynn Caputo desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to James Gayle and Lynn Caputo monthly payments in an amount equal to the interest payments Concordia has

ACC005538  
BERSCH



been making to James Gayle and Lynn Caputo. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

James Gayle and Lynn Caputo  
Lorraine H. Gayle Revocable Trust

3/18/07

ACC005539  
BERSCH

For Account # [REDACTED] 93 01  
LORRAINE H. GAYLE REVOCABLE TRUST

[REDACTED] 0293

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 19, 2007 by and between James Gayle and Lynn Caputo and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 19, 2007 James Gayle and Lynn Caputo and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying James Gayle and Lynn Caputo monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS James Gayle and Lynn Caputo desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6.2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to James Gayle and Lynn Caputo monthly payments in an amount equal to the interest payments Concordia has

ACC007493  
BERSCH

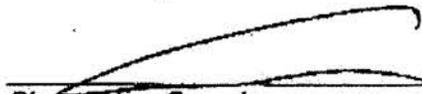


been making to James Gayle and Lynn Caputo. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

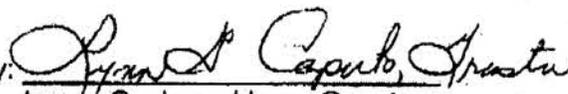
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
James Gayle and Lynn Caputo  
Lorraine H. Gayle Revocable Trust

3/18/09

[REDACTED] 5153

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 19, 2007 by and between James Gayle and Lynn Caputo and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about January 19, 2007 James Gayle and Lynn Caputo and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying James Gayle and Lynn Caputo monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS James Gayle and Lynn Caputo desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to James Gayle and Lynn Caputo monthly payments in an amount equal to the interest payments Concordia has

ACC009152  
BERSCH



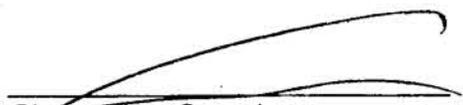
been making to James Gayle and Lynn Caputo. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

  
Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

  
James Gayle and Lynn Caputo  
Lorraine H. Gayle Revocable Trust

3/18/09

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *February 2, 2007*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *James S. & Harriet A. Gayle* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *February 2, 2007*, Concordia and *James S. & Harriet A. Gayle* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *James S. & Harriet A. Gayle's* investment balance. *James S. & Harriet A. Gayle* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$71,732.68 to \$16,732.68.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *James S. & Harriet A. Gayle*. In the event that *James S. & Harriet A. Gayle* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

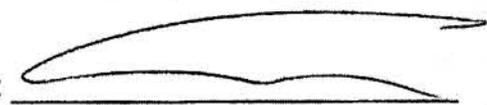
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, James S. & Harriet A. Gayle hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By: 

James S. & Harriet A. Gayle



CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

ACCRUE  
INTEREST

X This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 9/17, 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) TRUST ("Investor") hereinafter collectively referred to as "the parties."

STEPHENS FAMILY TRUST DTD 01/19/93  
RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC006435  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 50,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5 FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts.

7-  
which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

## 10. TERM AND TERMINATION

**ACC006439**  
BERSCH

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof; which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts.

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

**ACC006442**  
BERSCH

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

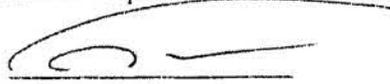
If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Ken Crowder

If to Investor: *Ricker Beverly Stephens*  
[Redacted] AZ [Redacted]

12.10 Waiver of Jury Trial. <sup>CC</sup> *PDS* *AW* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 17 day of SEPT, 2003 at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
*CHRISTOPHER* ~~Kenneth~~ Crowder  
VICE President

Investor: *Richard W. Stephens* TRUSTEE  
*Beverly A. Stephens* TRUSTEE

Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of \_\_\_\_\_ 2001

Total                      \$ \_\_\_\_\_

**ACC006444**  
**BERSCH**

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 9/17, 2003 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, a(n) TRUST ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

STEPHENS FAMILY TRUST DTD 11/9/93  
RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 9/17, 2003 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that

ACC006445  
BERSCH

- 1 -



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

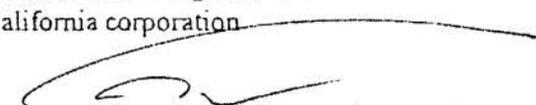
7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

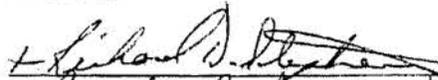
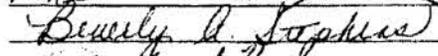
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

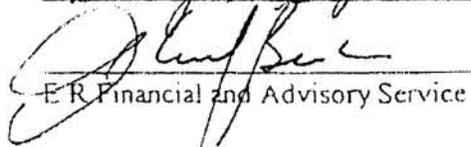
Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
*CHRISTOPHER* ~~KENNETH~~ Crowder  
VICE President

Investor:

 TRUSTEE  
 TRUSTEE

Custodian:

 PR  
E.R. Financial and Advisory Service

ACC006447  
BERSCH

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on September 17, 2003 by and between Stephens Family Trust DTD 01/19/1993 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about September 17, 2003 Stephens Family Trust DTD 01/19/1993 and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Stephens Family Trust DTD 01/19/1993 monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Stephens Family Trust DTD 01/19/1993 desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.
2. In place thereon, Concordia will continue to pay to Stephens Family Trust

**ACC006429**  
BERSCH



DTD 01/19/1993 monthly payments in an amount equal to the interest payments Concordia has been making to Stephens Family Trust DTD 01/19/1993. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

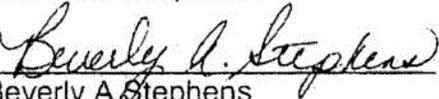
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Richard D Stephens

By:   
Beverly A Stephens

ACC006430  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *September 17, 2003*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Stephens Family Trust* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *September 17, 2003*, Concordia and *Stephens Family Trust* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Stephens Family Trust's* investment balance. *Stephens Family Trust* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no

ACC006424  
BERSCH



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$83,900.92 to \$14,067.51.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Stephens Family Trust*. In the event that *Stephens Family Trust* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Stephens Family Trust hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Stephens Family Trust

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on September 17, 2003 by and between Rick and Beverly Stephens and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about September 17, 2003 Rick and Beverly Stephens and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Rick and Beverly Stephens monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Rick and Beverly Stephens desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6.2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Rick and Beverly Stephens monthly payments in an amount equal to the interest payments Concordia

ACC005544  
BERSCH



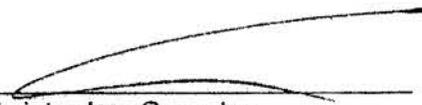
has been making to Rick and Beverly Stephens. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

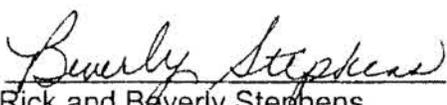
CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

  
Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

  
Rick and Beverly Stephens  
Stephens Family Trust

**ACC005545**  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *September 17, 2003*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Rick and Beverly Stephens* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *September 17, 2003*, Concordia and *Rick and Beverly Stephens* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Rick and Beverly Stephens* 's investment balance. *Rick and Beverly Stephens* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$72,342.15 to \$16,875.03.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Rick and Beverly Stephens*. In the event that *Rick and Beverly Stephens* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

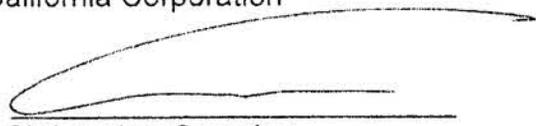
9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Rick and Beverly Stephens hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By: 

Rick and Beverly Stephens

**ACC005542**  
BERSCH

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of July 13 2009 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) INVESTORS ("Investor") here in after collectively referred to as "the parties."

RECITALS William H and Barbara A Shuffler Botham Revocable Trust DTD January 27 1998

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

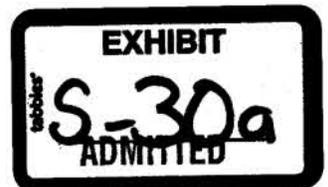
1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005547 BERSCH



**THE  
WILLIAM H. SHUFFLEBOTHAM  
AND  
BARBARA A. SHUFFLEBOTHAM  
REVOCABLE TRUST,**

**DATED JANUARY 27, 1998,**

(Amended and Restated in its Entirety this Date: MAR 14 2007.)

THIS AGREEMENT AND DECLARATION OF TRUST hereinafter sometimes referred to as "Trust Agreement"), made effective this Date:

MAR 14 2007, between WILLIAM H. SHUFFLEBOTHAM and BARBARA A. SHUFFLEBOTHAM, husband and wife, residents of [REDACTED] Arizona [REDACTED] as Grantors; and, WILLIAM H. SHUFFLEBOTHAM and BARBARA A. SHUFFLEBOTHAM, as Co-Trustees;

The undersigned hereby expressly revoke any and all former Certificates and Abstracts of Trust Existence and Authority; and, hereby certify that the following provisions are found in that certain **Living Trust Agreement** described above and may be relied upon as a full statement of the matters covered by such provisions:

WHEREAS, WILLIAM H. SHUFFLEBOTHAM and BARBARA A. SHUFFLEBOTHAM, as Grantors and as Trustees, established: **THE WILLIAM H. SHUFFLEBOTHAM AND BARBARA A. SHUFFLEBOTHAM REVOCABLE TRUST, DATED JANUARY 27, 1998** (hereinafter the "Trust").

WHEREAS, pursuant to certain terms and Articles of: **THE WILLIAM H. SHUFFLEBOTHAM AND BARBARA A. SHUFFLEBOTHAM REVOCABLE TRUST, DATED JANUARY 27, 1998**, the Grantors reserved the power and right to amend the Trust by a subsequent written instrument or document.

WHEREAS, the Grantors now desire to amend the Trust in many particulars, and believe that the amendments will be better understood if the **ENTIRE TRUST DOCUMENT IS AMENDED AND RESTATED.**

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 500,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

ACC005550  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

ACC005551  
BERSCH

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

ACC005552  
BERSCH

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

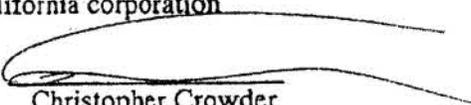
12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: *William B. Bensch Shufeldt-Bethan Trust*  
[Redacted] *AZ* [Redacted]

12.10 Waiver of Jury Trial. (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 13 day of July 2008, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation  
By:   
Christopher Crowder  
President

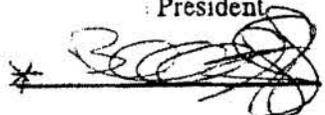
Investor: 

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of

Total: \$ \_\_\_\_\_

**ACC005556**  
BERSCH

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of July 18 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a(n) Investor ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties". William and Barbara Suffer Botham Trust FTD 1/27/93

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated July 18 2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that

ACC00557  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

ACC005558  
BERSCH

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

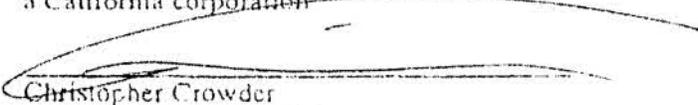
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

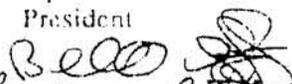
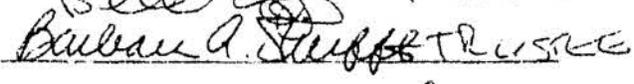
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written

Concordia:

Concordia Financing Co., Ltd  
a California corporation

  
Christopher Crowder  
President

Investor:

 TRUSTEE  
 TRUSTEE

Custodian:

  
E.R. Financial and Advisory Services

ACC005559  
BERSCH

[REDACTED] 5007

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on July 18, 2008 by and between William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about July 18, 2008 William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998 and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998 monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998 desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.



**ACC005560**  
BERSCH



2. In place thereon, Concordia will continue to pay to William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998 monthly payments in an amount equal to the interest payments Concordia has been making to William H and Barbara A Shufflebotham Revocable Trust DTD January 27, 1998. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

William H Shufflebotham

By: \_\_\_\_\_

Barbara A Shufflebotham

**ACC005562**  
BERSCH

directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

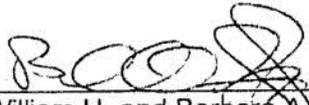
11. By execution of this Second Amendment, William H. and Barbara A. Shufflebotham hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
William H. and Barbara A.  
BARBARA DUELL 4-18-11  
Barbara Duell  
AS TRUSTEE

Shufflebotham





CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

1090

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/15/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) \_\_\_\_\_ ("Investor") here in after collectively referred to as "the parties."

*Wilmont E Wagner & Elaine W Wagner Living Trust*  
Dated 12-7-1989

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005621  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000.00 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC005623**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

**ACC005625**  
BERSCH

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

**ACC005626**  
BERSCH

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ *see page 1*

12.10 Waiver of Jury Trial. \_\_\_\_\_ (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 15 day of April, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By \_\_\_\_\_  
Christopher Crowder  
Vice President

Investor:

x [Signature]  
Trustee  
x [Signature]  
Trustee

ACC005628  
BERSCH



Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of \_\_\_\_\_ 2005

Total:                      \$ \_\_\_\_\_

**ACC005629**  
BERSCH



CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 4/15/2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a(n) \_\_\_\_\_ ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

Wilmont E Wagner & Elaine W Wagner Living Trust  
DATED 12-7-1989

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/15/2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC005630  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

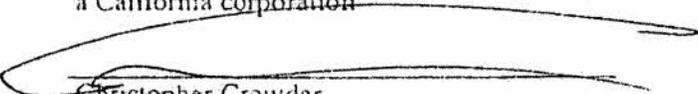
7. Indemnifications and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

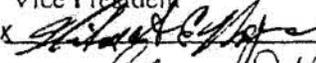
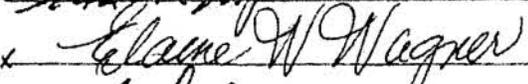
7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

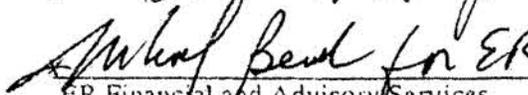
Concordia: Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:

x  Trustee  
x  Trustee

Custodian:

  
ER Financial and Advisory Services  
SERV.

4/15/08

[REDACTED] 4880

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 15, 2008 by and between Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about April 15, 2008 Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

ACC005617  
BERSCH



2. In place thereon, Concordia will continue to pay to Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 monthly payments in an amount equal to the interest payments Concordia has been making to Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

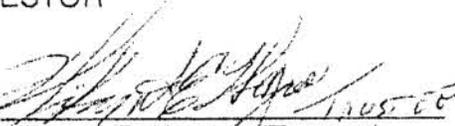
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

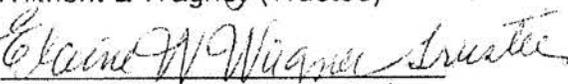
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Wilmont E Wagner (Trustee)

By:   
Elaine W Wagner (Trustee)

**ACC005618**  
BERSCH



4880

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 15, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Wilmont E. Wagner & Elaine Wagner Living Trust* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 15, 2008*, Concordia and *Wilmont E. Wagner & Elaine Wagner Living Trust* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Wilmont E. Wagner & Elaine Wagner Living Trust* 's investment balance. *Wilmont E. Wagner & Elaine Wagner Living Trust* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



ACC005613  
BERSCH

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$71,732.99 to \$16,732.99.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Wilmont E. Wagner & Elaine Wagner Living Trust* . In the event that *Wilmont E. Wagner & Elaine Wagner Living Trust* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party

directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

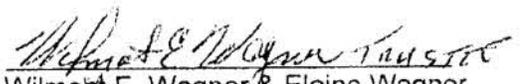
11. By execution of this Second Amendment, Wilmont E. Wagner & Elaine Wagner Living Trust hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

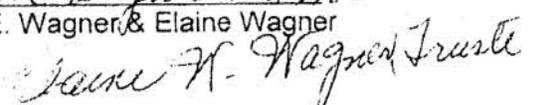
CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Wilmont E. Wagner & Elaine Wagner

Living Trust

  
Jane H. Wagner Trust

\* [Redacted] AZ

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

1090

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/15/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) \_\_\_\_\_ ("Investor") here in after collectively referred to as "the parties."

*Wilmont E Wagner & Elaine W Wagner Living Trust*  
Dated 12-7-1989  
RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.



ACC007015  
BERSCH

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000.00 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

**ACC007016**  
BERSCH

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC007017**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

**ACC007018**  
**BERSCH**

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

**ACC007019**  
BERSCH

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

ACC007020  
BERSCH

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

ACC007021  
BERSCH

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ *see page 1*

12.10 Waiver of Jury Trial. \_\_\_\_\_ (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 15 day of April, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation  
By \_\_\_\_\_  
Christopher Crowder  
Vice President

Investor: \_\_\_\_\_  
Trustee  
x Elaine W. Wagner  
Trustee

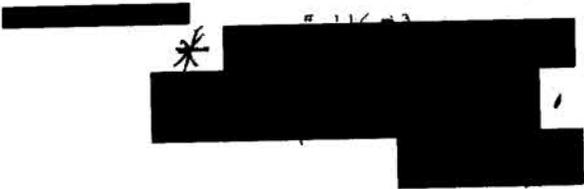
\_\_\_\_\_  
Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of                      2005

Total:                      \$ \_\_\_\_\_

**ACC007023**  
BERSCH



CUSTODIAL AGREEMENT

4/15/2008 THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), sole and separate property, a(n) ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".  
Wilmont E Wagner & Elaine W Wagner Living Trust  
DATED 12-7-1989

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/15/2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC007024  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

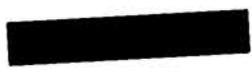
4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.



6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

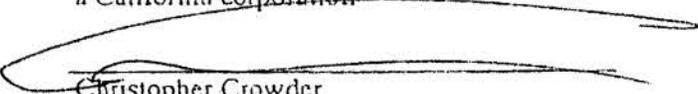
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

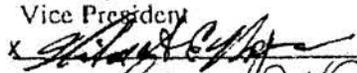
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

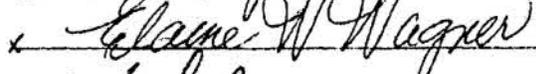
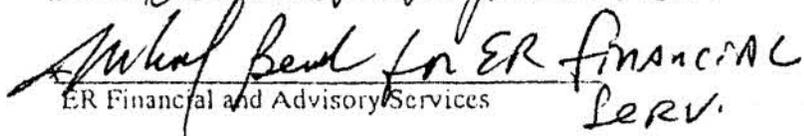
Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:

x  Trustee

Custodian:

x  Trustee  
  
ER Financial and Advisory Services  
SERV.

4/15/08

ACC007026  
BERSCH

[Redacted] 4880

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 15, 2008 by and between Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about April 15, 2008 Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.



**ACC007011  
BERSCH**

2. In place thereon, Concordia will continue to pay to Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989 monthly payments in an amount equal to the interest payments Concordia has been making to Wilmont E Wagner & Elaine Wagner Living Trust Dated 12/7/1989. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

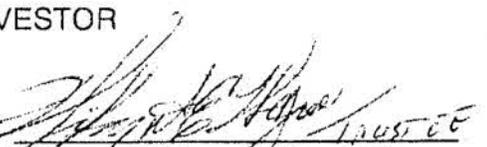
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

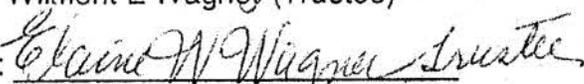
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Wilmont E Wagner (Trustee)

By:   
Elaine W Wagner (Trustee)

**ACC007012**  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 15, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Wilmont E. Wagner & Elaine Wagner Living Trust* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 15, 2008*, Concordia and *Wilmont E. Wagner & Elaine Wagner Living Trust* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Wilmont E. Wagner & Elaine Wagner Living Trust*'s investment balance. *Wilmont E. Wagner & Elaine Wagner Living Trust* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment



ACC007007  
BERSCH

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$71,732.99 to \$16,732.99.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Wilmont E. Wagner & Elaine Wagner Living Trust*. In the event that *Wilmont E. Wagner & Elaine Wagner Living Trust* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party

directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

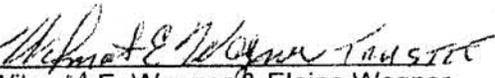
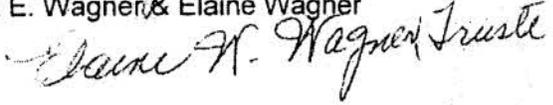
11. By execution of this Second Amendment, Wilmont E. Wagner & Elaine Wagner Living Trust hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Wilmont E. Wagner & Elaine Wagner  


Living Trust

ACCRUE  
UNTIL 12/31/08

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 5/30/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) LI TRUST ("Investor") here in after collectively referred to as "the parties."

THE CJE LIVING TRUST 10/1/2007  
RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005648  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 300,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

**ACC005654**  
**BERSCH**

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: CAROL EDMONDS, TTEE  
[Redacted]

12.10 Waiver of Jury Trial. *CCE* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this \_\_\_ day of \_\_\_\_\_, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation  
By: Christopher Crowder  
Vice President

Investor: Carol Jean Edmonds, TTEE



Exhibit A:

List of Contracts

Name of Customer      Dealer Principal Amount As of \_\_\_\_\_ 2005

Total:      \$ \_\_\_\_\_

**ACC005656**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 5/30/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), \_\_\_\_\_, sole and separate property, a L. TRUST ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties"

THE CJE LIVING TRUST 10/11/2007

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 5/30/08 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC005660  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

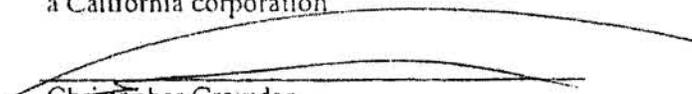
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

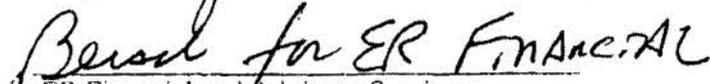
Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:

  
Carol Jean Edmonds TTEE

Custodian:

  
Bersch for ER Financial  
ER Financial and Advisory Services

RECEIVED MAR 21 2009

49416

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on May 30, 2008 by and between The CJE Living Trust dated 10/1/2007 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about May 30, 2008 The CJE Living Trust dated 10/1/2007 and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying The CJE Living Trust dated 10/1/2007 monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS The CJE Living Trust dated 10/1/2007 desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.
2. In place thereon, Concordia will continue to pay to The CJE Living Trust

ACC005637  
BERSCH

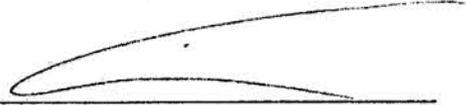
EXHIBIT  
tabler  
S-34c  
ADMITTED

dated 10/1/2007 monthly payments in an amount equal to the interest payments Concordia has been making to The CJE Living Trust dated 10/1/2007. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

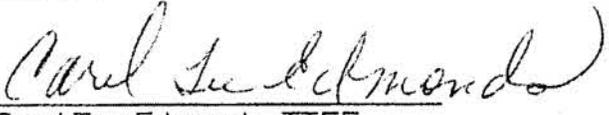
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Carol Tee Edmonds, TTEE  
The CJE Living Trust dated 10/1/2007

**ACC005638**  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *May 30, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Carol Tee Edmonds* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *May 30, 2008*, Concordia and *Carol Tee Edmonds* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Carol Tee Edmonds* 's investment balance. *Carol Tee Edmonds* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no

ACC005633  
BERSCH



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$225,908.55 to \$52,696.88.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Carol Tee Edmonds*. In the event that *Carol Tee Edmonds* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Carol Tee Edmonds hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By: 

Carol Tee Edmonds

FR HQ

Accrue  
INTEREST  
10%

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 10/15, 2004 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and \_\_\_\_\_, a(n) Retiree ("Investor") hereinafter collectively referred to as "the parties."

ROBERT F. EDMONDS IRA  
SELF DIRECTED RECITALS

ACCT

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

ACC009242  
BERSCH



1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$                      (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

*ABOUT 208,000*

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 - Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

## 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

## 6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a .83% per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

#### 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

#### 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

#### 10. TERM AND TERMINATION

**ACC009246**  
BERSCH

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;
- (c) A receiver or trustee is appointed for any or all of the assets of either party;
- (d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);
- (e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;
- (f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or
- (g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

- (a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor:

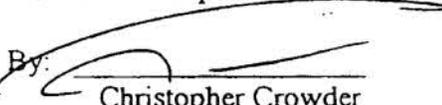
Robert F. EDMONDS

AZ

12.10 Waiver of Jury Trial. *RC* (initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 20 day of Dec 2004, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By:   
Christopher Crowder  
Vice President

Investor:

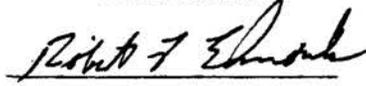
  
\_\_\_\_\_

Exhibit A:

List of Contracts

Name of Customer

Dealer Principal Amount As of \_\_\_\_\_ 2004

Total: \$ \_\_\_\_\_

**ACC009251**  
BERSCH

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 10/15, 2004 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Robert F. Edmonds FRA, a(n) Retiree ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

ROBERT F. EDMONDS FRA  
SELF DIRECTED RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 10/15, 2004 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC009251.01  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents.

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

0833

~~6~~ Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of ~~0.25%~~ per month of the principal balance, payable monthly. *1% for the YR.*

7. Indemnification and Contribution.

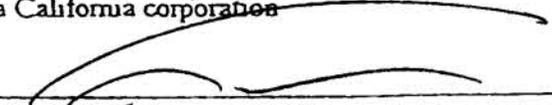
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

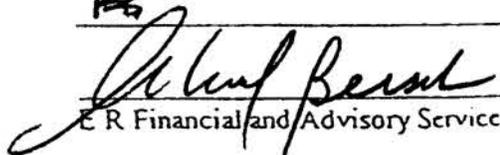
Concordia Financing Co., Ltd.  
a California corporation

  
Kenneth Crowder  
President

Investor:

~~2416 STATE ST~~ 

Custodian:

  
E R Financial and Advisory Service

ACC009253  
BERSCH

RECEIVED MAR 21 2009

0260

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on December 15, 2004 by and between Robert F. Edmonds and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about December 15, 2004 Robert F. Edmonds and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Robert F. Edmonds monthly an amount equal to a .83% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Robert F. Edmonds desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Robert F. Edmonds monthly payments in an amount equal to the interest payments Concordia has been

ACC009225  
BERSCH



making to Robert F. Edmonds. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

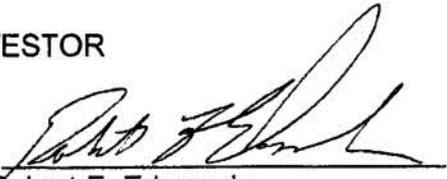
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President & COO

INVESTOR

By: 

Robert F. Edmonds

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *December 15, 2004*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Robert F. Edmonds* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *December 15, 2004*, Concordia and *Robert F. Edmonds* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Robert F. Edmonds* 's investment balance. *Robert F. Edmonds* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$211,895.99 to \$49,428.28.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Robert F. Edmonds*. In the event that *Robert F. Edmonds* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

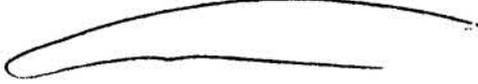
10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

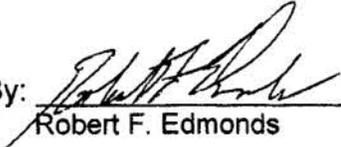
11. By execution of this Second Amendment, Robert F. Edmonds hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Robert F. Edmonds

TWO YEAR NOTE

\$42,000.00

FISSERV ISS & CO FBO: Robert F. Edmonds, IRA

CO

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to FISSERV ISS & CO FBO: Robert F. Edmonds, IRA, herein after referred to as Lender, at the above address, the sum of forty-two thousand dollars (\$42,000.00), with interest from February 28, 2007 on the principal at the rate of 10 percent annually; interest shall be paid on a monthly basis in the amount of three hundred forty-nine dollars and eighty six cents (\$349.86) on the ending day of each month, beginning on the ending day of February 2007 and continuing until said principal and interest have been fully paid.

ON or before February 28, 2009, herein after referred to as the due date, Concordia promises to pay the balance due on any portion of principal with interest up to the date of said payment. Should Lender request full or partial payment prior to the due date, Concordia may at its discretion and convenience accommodate the request; however, if the request is granted, Concordia shall only be obligated to pay the portion of principal requested with interest due up to the date of demand. An interest penalty may be applied for early withdrawal.

EACH PAYMENT shall be credited first to interest then due, and the remainder applied to principal; and interest shall thereupon cease upon the principal so credited. Should default be made in any payment when due, the whole sum of principal and accrued interest shall become immediately due, without notice, at the option of Lender. Interest after maturity will accrue at the rate indicated above. Principal and interest are payable in lawful money of the United States. Concordia consents to renewals, replacements and extensions of time for payment hereof before, at or after maturity, and waives presentment, demand and protest and the right to assert any statute of limitations.

IF any action were instituted on this note, Concordia promises to pay such sum as the court may fix as attorney's fees.

Date February 28, 2007

  
\_\_\_\_\_  
Christopher K. Crowder  
President

ACC009254  
BERSCH



TWO YEAR NOTE

\$ 208,000.00

Lincoln Trust Co.

Custodian For the Benefit of: Robert F. Edmonds

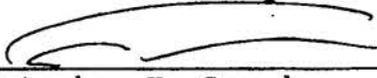
Colorado

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to Lincoln Trust custodian for the benefit of: Robert F. Edmonds, herein after referred to as Lender, at the above address, the sum of Two hundred eight thousand (208,000.00) dollars, with interest from January 10, 2005 on the principal at the rate of .833 percent per month: interest shall be paid in the amount of One thousand seven hundred thirty three dollars and zero cents (1,733.00) on the ending day of each month, beginning on the ending day of January, 2005 and continuing until said principal and interest have been fully paid.

ON or before January 10, 2007, herein after referred to as the due date, Concordia promises to pay the balance due on any portion of principal with interest up to the date of said payment. Should Lender request full or partial payment prior to the due date, Concordia may at its discretion and convenience accommodate the request; however, if the request is granted, Concordia shall only be obligated to pay the portion of principal requested with interest due up to the date of demand. An interest penalty may be applied for early withdrawal.

EACH PAYMENT shall be credited first to interest then due, and the remainder applied to principal; and interest shall thereupon cease upon the principal so credited. Should default be made in any payment when due, the whole sum of principal and accrued interest shall become immediately due, without notice, at the option of Lender. Interest after maturity will accrue at the rate indicated above. Principal and interest are payable in lawful money of the United States. Concordia consents to renewals, replacements and extensions of time for payment hereof before, at or after maturity, and waives presentment, demand and protest and the right to assert any statute of limitations.

IF any action be instituted on this note, Concordia promises to pay such sum as the court may fix as attorney's fees.

  
\_\_\_\_\_  
Christopher K. Crowder  
Vice-President

date 1/25/05

ACC009255  
BERSCH



PAID

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of June 30 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Peter and Debra Foti, a(n) INVESTORS ("Investor") here in after collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005672 BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 120,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC005674**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

ACC005675  
BERSCH

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

**ACC005676**  
BERSCH

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

**ACC005677**  
BERSCH

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor:

*PERPA and Debra Forti*

[Redacted signature area]

12.10 Waiver of Jury Trial. *RF DF* (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 30 day of June 2008, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation

By: \_\_\_\_\_  
Christopher Crowder  
Vice President

Investor:

*Debra Forti*  
\_\_\_\_\_  
*John Forti*  
\_\_\_\_\_



Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of .2005

Total:                      \$ \_\_\_\_\_

**ACC005680**  
BERSCH

### CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of JUNE 30 2003 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), sole and separate property, a(n) INVESTOR ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

PETER and Debra Fort  
RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated JUNE 30 2003 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC005684  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.



6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

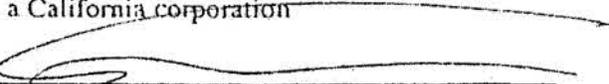
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

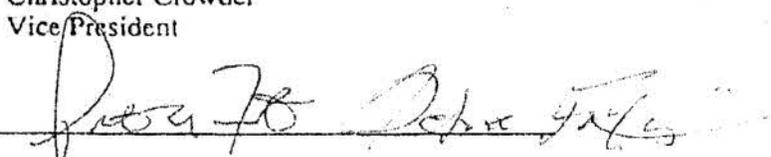
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

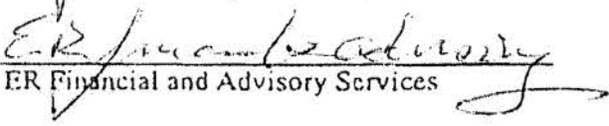
Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:



Custodian:

  
ER Financial and Advisory Services

4983

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on June 30, 2008 by and between Peter and Debra Foti and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about June 30, 2008 Peter and Debra Foti and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Peter and Debra Foti monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Peter and Debra Foti desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Peter and Debra Foti monthly payments in an amount equal to the interest payments Concordia has been

ACC005668  
BERSCH



making to Peter and Debra Foti . These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

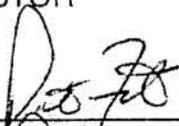
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

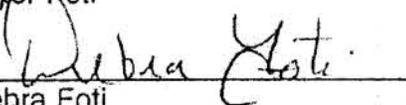
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Peter Foti

By:   
Debra Foti

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *June 30, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Peter and Debra Foti* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *June 30, 2008*, Concordia and *Peter and Debra Foti* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Peter and Debra Foti* 's investment balance. *Peter and Debra Foti* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no

ACC005663  
BERSCH



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$86,079.46 to \$20,079.46.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Peter and Debra Foti*. In the event that *Peter and Debra Foti* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

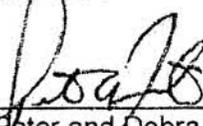
11. By execution of this Second Amendment, Peter and Debra Foti hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

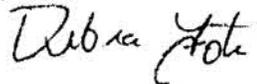
12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Peter and Debra Foti



[REDACTED] 0263

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 1, 2005 by and between Frank J. Foti and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about April 1, 2005 Frank J. Foti and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Frank J. Foti monthly an amount equal to a .833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Frank J. Foti desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Frank J. Foti monthly payments in an amount equal to the interest payments Concordia has been making to

ACC009306  
BERSCH



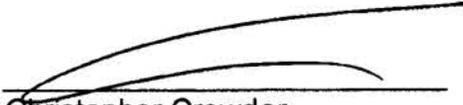
Frank J. Foti. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

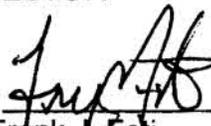
CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: \_\_\_\_\_

  
Christopher Crowder  
President & COO

INVESTOR

By: \_\_\_\_\_

  
Frank J. Foti

ACC009307  
BERSCH

0243

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2005*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Frank J. Foti* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *April 1, 2005*, Concordia and *Frank J. Foti* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Frank J. Foti* 's investment balance. *Frank J. Foti* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$55,772.27 to \$13,009.74.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Frank J. Foti*. In the event that *Frank J. Foti* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Frank J. Foti hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Frank J. Foti

ACC009305  
BERSCH

RECEIVED DEC 16 2011

██████████

ACCUE

**CONCORDIA FINANCING CO., LTD.**

**Sale of Contracts and Servicing Agreement**

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of JUNE 30 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and FRANK FOSTER, a(n) INVESTOR ("Investor") here in after collectively referred to as "the parties."

R E C I T A L S

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

ACC005695  
BERSCH



1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 10,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC005697**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

**ACC005699**  
**BERSCH**

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

ACC005700  
BERSCH

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

ACC005701  
BERSCH

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: Frank Forti  
[Redacted] AZ [Redacted]

12.10 Waiver of Jury Trial. FF (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 30 day of JUNE 2008, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California-corporation  
By: \_\_\_\_\_  
Christopher Crowder  
Vice President  
Investor: \_\_\_\_\_  
[Signature]



Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of                      2005

Total:                      \$ \_\_\_\_\_

**ACC005704**  
**BERSCH**

### CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of JUNE 30 2008 by and between Concordia Financing Co., Ltd, a California corporation ("Concordia"), FRANK FORTI, sole and separate property, a(n) INVESTOR ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated JUNE 30 2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

ACC005681  
BERSCH



4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.



6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

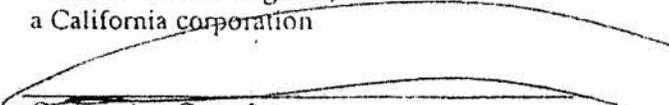
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

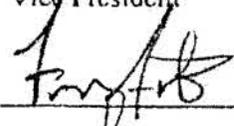
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

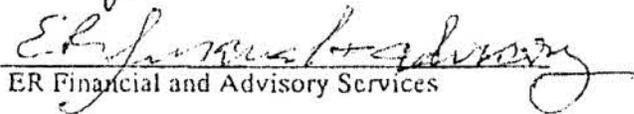
Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:



Custodian:

  
ER Financial and Advisory Services

[REDACTED] 4984

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on June 30, 2008 by and between Frank Foti and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about June 30, 2008 Frank Foti and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Frank Foti monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Frank Foti desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Frank Foti monthly payments in an amount equal to the interest payments Concordia has been making to

ACC005690  
BERSCH



Frank Foti. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

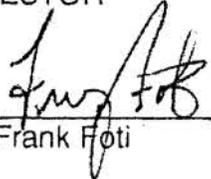
3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President & COO

INVESTOR

By:   
Frank Foti

**ACC005691**  
BERSCH

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *June 30, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Frank Foti* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *June 30, 2008*, Concordia and *Frank Foti* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Frank Foti* 's investment balance. *Frank Foti* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



ACC005687  
BERSCH

reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$76,045.60 to \$17,738.80.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Frank Foti*. In the event that *Frank Foti* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

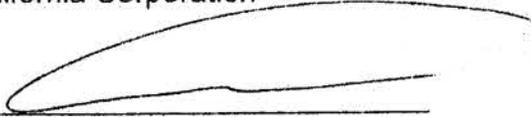
10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

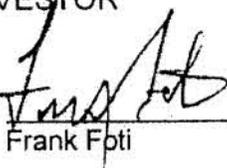
11. By execution of this Second Amendment, Frank Foti hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By:   
Christopher Crowder  
President

INVESTOR

By:   
Frank Foti

ACCURATE

**CONCORDIA FINANCING CO., LTD.**

**Sale of Contracts and Servicing Agreement**

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of August 30 2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and YVONNE FOTI, a(n) INDIVIDUAL ("Investor") here in after collectively referred to as "the parties."

**RECITALS**

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. DEFINITIONS**

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER FINANCIAL, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.



ACC007404  
BERSCH

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

## 2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of \$ 100,000.00 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

## 3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

#### 4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

#### 5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

#### 6. SERVICING AGREEMENT

**ACC007406**  
BERSCH

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

## 7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

## 8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

## 9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

## 10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

## 11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default");

- (a) Either party fails to pay any amount to the other party when due;
- (b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

## 12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

- (a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;
- (b) receive, open and dispose of all mail addressed to Investor from any Customer;
- (c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;
- (d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;
- (f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and
- (g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.  
2920 Inland Empire Blvd., Ste 103  
Ontario, California 91764  
Fax: 909-483-2626  
ATTN: Chris Crowder

If to Investor: YVONNE FOTI  
[Redacted] AZ [Redacted]

12.10 Waiver of Jury Trial. *OK* *(Initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 30 day of August 2005 at Ontario, California.

Concordia: Concordia Financing Co., Ltd.  
a California corporation  
By: *[Signature]*  
Christopher Crowder  
Vice President

Investor: *[Signature]*  
Yvonne Foti

Exhibit A:

List of Contracts

Name of Customer                      Dealer Principal Amount As of                      2005

Total:                      \$ \_\_\_\_\_

**ACC007412**  
BERSCH

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of August 30 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Yvonne Felt, sole and separate property, a(n) Individual ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated August 30 2008 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:



- 1 -

ACC007413  
BERSCH

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

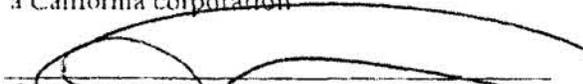
7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

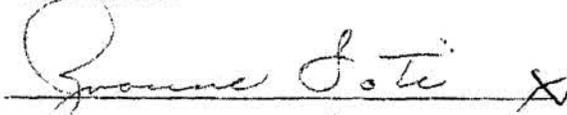
IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia:

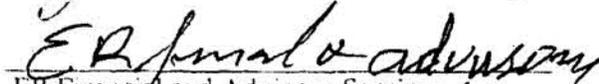
Concordia Financing Co., Ltd.  
a California corporation

  
Christopher Crowder  
Vice President

Investor:



Custodian:

  
ER Financial and Advisory Services LLC



0287

**AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on August 30, 2006 by and between Yvonne Foti and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about August 30, 2006 Yvonne Foti and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Yvonne Foti monthly an amount equal to a .833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Yvonne Foti desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Yvonne Foti monthly payments in an amount equal to the interest payments Concordia has been making to

ACC007396  
BERSCH



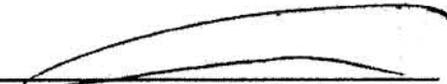
RECEIVED  
APR 2009

Yvonne Foti. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

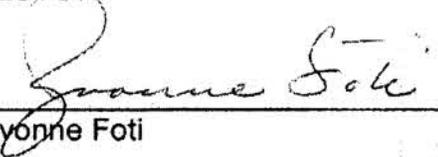
4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President & COO

INVESTOR

By: 

Yvonne Foti

**SECOND AMENDMENT TO SALE OF CONTRACTS  
AND SERVICING AGREEMENT**

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *August 30, 2006*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Yvonne Foti* is hereby amended in the following respects:

**RECITALS**

A. WHEREAS on or about *August 30, 2006*, Concordia and *Yvonne Foti* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Yvonne Foti* 's investment balance. *Yvonne Foti* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

**AGREEMENT**

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no



reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from \$82,722.57 to \$19,296.45.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Yvonne Foti*. In the event that *Yvonne Foti* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

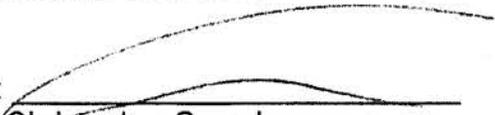
10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Yvonne Foti hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,  
a California Corporation

By: 

Christopher Crowder  
President

INVESTOR

By: 

Yvonne Foti