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Transcript Exhibit(s)

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

Arizona Corporation Commission
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Exhibit #: S101a-S101d; S102a-S102e; S103a; S104a-S104d; S105a; S107a-S107d; S108a-S108d; S109a-S109d; S110a-S110e; S111a-S111d; S113a-S113g; S114a-S114j; S115a-S115g; S116a-S116d; S117a-S117d; S118a-S118e; S119a-S119f; S120a-S120d; SS121a-S121d; S122a-S122d; S123a; S123b; S124a-S124d; S125a-S125d; S126a-S126c; S127a-A127d; S128a-S128d; S129a-S129d

Part 5 of 12

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 7/31, 2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) IND. ("Investor") hereinafter collectively referred to as "the parties."
GREGORY & LORI BACHMANN

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.

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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

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Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of $200,000. (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~~ .0833 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 [redacted]
Ontario, California 91764
Fax: 909-483-2626
ATTN: Ken Crowder

If to Investor: GREGORY + LORI BACHMANN
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. GWB YB CL (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 ~~Kenneth~~ Crowder
President

Investor:
X Lori L. Bachmann
X Gregory W. Bach

[redacted] Home Phone

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2006 |
|---|---|---|

Total: $_____

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OLD CONTRACT.

# CUSTODIAL AGREEMENT

$ 200,000.

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 7/31, 2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, a(n) Ind. ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
GREGORY + LORI BACHMANN

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 7/31, 2006 (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:



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EXHIBIT
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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,

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
President

Investor: Joseph W. Bachmann
Lou L. Bachmann

Custodian: E R Financial and Advisory Service

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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on July 31, 2006 by and between Gregory and Lori Bachmann and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about July 31, 2006 Gregory and Lori Bachmann 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 Gregory and Lori Bachmann 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 Gregory and Lori Bachmann 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 Gregory and Lori Bachmann monthly payments in an amount equal to the interest payments Concordia



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ADMITTED

has been making to Gregory and Lori Bachmann. 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: Lori Bachmann
Gregory and Lori Bachmann
Gregory W. Bach

[redacted]0-284

# 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 *July 31, 2006,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Gregory & Lori Bachmann* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *July 31, 2006,* Concordia and *Gregory & Lori Bachmann* 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 *Gregory & Lori Bachmann's* investment balance. *Gregory & Lori Bachmann* 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



EXHIBIT
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ADMITTED

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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 *$143,465.65* to $33,465.65.

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 *Gregory & Lori Bachmann*. In the event that *Gregory & Lori Bachmann* 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, Gregory & Lori Bachmann 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: _____
Gregory & Lori Bachmann
Lori Bachman

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 9/3/2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Peggy Reynolds, a(n) Peggy Reynolds 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.



EXHIBIT
S-102a
ADMITTED

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

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: Peggy Reynolds
[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 ___ day of _____, at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: Peggy Reynolds

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____ ,2005 |
| --- | --- |

Total: $_____

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 9/3/2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Peggy Reynolds, a(n) Peggy Reynolds 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.

EXHIBIT S-102 ADMITTED

# No 2745 9-3-06 (ALREADY TURNED IN)
# No 2753 9-14-06 WITH THIS

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~~ 200,000.00 (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

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 9/3/2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia") Peggy Reynolds, sole and separate property, a(n) Peggy Reynolds "Investor"), INDIVIDUAL 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 9/3/06 (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:



ACC007438
BERSCH

EXHIBIT
S-102c
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, 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 Peggy Reynolds

Custodian:

Michael Bersch PTR ER financial.

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 September 3, 2006 by and between Peggy Reynolds and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about September 3, 2006 Peggy Reynolds 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 Peggy Reynolds 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 Peggy Reynolds 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 Peggy Reynolds monthly payments in an amount equal to the interest payments Concordia has been

making to Peggy Reynolds. 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: _____
Peggy Reynolds

# 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 3, 2006,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Peggy Reynolds* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *September 3, 2006,* Concordia and *Peggy Reynolds* 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 *Peggy Reynolds's* investment balance. *Peggy Reynolds* 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





EXHIBIT
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ADMITTED

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 *$143,465.65* to $33,465.65.

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 *Peggy Reynolds*. In the event that *Peggy Reynolds* 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, Peggy Reynolds 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: _____
Peggy Reynolds



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BERSCH

TWO YEAR NOTE

$225,000.00
Fiserv ISS & Co TTEE FBO: Jack W. Guest
[redacted]
[redacted], CO [redacted]

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to Fiserv ISS & Co TTEE FBO: Jack W. Guest, herein after referred to as Lender, at the above address, the sum of two hundred twenty-five thousand dollars ($225,000.00), with interest from November 6,2006 on the principal at the rate of 10 percent annually: interest shall be paid on a monthly basis in the amount of one thousand eight hundred seventy-four dollars and twenty-five cents ($1,874.25) on the ending day of each month, beginning on the ending day of November 2006 and continuing until said principal and interest have been fully paid.

ON or before November 6, 2006, 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 November 6, 2006

Christopher K. Crowder
President

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BERSCH

EXHIBIT
S-103a
ADMITTED

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 12/18, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and JACK+MARJORIE, a(n) _____ ("Investor") hereinafter collectively referred to as "the parties." GUEST CHARITABLE REMAINDER TRUST

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.



EXHIBIT
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ADMITTED

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 $ 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. 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: JACK + MARJORIE GUEST CHARITABLE REMAINDER TRUST
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. JG MG 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 18 day of Dec 2000, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Marjorie A. Guest, Trustee

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Income checks will be sent to ~~RANDY ALBERS~~ Deposit into brokerage Acct. I will let you know or you can call Albers to get the Number - Acct.

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____, 19 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 12/18, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), JACK+MARJORIE a(n) TRUST ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
GUEST CHARITABLE TRUST

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 12/18, 2000 (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:



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EXHIBIT
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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,



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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: X Marjorie R. Sneed, Trustee

Custodian: E R Financial and Advisory Service

**ACC009636**
**BERSCH**

RECEIVED MAR 21 2009

# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on December 18, 2000 by and between Jack and Marjorie Guest Charitable Trust and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 18, 2000 Jack and Marjorie Guest Charitable Trust 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 Jack and Marjorie Guest Charitable Trust 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 Jack and Marjorie Guest Charitable Trust 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 Jack and Marjorie

EXHIBIT
S-104c
ADMITTED

Guest Charitable Trust monthly payments in an amount equal to the interest payments Concordia has been making to Jack and Marjorie Guest Charitable Trust. 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: Jack W Guest TTEE
Jack and Marjorie Guest Charitable
Trust
Marjorie A. Guest TTEE

ACC009621
BERSCH

[redacted]0 - 208

# 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 18, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Jack & Marjorie Guest Charitable Trust* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *December 18, 2000,* Concordia and *Jack & Marjorie Guest Charitable 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 *Jack & Marjorie Guest Charitable Trust's* investment balance. *Jack & Marjorie Guest Charitable 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





EXHIBIT
S-104d
ADMITTED

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 *$79,295.35* to $13,295.35.

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 *Jack & Marjorie Guest Charitable Trust*. In the event that *Jack & Marjorie Guest Charitable 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, Jack & Marjorie Guest Charitable 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: Jack W Guest TTEE
Jack & Marjorie Guest Charitable Trust

TWO YEAR NOTE

$53,109.00
Fiserv ISS & Co TTEE FBO: Gary P. Kollars
[redacted]
[redacted] CO [redacted]

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to Fiserv ISS & Co TTEE FBO: Gary P. Kollars, herein after referred to as Lender, at the above address, the sum of fifty-three thousand one hundred nine dollars and ($53,109.00), with interest from November 6, 2006 on the principal at the rate of 10 per cent annually: interest shall be accrued and payable to the principal balance on the ending day of each month, beginning on the ending date of November, 2006 and continuing until said principal and interest have been fully paid.

ON or before, November 6, 2008 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.

THIS NOTE replaces ~~all~~ previous notes issued to the Lender.

Date November 6, 2006

Christopher Crowder
President

ACC007472
BERSCH

EXHIBIT
S-105a
ADMITTED

# 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 16 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and John NORTON, a(n) 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, 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.



EXHIBIT
S-107a
ADMITTED

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. 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:

John Norton
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. CKC (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 16 day of Nov 2005, 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 _____ ,2005 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of Nov 16 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), John Nassar 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 Nov 16 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] 0872

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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on November 16, 2005 by and between John T. Norton and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about November 16, 2005 John T. Norton 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 John T. Norton 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 John T. Norton 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 John T. Norton monthly payments in an amount equal to the interest payments Concordia has been making to



EXHIBIT
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ADMITTED

John T. Norton. 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: John T. Norton
John T. Norton

# 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 16, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *John T. Norton* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *November 16, 2005,* Concordia and *John T. Norton* 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 *John T. Norton 's* investment balance. *John T. Norton* 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 *$74,181.70 to $17,304.14.*

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 *John T. Norton* . In the event that *John T. Norton* 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, John T. Norton 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: _____
John T. Norton

## 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 December 1, 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Philip Hatch, an 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 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.



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ADMITTED

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 $150,000.00 (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

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: Philip Hatch
[redacted]
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. PH CSC *(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 1th day of December 2005, 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 _____ ,2005 |
|---|---|---|

Total: $_____

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BERSCH

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of December 1, 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Philip Hatch, sole and separate property, an 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 December 1, 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:





EXHIBIT
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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, 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

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 December 1, 2005 by and between Phillip Hatch and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 1, 2005 Phillip Hatch 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 Phillip Hatch 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 Phillip Hatch 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 Phillip Hatch monthly payments in an amount equal to the interest payments Concordia has been making to



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Phillip Hatch. 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: _____
Phillip Hatch
Philip

# 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 1, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Phillip Hatch* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *December 1, 2005,* Concordia and *Phillip Hatch* 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 *Phillip Hatch's* investment balance. *Phillip Hatch* 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





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ADMITTED

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 *Phillip Hatch*. In the event that *Phillip Hatch* 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, Phillip Hatch 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: _____
Phillip Hatch

# 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 DEC 5 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Bryan and Kandy, a(n) INVESTOR ("Investor") here in after collectively referred to as "the parties." PETERS

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 & Advisory, 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.



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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

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: BRIAN & KONDA PETERS
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. BP KP CM (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 5 day of DEC 2005, 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 _____ ,2005 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of DEC 5 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".

Bryan and Kandy Peters

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated DEC. 5, 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:



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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 December 5, 2005 by and between Bryan N. Peters and Kandy L. Peters and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 5, 2005 Bryan N. Peters and Kandy L. Peters 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 Bryan N. Peters and Kandy L. Peters 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 Bryan N. Peters and Kandy L. Peters 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 Bryan N. Peters and



EXHIBIT
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ADMITTED

Kandy L. Peters monthly payments in an amount equal to the interest payments Concordia has been making to Bryan N. Peters and Kandy L. Peters. 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: _____
Bryan N. Peters

_____
Kandy L. Peters

RECEIVED
APR - 2009
Per _____

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# 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 5, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Bryan N Peters & Kandy L Peters* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *December 5, 2005,* Concordia and *Bryan N Peters & Kandy L Peters* 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 *Bryan N Peters & Kandy L Peters's* investment balance. *Bryan N Peters & Kandy L Peters* 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





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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 *Bryan N Peters & Kandy L Peters*. In the event that *Bryan N Peters & Kandy L Peters* 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, Bryan N Peters & Kandy L Peters 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: Bryan N Peters
Bryan N Peters & Kandy L Peters
Kandy L. Peters

# 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 11/25/05 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) INDIVIDUAL ("Investor") (TRUST) here in after collectively referred to as "the parties."

RAY L. PILES + LISA R FUHRMAN LIVING TRUST 9/1/2004

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 + ADVISORY, 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.



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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: Ray Piles + Lisa Fuhrman
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. 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 ___ day of _____, at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: x Ray Piles As Trustee
x Lisa Fuhrman As Trustee

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2005 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 11/25/05 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, sole and separate property, a(n) INDIVIDUALS ("Investor"), (TRUST) and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
RAY L. PILES + LISA R FUHRMAN Living TRUST 9/1/2004

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 11/25/05 (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:



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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 Ray S Biles AS Trustee
~~R Johnson AS Trustee~~

Custodian: ER Financial and Advisory Services

[redacted] 0-27

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 November 11, 2005 by and between Ray L. Piles & Lisa R. Fuhrma and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about November 11, 2005 Ray L. Piles & Lisa R. Fuhrma 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 Ray L. Piles & Lisa R. Fuhrma 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 Ray L. Piles & Lisa R. Fuhrma 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 Ray L. Piles & Lisa R.

EXHIBIT
S-110c
ADMITTED

Fuhrma monthly payments in an amount equal to the interest payments Concordia has been making to Ray L. Piles & Lisa R. Fuhrma. 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: Ray L Piles
Ray L. Piles & Lisa R. Fuhrma

# 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 11, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Ray Piles & Lisa Fuhrma* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *November 11, 2005,* Concordia and *Ray Piles & Lisa Fuhrma* 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 *Ray Piles & Lisa Fuhrma's* investment balance. *Ray Piles & Lisa Fuhrma* 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





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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 *$143,465.65* to $33,465.65.

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 *Ray Piles & Lisa Fuhrma*. In the event that *Ray Piles & Lisa Fuhrma* 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, Ray Piles & Lisa Fuhrma 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: _____
Ray Piles & Lisa Fuhrma

# CONCORDIA FINANCE

EXHIBIT
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INVESTING IN TRANSPORTATION

*Concordia Finance specializes in the financial needs of the commercial used truck market. The banking world today is changing, becoming more focused on specific industry groups and less focused on geography. The result has been that several of the smaller markets have been ignored as individual banks struggle to gain competitive advantages in the larger markets. Opportunity is thus created for the small company which has the expertise to deal with one of these disregarded segments. Concordia has been doing this since [illegible]*

- 1.0% Per Month
- Doubles in Under 6 Years
- Guaranteed
- Monthly Check
- Monthly Report
- 140,000 Trucks in California
- 25,000 Sell Used Every Year
- 7,500 Sell Used in the Los Angeles Area
- Contracts Under $25,000 are Typical
- $300,000 Buys You Over 10 Contracts
- California Market is $500,000,000

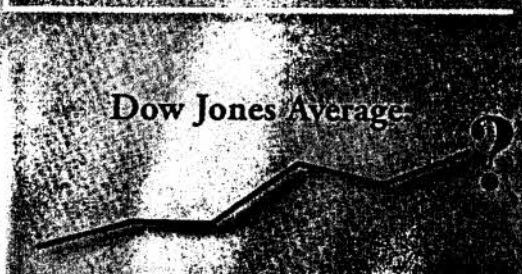
## *Investment Opportunity*

Since 1994 Concordia Finance has been buying truck ("big rig") conditional sales contracts from dealers and collecting the payments. Concordia investors receive net 1.0% EACH MONTH in interest for providing the necessary capital. Concordia qualifies the buyer, purchases the contract from the dealer and collects the payments. The investor then receives a check or the money is credited to his account. This is done under a service agreement with the investor. Concordia guarantees each contract. If any go into repossession, Concordia will replace it with one of equal or greater value.

If your money is left in until the interest is allowed to accrue, the principal will double in less than five years.

## *Concordia's Place In the Market*

In 1993 the founders recognized a need to fund the less than perfect commercial buyer. This is usually a truck driver with five to ten years experience and wants to own his own rig. He may have adequate personal credit but has no commercial credit. Since the truck will be used for business, banks can not provide a consumer loan. Very few sources are available. Most contracts are for about twenty thousand dollars. The driver might save the money and pay cash, very difficult, or lease, very expensive. Concordia Finance does not require a commercial credit history; it does require good personal credit.

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## *Concordia Finance*

- Services All Contracts
- Replaces Any Non-Performing Contracts
- Provides [illegible]
- Has Con[illegible]ow

## *Personnel*

The loan manager is a former bank vice president who was in charge of t[illegible]ach contract considered by Concordia and keeps on top of collections. Typic[illegible]st a week ahead of the due date.

The second employee is a collections specialist. She has been trained at C[illegible]pe-rience with an excellent record. The third employee is the receptionist a[illegible]cial-ist. As Concordia grows, these people will be supplemented. With the [illegible]t in the banking industry, recruitment of outstanding talent is not a problem.

## *History*

[illegible] numerous dealers of tractors, trailer[illegible], parts and supplies have made this a center [illegible] by all truckers in the [illegible] lvd is abou[illegible] provides convenient access [illegible]

***Call or Fax Today***
***For a Free Business Plan***
***and Financial Statement***

# CONCORDIA FINANCE

PRODUCT APPROVED BY KANSAS CITY LIFE INC.
BROKER:
SUNSET FINANCIAL

**INVESTOR**
**$100,000**

RETURN ON INVESTMENT
$833 / MONTH
(10% / YR)

EXHIBIT
S-110f
ADMITTED

1. INVESTOR GIVES INVESTMENT CHECK TO ER FINANCIAL

ER FINANCIAL
MICHAEL BERSCH, CPA
DAVID WANZEK, CPA
(MAINTAINS ACTUAL COLLATREAL & CONTRACTS FOR INVESTOR, REVIEWS MONTHLY REPORTS & PAYMENTS TO INVESTORS)

4. ER FINANCIAL GIVES INVESTOR A MONTHLY CHECK BASED ON INVESTMENT

2. ER FINANCIAL SENTS INVESTMENT TO CONCORDIA.

3. CONCORDIA REPORTS TO ER FINANCIAL.

**CONCORDIA FINANCE (SERVICES CONTRACTS FOR INVESTORS)**

PAYMENT ON TRUCKS

**ACQUIRES TRUCK CONTRACTS**

Concordia

1090

CONCORDIA FINANCE COMPANY

FIXED INCOME INVESTMENT WITH A 12% RATE OF RETURN!!

Money market instruments – commercial paper instruments – are the mainstay of every sophisticated investor's portfolio. Most Americans invest in mutual funds that hold commercial paper as part of their portfolio. Mutual fund managers routinely purchase individual and corporate obligations to beef-up the rate of their portfolio return. Theoretically, they purchase the paper in a wide selection of industries so that the investor's risk is limited. The drawback of this diversification is that because some of these industries are selected just because they perform in opposition to others, the overall return on the paper is limited. But imagine, for a moment, if an investor did not have to include those opposing industries and instead could select an industry's paper that was not only diversified enough to reduce the risk to the investor and offer larger returns but were secured by readily convertible collateral. Concordia Finance offering a 12% fixed guaranteed return is just that investment.

Since 1994, Concordia Finance has been buying heavy truck ("big rig") conditional sales contracts from Southern California truck dealers and collecting the payments. Concordia Finance investors receive a 1.0% net interest payment each month for providing the necessary capital. Concordia qualifies the buyer, purchases the contract from the dealer and collects the payments. The investor has the option of either receiving a check or reinvesting the money in additional contracts. Concordia Finance guarantees each contract. If any of the sales contracts require modification, Concordia will replace the contract with one of equal or greater value. If the monthly interest payment remains with Concordia Finance and the interest is allowed to accrue, the principal will double in less than five years.

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## HISTORY OF THE COMPANY

After the savings and loan debacle of the 1990s, the federal government decided to tighten the loan requirements for banks. Banks shied away from nontraditional business loans. Big rig trucks purchased by individual truckers to haul goods locally and across the country were turned away as loan candidates. At the same time, the demand for heavy truck loans increased. Deregulation occurred and economic conditions changed to where companies were unable to hire enough truck drivers to haul their goods. Rail capacity was insufficient to haul the amount of goods that needed to be transported either locally or across the country. The trucking companies began to look for other ways to increase their fleets and began offering generous contracts to independent truck drivers in order to beef up those fleets.

To become an independent trucker and own your own rig began to seem like a realistic goal for many fleet big rig truckers. The process of starting to own your own rig was difficult as new trucks were too expensive At the same time, truck dealerships needed to be able to move the trade-ins they received for their new trucks. Used truck product was plentiful. How to finance the truck purchase was the dilemma. A truck driver with five to ten years of experience who wants to own his own rig may have adequate personal credit, but lacks commercial credit. An independent trucker would need a bridge loan of approximately three years, until he is able to establish his commercial credit and become eligible for lower interest rates. New truck finance companies, such as First Associates and Mercedes, only focus on fleet and new truck sales. They would not normally consider accepting a three-year contact on a five-year or older used truck. The under $20,000 heavy truck sale contract is a niche market which requires specialization. Concordia Finance saw the opportunity to meet this need and started the Concordia Finance Company in April of 1994.

At the beginning, Concordia Finance was created just to serve the needs of one Southern California independent truck dealership. For several years, Concordia Finance purposely remained small, consistently serving the needs of the one dealership and at the same, time, developing its staff and processes in preparation for future expansion. Currently, Concordia Services approximately two dozen truck dealerships in Southern California.

Concordia Finance is incorporated in the state of California and is strategically located in Ontario, California. In nearby Fontana, along Valley Boulevard, numerous dealers of tractors, trailers, truck repair, parts and supplies have made this central area a location known by all truckers in the southwest. This concentration is the heart of the truck resale business for the Los Angeles, Orange, southwest San Bernardino and western Riverside counties. Fontana is only 75 miles east of the busy San Pedro, Los Angeles and Long Beach harbors. Three of the five dealers being served by Concordia Finance are located in Fontana.

CONCORDIA FINANCE MANAGEMENT

Ken Crowder is President/CFO and has managed Concordia Finance since its beginning. He retired from defense/aerospace after a 35 year career which started as a research physicist and evolved into engineering management. Fred Wiseman, Founder and Vice President is also the owner and General Manager of Truck Trading. Truck Trading is expected to sell well over $3 million in trucks this year. He has bought and sold over $30 million in trucks during the span of his career.

THE MARKET

Freight volume in Southern California is continuing to increase due to increased traffic in the Port of Los Angeles. On an average day, the Port of Los Angeles moves more containers per acre than most of the top 10 ports in the country. Traffic officials are predicting that international freight will double from the 100 tons a year now funneled

through area trucking companies and regional airports. The size of the market for used truck sales in Southern California is estimated to exceed $20,000,000. Concordia Finance estimates that at least 10% of the estimated sales are good candidates for high quality, high yield loans. With a market of $20,000,000 in annual sales which can be financed by Concordia Finance, there is ample opportunity to select those candidates with the most favorable track record. Since 1994, Concordia Finance has purchased over $6,000,000 in contracts. Each year many are paid off early.

THE CONCORDIA FINANCE CUSTOMER

A Concordia Finance customer is typically an independent owner-driver with five years experience. He will usually buy a heavy truck of up to 10 years old, in good condition. The trucks are ideally suited for shorter hauls where the driver returns home frequently and seldom leaves the Southern California market. Because the truck is the customer's livelihood, they are strongly motivated to make their monthly payments to Concordia Finance. Our customers pay a high rate of interest on a relatively small principal amount in order to establish their commercial credit record. Concordia Finance requests a 30% down payment and prefers contracts with balances under $25,000. Local hauls and nearly depreciated value reduces investment risk. When an owner-driver requests financing, the dealer submits a completed application to Concordia Finance. The credit history is thoroughly checked. The customer's fleet dispatcher is contacted to verify employment history. The customer's cash flow situation is scrutinized. The customer's monthly payment is required to be less than two days gross income. If the down payment is adequate and the personal credit history is good, Concordia Finance pre-approves the deal. When the dealership closes the deal, Concordia Finance buys the discounted contract.

## THE CONCORDIA FINANCE INVESTOR

The typical Concordia Finance investor is one who seeks increased income, greater than money markets or certificate of deposits, with minimized risk tolerance. Since Concordia Finance performs all the administrative tasks associated with these contracts and also guarantees and maintain good contracts in the investor's portfolio, the risk is minimized.

To the individual investor that is seeking an additional fixed income stream or who wants to balance their asset allocation selections in their portfolio, this 12% return provides a excellent alternative.

## CONCORDIA FINANCE IN THE FUTURE

In 2001, Concordia Finance expects to increase the number of dealerships served in the Southern California area. This will eventually produce a portfolio of over $10 million. Further expansion into neighboring markets will be investigated if appropriate. Although Southern California is ideal because the climate is "kind" to older trucks and because of the local nature of hauling to and from the harbors, the entire southwestern states region is attractive. Other potential market areas include San Diego, Bakersfield and the San Francisco bay area and the San Joaquin valley farming area. Additional southwestern trucking centers are also being developed in Phoenix and Tucson, Arizona.

Concordia Finance invites interested investors to contact them for more information. Our Investor Relations Office is located in [redacted] Arizona.

CONTACTS:
Investor Relations:
Michael Bersch, CPA
David Wanzek, CPA

Concordia Finance
[redacted] AZ [redacted]
Phone: [redacted]
Fax: [redacted]

Concordia - Oxford

Fixed Base Income at 12% - Guaranteed!

A good investment asset allocation should include 10% to 20% of fixed income investments. But the choices are few. Bonds and CD's are about it, and the returns are less than exciting. Concordia Finance has something new to offer. It is a fixed base investment that pays 12% and they guarantee it!

Michael Bersch, CPA, is a club member and also on the board of Concordia Finance. He saw the "FELLOW CLUB MEMBERS: SHOW US WHAT YOU'VE GOT!" request in our newsletter and contacted Stephen Seal. As a result, Concordia Finance was an exhibitor at the December meeting in Palm Springs and many of our oxford club members expressed interest and wanted to know more about this opportunity.

About 1990 after the rash of bank failures, the RTC and FDIC decided to tighten some of the rules on loans for used trucks. And when problems occurred there was usually a significant loss. Consequently, most banks stopped making "big rig" truck loans. But the demand for more trucks and loans was growing. The founders of Concordia Finance saw the opportunity of this niche market and started the company in April 1994.

The company was created just to serve the needs of one independent truck dealer. For several years it funded four or five deals a month. Ken Crowder, the president, says "that was our learning period. The company grew slowly at first, but it had shown a profit and paid taxes every year – even the first one. In 1998 the company decided to expand. Now the processes are in place and the staff is trained. There are over 100 used "18 wheeler" truck dealers located within southern California. We currently serve about two dozen lots. Nine of those belong to the freightliner and international dealers. We now service over 350 contracts which are worth just under six million dollars. Our goal is to double in the next year."

The "big" truck finance companies include associates (owned by ford motor credit) and the manufacture's parent company (mercedes finances deals for freightliner.) These companies focus on the fleet sales and new truck sales. They usually forgo three – year contracts on the older trucks. Concordia takes advantage of this and actually prefers contracts with a balance of under $ 25,000. This is usually a truck which is four years old or older. Even a fifteen year old truck will sell for $ 15,000, if it is in good condition. These trucks are ideally suited for shorter hauls where the driver returns home frequently. Local hauls and nearly depreciated value assures reduced investment risk.

In order to sell the newer trucks, the dealer has to be willing to accept an older trade – in. But then his ability to resell the trade – in requires financing. Since Associates, Mercedes and others prefer financing new fleets, the dealers turn to Concordia Finance. Most of the buyers are independent owner – drivers. The dealer faxes an application to Concordia. The credit history is checked and the dispatcher is contacted to verify employment history. Cash flow for the buyer is a major consideration, and the monthly payment should be less than two days of gross income. This is the buyer's job and often the only source of income. They are strongly motivated to make the payments to Concordia before they pay anyone else. If the down payment is adequate and everything else checks out, Concordia pre-approves the deal. When the dealer closes the deal, Concordia funds the contract.

Concordia Finance buys conditional sales contracts. These are then packaged and sold to the investor under a Sales and Service agreement. Concordia then acts as the investor's agent to collect the payments. Each month the investor receives a report on the individual portfolio and a check based on the amount invested. The agreement guarantees payment; Concordia pays whether it collects or not. Furthermore, if a contract needs administrative servicing it is replaced with a good one. Therefore, at all times the investor has performing contracts in his portfolio.



EXHIBIT
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ADMITTED

Concordia
Oxford

Concordia Finance belongs to the California Trucking Association (CTA). It lobbies government on behalf of the trucking industry and maintains statistics which are helpful in business planning. According to the CTA, the California Department of Motor Vehicles licensed 143,000 trucks in 1999. This is up over 50% from two years earlier. This is only 10% of the licensed trucks nation wide. In the past year the manufactures sold 300,000 trucks. Since this represents 20% of the licensed trucks, and trucks have an average 10 year life, it shows the manufactures know the demand is growing.

Every consumer product we buy spends some part of its life on a truck. It may travel by ship, plane or rail also, but it always makes a part of the trip on a truck. Some investors got concerned with the sudden jump in diesel prices. Now, six months later, most of them have calmed down. Transport profits were squeezed when the cost was based on a contract that didn't allow for fuel price fluctuation. But as these are renegotiated, fuel price fluctuation is being considered. Many of the long distance haul operators still have a concern, but they are slowly addressing it. It seems unlikely that oil prices are apt to move upward any time soon, so we think the concern is over.

Concordia invites interested investors to contact them for more information, The main office is located in Ontario, California. Investor relations is handled by the office in Lake Havasu City, Arizona. You may wish to contact either Michael Bersch, CPA or David Wanzek, CPA at


ER
~~Concordia~~ Finance – Investor Relations
[redacted]
[redacted], AZ [redacted]

Phone: [redacted]
Fax: [redacted]

Concordia Finance (Corporate Office)
[redacted]

Phone: [redacted]
Fax: [redacted]

# 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 12/1/03 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) non Profit ("Investor") here in after collectively referred to as "the parties."
ORGAN
Hospice of Havasu Inc

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.



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ADMITTED

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

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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: HOSPICE OF HAVASU INC.
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. CLC (*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: _____
Board President

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2005 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 11/25/05 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, sole and separate property, a(n) CORP. / _____ ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
Hospice of Havasu Inc non Profit

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 11/25/05 (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: President

Vice President

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 December 1, 2005 by and between Hospice of Havasu, Inc. and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 1, 2005 Hospice of Havasu, Inc. 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 Hospice of Havasu, Inc. 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 Hospice of Havasu, Inc. 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 Hospice of Havasu, Inc. monthly payments in an amount equal to the interest payments Concordia has been



EXHIBIT
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ADMITTED

making to Hospice of Havasu, Inc. . 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: _____
Hospice of Havasu, Inc.

# 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 1, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Hospice of Havasu, Inc.* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *December 1, 2005,* Concordia and *Hospice of Havasu, Inc.* 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

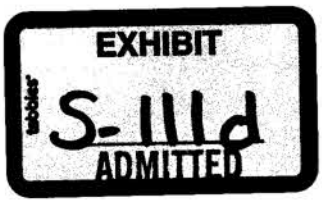
C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Hospice of Havasu, Inc.'s* investment balance. *Hospice of Havasu, Inc.* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment 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 *$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 *Hospice of Havasu, Inc.*. In the event that *Hospice of Havasu, Inc.* 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, Hospice of Havasu, Inc. 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: _____
Hospice of Havasu, Inc.
BY: MIKE McANDREW
PRESIDENT of the BOARD



ACC007684
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 11/17/99 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."

KRISTINE B. FARMER & GREGORY W. FARMER, JOINTLY WITH RIGHTS TO SURVIVORSHIP

### 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 EK 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.

EXHIBIT
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ADMITTED

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: GREGORY W. FARMER
[redacted] GA [redacted]

12.10 Waiver of Jury Trial. KBF GWF 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 ___ day of _____, at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: Gregory W. Farmer
Kristenia B. Farmer

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2005 |
|---|---|---|

Total: $100,000.00

# CONCORDIA FINANCING CO., LTD.

COPY

## Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 11/17/09 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."

KRYSTINE B. FARMER & GREGORY W. FARMER, JOINTLY WITH RIGHTS TO SURVIVORSHIP

## 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 EK 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.

EXHIBIT
S-113b
ADMITTED

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;

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:

GREGORY W. FARMER
[redacted], GA [redacted]

12.10 Waiver of Jury Trial. KBF GWF (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:

Gregory W. Farmer
Kristenie B. Farmer

# CONCORDIA FINANCING CO., LTD.

COPY

## Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 12/17/00 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."

KRISTINE B. FARMER & GREGORY W. FARMER, JOINTLY WITH RIGHTS TO SURVIVORSHIP

### 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 EIC 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.



EXHIBIT
S-113c
ADMITTED

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;

Gof

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:

GREGORY W. FARMER
[redacted]
[redacted] GA [redacted]

12.10 Waiver of Jury Trial. KBF (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:

Gregory W. Farmer
Kristenie B. Farmer

# CUSTODIAL AGREEMENT

2/17/06 THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 2/17/06 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, sole and separate property, a(n) J.T.D. ("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

KRISTINE B. FARMER & GREGORY W. FARMER, JOINTLY WITH RIGHTS TO SURVIVORSHIP

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 2/17/06 (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:



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BERSCH

EXHIBIT
S-113d
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, 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:

Gregory W. Farmer
Kristine B. Farmer

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 December 17, 2006 by and between Kristine B. and Gregory W. Farmer and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 17, 2006 Kristine B. and Gregory W. Farmer 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 Kristine B. and Gregory W. Farmer 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 Kristine B. and Gregory W. Farmer 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 Kristine B. and Gregory

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MAR 3 2009
Per _____

EXHIBIT
S-113e
ADMITTED

W. Farmer monthly payments in an amount equal to the interest payments Concordia has been making to Kristine B. and Gregory W. Farmer. 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

Gregory W. Farmer

By: Kristine B. Farmer
Kristine B. and Gregory W. Farmer

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Christopher Crowder
President & COO

INVESTOR

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Kristine B. and Gregory W. Farmer

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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
Gregory W. Farmer
By: Kristine B. Farmer
Kristine B. and Gregory W. Farmer

# 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 February 1, 2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Melvin L. Morgan Trust Dated September 4,2002 Melvin L. Morgan As Trustee , 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 and Advisory Services, 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 $ 90,000.00 (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

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:

Melvin L. Morgan Trustee
[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 16th day of February 2006, at Ontario, California.

Concordia:

Concordia Financing Co., Ltd.
a California corporation

By: _____
Christopher Crowder
Vice President

Investor:

Melvin Morgan

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2006 |
|---|---|---|

Total: $_____

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Paid Acct. (278)

# 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 February 1, 2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Melvin L. Morgan Trust Dated September 4,2002 Melvin L. Morgan As Trustee , 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 and Advisory Services, 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.



EXHIBIT
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ADMITTED

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 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: Melvin L. Morgan Trustee
[redacted]
[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 16th day of February 2006, at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: Melvin Morgan

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____,2006 |
|---|---|---|

Total: $_____

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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 APRIL 26, 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) INVESTOR ("Investor") hereinafter collectively ~~referred to~~ as "the parties."

MELVIN L. MORGAN TRUST Dated September 4, 2002
MELVIN L. MORGAN TRUSTEE

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.

EXHIBIT
S-114c
ADMITTED

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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 $ 75,000.00 (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. 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

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: MELVIN L. MORGAN TRUSTEE
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. M.L.M. (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 26th day of APRIL 2004 at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: Melvin L. Morgan

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BERSCH

Exhibit A:

List of Contracts

Name of Customer | Dealer Principal Amount As of April 26, 2004

Total: $ _____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of February 1,2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Melvin L. Morgan Trust Dated September 4,2002, sole and separate property, a(n) Individual/Trust ("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 February 1, 2006 (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:



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BERSCH

EXHIBIT
S-114d
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, 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.



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6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.1% 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



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BERSCH

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of February 1,2006 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Melvin L. Morgan Trust Dated September 4,2002, sole and separate property, a(n) Individual/Trust ("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 February 1, 2006 (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:



EXHIBIT
S-114e
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, 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.



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6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.1% 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



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CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of APRIL 26, 2004 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, a(n) Investor ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
Melvin L Morgan Trust Dated September 4, 2002

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated APRIL 26, 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:

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EXHIBIT
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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.

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BERSCH

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: Melvin L. Morgan

Custodian:
E R Financial and Advisory Service

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RECEIVED MAR 21 2009



making to Melvin L. Morgan Trust. 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: Melvin L. Morgan
Melvin L. Morgan Trust

EXHIBIT
S-1149
ADMITTED

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2. In place thereon, Concordia will continue to pay to Melvin L. Morgan Trust Dated September 4, 2002 Melvin L. Morgan as trustee monthly payments in an amount equal to the interest payments Concordia has been making to Melvin L. Morgan Trust Dated September 4, 2002 Melvin L. Morgan as trustee. 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: Melvin L. Morgan
Melvin L. Morgan Trustee
Melvin L. Morgan Trust dated September 4, 2002

EXHIBIT
S-114h
ADMITTED

# 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 1, 2006,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Melvin L. Morgan Trust* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *February 1, 2006,* Concordia and *Melvin L. Morgan 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 *Melvin L. Morgan Trust's* investment balance. *Melvin L. Morgan 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

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 *$43,039.73* to $10,039.73.

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 *Melvin L. Morgan Trust*. In the event that *Melvin L. Morgan 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, Melvin L. Morgan 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: Melvin L. Morgan
Melvin L. Morgan Trust



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[redacted]0-919

# 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 1, 2006,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Melvin L. Morgan Trustee* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *February 1, 2006,* Concordia and *Melvin L. Morgan Trustee* 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 *Melvin L. Morgan Trustee's* investment balance. *Melvin L. Morgan Trustee* 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





EXHIBIT
S-114j
ADMITTED

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 *$82,897.37* to $19,337.06.

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 *Melvin L. Morgan Trustee*. In the event that *Melvin L. Morgan Trustee* 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, Melvin L. Morgan Trustee 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: _____
Melvin L. Morgan Trustee

## 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 May 7, 2005 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Bonnie Ferris-Spence, 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 and Advisory Services, 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.



EXHIBIT
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ADMITTED

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 $200,000.00 (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

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 0.01% 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. 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: Bonnie Ferris-Spence
[redacted], AZ [redacted]

12.10 Waiver of Jury Trial. CC BFS *(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 24day of May 2005, at Ontario, California.

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

By: _____
Christopher Crowder
Vice President

Investor: Bonnie Ferris Spence

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____,2005 |
|---|---|---|

Total: $_____

**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 March 7, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Bonnie Ferris-Spence, 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.



EXHIBIT
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ADMITTED

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 $ 200,000.00 (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. 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: Bonnie Ferris-Spence
[redacted]
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. KC BP *(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.

This Agreement is evidenced by an unsecured note dated March 7, 2001 in favor of Lincoln Trust Co. Custodian for The Benefit of Bonnie Ferris-Spence. That note and this Agreement constitute one and the same obligation for a total liability of $200,000.00.

Executed this 7th day of March, 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Bonnie Ferris Spence
Bonnie Ferris-Spence

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____,2001 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of March 7, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Bonnie Ferris-Spence, a(n) Individual ("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 March 7, 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:



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EXHIBIT
S-115c
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,

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: Bonnie Ferris Spence
6312 S. Fiddlers Green Circle, Suite 400E
Englewood, Co 80111

Custodian: E R Financial and Advisory Service



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# 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 7, 2005,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Bonnie Ferris* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *May 7, 2005,* Concordia and *Bonnie Ferris* 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 *Bonnie Ferris's* investment balance. *Bonnie Ferris* 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





EXHIBIT
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ADMITTED

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 *$132,158.91* to $22,158.91.

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 *Bonnie Ferris*. In the event that *Bonnie Ferris* 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, Bonnie Ferris 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: Bonnie Ferris Spence
Bonnie Ferris

$200,000 TWO YEAR NOTE

Lincoln Trust Co.
Custodian For The Benefit of
Bonnie Ferris-Spence
Attn: Michelle Faucett
[redacted]
[redacted], Co. [redacted]

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to Lincoln Trust Company Custodian FBO Bonnie Ferris-Spence, herein after referred to as Lender, at the above address, the sum of Two Hundred Thousand(200,000) Dollars, with interest from March 7, 2001 on the unpaid principal at the rate of 1.00 per cent per month: interest shall be paid in the amount of Two Thousand(2,000) Dollars on the tenth day of each month, beginning on the seventh day of March 2001 and continuing until said principal and interest have been fully paid.

ON or before March 7, 2003, 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 also 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



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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.

THIS NOTE replaces all previous notes issued to the Lender.

_____ date 3/21/01



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TWO YEAR NOTE

$200,000.00
Lincoln Trust c/o Ms. Bonnie Ferris Spence
[redacted]
[redacted], Colorado [redacted]

CONCORDIA FINANCING CORPORATION, herein after referred to as Concordia, as stated herein promises to pay to Bonnie Ferris Spence, herein after referred to as Lender, at the above address, the sum of two hundred thousand dollars ($200,000.00), with interest from May 7,2005 on the principal at the rate of 1.00 percent per month: interest shall be paid in the amount of two thousand ($2,000.00) dollars on the ending day of each month, beginning on the ending day of May 2005 and continuing until said principal and interest have been fully paid.

ON or before May 7,2007, 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 were instituted on this note, Concordia promises to pay such sum as the court may ~~fix as attorney's~~ fees.

Date 5/24/05

Christopher K. Crowder
Vice-President

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EXHIBIT
S-115f
ADMITTED

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of March 7, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Bonnie Ferris-Spence, a(n) Individual ("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 March 7, 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:



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EXHIBIT
S-1159
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,



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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: Bonnie Ferris Spence
6312 S. Fiddlers Green Circle, Suite 400E
Englewood, Co 80111

Custodian: E R Financial and Advisory Service

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**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 January 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Gary V Wanzek, an 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.



EXHIBIT
S-116a
ADMITTED

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 $__TBE_____ as of the date hereof, for a purchase price of $100,000 (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



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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



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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



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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



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(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;



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(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: Gary V Wanzek
[redacted]
[redacted] CA [redacted]

12.10 Waiver of Jury Trial. KC GW *(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 10th day of January 2000, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Gary V Wanzek
Gary V Wanzek

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of January 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Gary V Wanzek, an individual ("Investor"), and Linda Wanzek, an individual ("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 1, 2000 (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.



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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.



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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: Gary V Wanzek

Custodian: Linda Wanzek



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 1, 2000 by and between Gary V Wanzek and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about January 1, 2000 Gary V Wanzek 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 Gary V Wanzek 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 Gary V Wanzek 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 Gary V Wanzek monthly payments in an amount equal to the interest payments Concordia has been

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making to Gary V Wanzek. 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: _____
Gary V Wanzek

# 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 1, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Gary V Wanzek* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *January 1, 2000,* Concordia and *Gary V Wanzek* 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 *Gary V Wanzek's* investment balance. *Gary V Wanzek* 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



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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 *$132,158.91* to $22,158.91.

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 *Gary V Wanzek*. In the event that *Gary V Wanzek* 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, Gary V Wanzek 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: _____
Gary V Wanzek

**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 4, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust ("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.



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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 $69,866.13 as of the date hereof, plus $133.87 held for investment, for a purchase price of $70,000 (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



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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



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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



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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



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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



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(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.



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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: Richard or Jo Ann Weaver
[redacted]
[redacted], CA [redacted]

12.10 Waiver of Jury Trial. KC RW JW *(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 4th day of August 2000, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Richard Weaver
Jo Ann Weaver

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of August 4, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable 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 4, 2000 (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.





EXHIBIT
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ADMITTED

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.



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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



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on August 4, 2000 by and between Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about August 4, 2000 Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust 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 Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust 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 Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust 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 Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust monthly payments in an amount equal to the interest payments Concordia has been making to Richard or Jo Ann Weaver, Trustees of the Richard or Jo Ann Weaver Charitable Trust. 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 or Jo Ann Weaver
Trustees of the Richard or Jo Ann Weaver
Charitable Trust

# 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 4, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Richard or Jo Ann Weaver* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *August 4, 2000,* Concordia and *Richard or Jo Ann Weaver* 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 *Richard or Jo Ann Weaver's* investment balance. *Richard or Jo Ann Weaver* 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





EXHIBIT
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ADMITTED

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 *$145,374.80* to $24,374.80.

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 *Richard or Jo Ann Weaver*. In the event that *Richard or Jo Ann Weaver* 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, Richard or Jo Ann Weaver 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: _____
Richard or Jo Ann Weaver
all Rights Reserved

## 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 February 9, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Charles R Wilson, an 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.



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ADMITTED

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 $74,988.38 as of the date hereof plus an additional $11.62 held for investment, 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



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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



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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



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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



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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: Charles R Wilson

12.10 Waiver of Jury Trial. CRW *(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 15th day of February 2000, at Ontario, California.

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

By: Kenneth Crowder
President

Investor: Charles R Wilson

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of February 9, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Charles R Wilson, an individual ("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 February 9, 2000 (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.



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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.



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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: Charles R Wilson

Custodian: E R Financial and Advisory Service



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on February 9, 2000 by and between Charles R Wilson and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about February 9, 2000 Charles R Wilson 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 Charles R Wilson 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 Charles R Wilson 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 Charles R Wilson monthly payments in an amount equal to the interest payments Concordia has been



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making to Charles R Wilson. 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: Charles R. Wilson
Charles R Wilson

KEEP UP THE GOOD WORK!

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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 February 9, 2000 by and between Charles R Wilson and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about February 9, 2000 Charles R Wilson 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 Charles R Wilson 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 Charles R Wilson 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 Charles R Wilson monthly payments in an amount equal to the interest payments Concordia has been



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ADMITTED

making to Charles R Wilson. 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: Charles R. Wilson
Charles R Wilson

KEEP UP THE GOOD WORK!

# 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 9, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Charles or Adrienne Wilson* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *February 9, 2000,* Concordia and *Charles or Adrienne Wilson* 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 *Charles or Adrienne Wilson's* investment balance. *Charles or Adrienne Wilson* 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 *$33,037.12* to $5,539.30.

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 *Charles or Adrienne Wilson*. In the event that *Charles or Adrienne Wilson* 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, Charles or Adrienne Wilson 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: _____
Charles or Adrienne Wilson



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## 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 April 23, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Robert T and Antoinette R Holmes, a married couple ("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.



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ADMITTED

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 $79,399.31 as of the date hereof (an additioanal amount of $600.69 is held for investment), for a purchase price of $80,000 (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



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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



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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



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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



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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.



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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



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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



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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: Robert and Antoinette Holmes
[redacted]
[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 23rd day of April 1999, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Robert J. Holmes
Antoinette Tom R. Holmes

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of April 23, 1999 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Robert T and Antoinette R Holmes, 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 April 23, 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.



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EXHIBIT
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ADMITTED

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.



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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: Robert J. Holmes
Antoinette R. Holmes

Custodian: E.R. Financial and Advisory Service



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**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 March 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Robert T and Antoinette R Holmes, trustors of the Holmes Family Trust, dated 11/1/99, ("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.



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EXHIBIT
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ADMITTED

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 $77,636.70 as of the date hereof (an additional amount of $2,363.30 is held for investment), for a purchase price of $80,000 (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.



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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.



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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.



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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



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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;



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(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: Robert and Antoinette Holmes
[redacted]
[redacted], AZ [redacted]

12.10 Waiver of Jury Trial. KC RJH *(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 1st day of March 2000, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Robert J. Holmes trustee
4/25/00

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____, 19 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of March 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Robert T and Antoinette R Holmes, trustors of the Holmes Family Trust, dated 11/1/99, ("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 March 1, 2000 (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.



EXHIBIT
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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.



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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: Robert J. Holmes trustee

Custodian: Richard Bersch ER PTR
ER Financial and Advisory Service



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on March 1, 2000 by and between Robert T. and Antoinette R. Holmes and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about March 1, 2000 Robert T. and Antoinette R. Holmes 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 T. and Antoinette R. Holmes 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 Robert T. and Antoinette R. Holmes 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 T. and

Antoinette R. Holmes monthly payments in an amount equal to the interest payments Concordia has been making to Robert T. and Antoinette R. Holmes. 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: Antoinette R. Holmes
Robert T. and Antoinette R. Holmes
deceased - 7-7-01

# 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 *March 1, 2000*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Robert T. & Antoinette R. Holmes* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *March 1, 2000*, Concordia and *Robert T. & Antoinette R. Holmes* 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 T. & Antoinette R. Holmes's* investment balance. *Robert T. & Antoinette R. Holmes* 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.

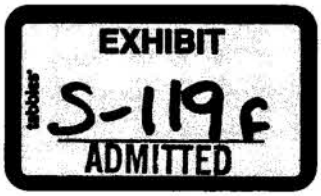
NOW, THEREFORE, the parties hereto agree as follows:

## 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 *$39,647.68* to $6,647.68.

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 *Robert T. & Antoinette R. Holmes*. In the event that *Robert T. & Antoinette R. Holmes* 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.

## 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 March 29, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Bruce Lichtenberg, an 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.



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ADMITTED

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 $49,967.64 as of the date hereof, plus an additional $32.36 held for investment, for a purchase price of $50,000 (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



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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



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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



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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



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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



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(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;



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(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.



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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:

Bruce Lichtenberg
[redacted]
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. KC BL *(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 29th day of March 2000, at Ontario, California.

Concordia:

Concordia Financing Co., Ltd.
a California corporation

By: _____
Kenneth Crowder
President

Investor: _____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of March 29, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Bruce Lichtenberg, an individual ("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 March 29, 2000 (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.



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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.



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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

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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on March 29, 2000 by and between Bruce Lichtenberg and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about March 29, 2000 Bruce Lichtenberg 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 Bruce Lichtenberg 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 Bruce Lichtenberg 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 Bruce Lichtenberg monthly payments in an amount equal to the interest payments Concordia has been



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making to Bruce Lichtenberg. 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: _____
Bruce Lichtenberg

# 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 *March 29, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Bruce Lichtenberg* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *March 29, 2000,* Concordia and *Bruce Lichtenberg* 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 *Bruce Lichtenberg's* investment balance. *Bruce Lichtenberg* 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





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ADMITTED

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 *$33,039.73* to $5,539.73.

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 *Bruce Lichtenberg*. In the event that *Bruce Lichtenberg* 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, Bruce Lichtenberg 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: _____
Bruce Lichtenberg

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INTEREST ACCRUED

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 8/1, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) IND ("Investor") hereinafter collectively referred to as "the parties."

WILLIAM J. MEATHERY FAMILY LIVING TRUST 8/17/1993 P.O.D to SHEILA MEATHERY + WILLIAM C NEEL

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.



EXHIBIT S-121a ADMITTED

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 $ 101019.31 (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: William Meathery
[redacted] ARK [redacted]

12.10 Waiver of Jury Trial. KC WM (*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 15th day of August 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: William J. Meathery Trustee

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____,2001 |
| --- | --- |

Total: $ _____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 8/1, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, a(n) IND ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

NEATHERY Living TRUST

### RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 8/1, 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:



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BERSCH

EXHIBIT
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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,

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: X. William Anthony

Custodian: John Bersch
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 August 1, 2001 by and between Kristoffer Bachmann and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about August 1, 2001 Kristoffer Bachmann 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 Kristoffer Bachmann 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 Kristoffer Bachmann 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 Kristoffer Bachmann monthly payments in an amount equal to the interest payments Concordia has been



EXHIBIT
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ADMITTED

making to Kristoffer Bachmann. 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: Kristoffer Bachmann
Kristoffer Bachmann

# 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 1, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Kristoffer Bachmann* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *August 1, 2001,* Concordia and *Kristoffer Bachmann* 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 *Kristoffer Bachmann's* investment balance. *Kristoffer Bachmann* 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





EXHIBIT
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ADMITTED

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 *$132,158.91* to $22,158.91. How is this 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 *Kristoffer Bachmann*. In the event that *Kristoffer Bachmann* 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, Kristoffer Bachmann 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: _____
Kristoffer Bachmann

**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 7/20, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) IND ("Investor") hereinafter collectively referred to as "the parties."

William HEATHERY &
Margaret BACHMANN-HEATHERY

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.



EXHIBIT
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ADMITTED

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,

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: BACHMANN / HEATHERY
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. KC BN *(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 15th day of August 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: William J. Heathery
Margaret Buchmann Heathery

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____ ,2001 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 7/20, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, a(n) IND ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

William MEATHERY + MARGARET BACHMANN

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 8/1, 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:



EXHIBIT
S-1226
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,

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: X
X

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 July 20, 2001 by and between Ashley Bachmann and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about July 20, 2001 Ashley Bachmann 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 Ashley Bachmann 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 Ashley Bachmann 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 Ashley Bachmann monthly payments in an amount equal to the interest payments Concordia has been



EXHIBIT
number S-122c
ADMITTED

making to Ashley Bachmann. 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: _____
Ashley Bachmann

# 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 *July 20, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Ashley Bachmann* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *July 20, 2001,* Concordia and *Ashley Bachmann* 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 *Ashley Bachmann's* investment balance. *Ashley Bachmann* 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





EXHIBIT
S-122d
ADMITTED

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 *$165,198.63* to $27,698.63. - Not 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 *Ashley Bachmann*. In the event that *Ashley Bachmann* 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, Ashley Bachmann 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: Ashley Bachmann
Ashley Bachmann

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# 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 1/4, 2009 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and JOANNA PELLERITO, 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.

EXHIBIT
S-123a
ADMITTED

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 $ 100,000.00 (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. 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: JOANNA PELLERITO
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. JP 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 15th day of JAN 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Joanna Pellerito

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____, 19 |
|---|---|---|

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 1/4, 2008 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), JOANNA PELLERITO, a(n) Individual ("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 1/4, 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:





EXHIBIT
S-1236
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,



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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: Joanna Pellento

Custodian: Michael Bersch
ER Financial and Advisory Service



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INTEREST to be ACCRUED + ADDED TO PRINCIPAL

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 3/15, 200~~0~~ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and *, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties."

* SICURANZO ~~LIVING~~ TRUST 7/16/1992

GEORGE SICURANZO TRUSTEE
TINA M SICURANZO TRUSTEE

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.



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EXHIBIT
S-124a
ADMITTED

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 $_____ as of the date hereof, for a purchase price of $50,000 (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



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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



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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



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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



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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



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(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;



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(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: SICURANZO LIVING TRUST
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. KC GS (*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 15th day of MARCH 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: x George Sicuranzo Trustee
x Tina M. Sicuranzo, TRUSTEE

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 3/15, 200~~0~~ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), *, a(n) IND ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

* SICURANZO LIVING ~~TRUST~~ DTD 7/16/1992

## RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 3/15, 200~~0~~ (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:



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EXHIBIT
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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,



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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: * George Diemanzo TRUSTEE
x Tina M. Diemanzo, TRUSTEE

Custodian: * Gerhard Bersch Partner
E R Financial and Advisory Service



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on March 15, 2001 by and between George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992 and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about March 15, 2001 George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992 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 George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992 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 George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992 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



EXHIBIT
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ADMITTED

are deleted.

2. In place thereon, Concordia will continue to pay to George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992 monthly payments in an amount equal to the interest payments Concordia has been making to George Sicuranzo and Tina M Sicuranzo trustees of the Sicuranzo Trustee dated 7/16/1992. 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: George Sicuranzo
George Sicuranzo
Trustee of the Sicuranzo Trust dated 7/16/1992

By: Tina M. Sicuranzo
Tina M Sicuranzo
Trustee of the Sicuranzo Trust dated 7/16/1992

# 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 *March 15, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *George & Tina Sicuranzo* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *March 15, 2001,* Concordia and *George & Tina Sicuranzo* 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 *George & Tina Sicuranzo's* investment balance. *George & Tina Sicuranzo* 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 *$84,796* to $14,217.51.

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 *George & Tina Sicuranzo.* In the event that *George & Tina Sicuranzo* 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, George & Tina Sicuranzo 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

George Sicuranzo

By: Tina Sicuranzo
George & Tina Sicuranzo



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**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 November 5, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Neil & Joyce Rudofsky, a married couple ("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.



EXHIBIT
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ADMITTED

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 $50,000.00 (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. 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: Neil & Joyce Rudofsky
[redacted]
[redacted], Az [redacted]

12.10 Waiver of Jury Trial. KC NR *(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 5th day of November 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor:

Neil Rudofsky

Joyce Rudofsky

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____ ,2001 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of November 5, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Neil & Joyce Rudofsky, 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 November 5, 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:



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EXHIBIT
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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,

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: Neil Rudofsky

Joyce Rudofsky

Custodian: E R Financial & Advisory Service



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on November 5, 2001 by and between Neil & Joyce Rudofsky and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about November 5, 2001 Neil & Joyce Rudofsky 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 Neil & Joyce Rudofsky 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 Neil & Joyce Rudofsky 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 Neil & Joyce Rudofsky monthly payments in an amount equal to the interest payments Concordia has been

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ADMITTED

making to Neil & Joyce Rudofsky. 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: _____
Neil Rudofsky

By: _____
Joyce Rudofsky

# 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 5, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Neil & Joyce Rudofsky* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *November 5, 2001,* Concordia and *Neil & Joyce Rudofsky* 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 *Neil & Joyce Rudofsky's* investment balance. *Neil & Joyce Rudofsky* 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 *$33,039.73* to $5,539.73.

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 *Neil & Joyce Rudofsky*. In the event that *Neil & Joyce Rudofsky* 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, Neil & Joyce Rudofsky 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: _____
Neil & Joyce Rudofsky



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## 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 6/1, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and MARK PRYOR, 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.

EXHIBIT
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ADMITTED

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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 $ 129,455.13 (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: MARK PRYOR [redacted]
[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 1 day of June 2001, at Ontario, California.

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

By: _____
Kenneth Crowder
President

Investor: _____

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____,2001 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 6/1, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), MARK PRYOR a(n) INDIVID ("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 6/1, 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:

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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,



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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: 6-1-2001

Custodian: E R Financial and Advisory Service

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# 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 01, 2001*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Mark Pryor* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *June 01, 2001*, Concordia and *Mark Pryor* 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 *Mark Pryor's* investment balance. *Mark Pryor* 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 *$10,541.12 to $1,767.45.*

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 *Mark Pryor*. In the event that *Mark Pryor* 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, Mark Pryor 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: _____
Mark Pryor



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**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 November 14, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Charles Poole, 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.



EXHIBIT
S-127a
ADMITTED

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 $100,000.00 (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. 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: Charles Poole
[redacted]
[redacted] Arizona [redacted]

12.10 Waiver of Jury Trial. KC CP *(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 14th day of November 2001, at Ontario, California.

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

By: Kenneth Crowder
President

Investor: Charles Poole

Exhibit A:

List of Contracts

| Name of Customer | Dealer | Principal Amount As of _____ ,2001 |
|---|---|---|

Total: $_____

# CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of November 14, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Charles Poole, a(n) Individual ("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 November 14, 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: Charles Poole

Custodian: E R Financial and Advisory Service



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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on November 14, 2001 by and between Carla Poole and Charles Poole and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about November 14, 2001 Carla Poole and Charles Poole 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 Carla Poole and Charles Poole 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

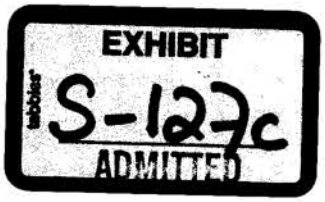
D. WHEREAS Carla Poole and Charles Poole desires to continue to receive regular monthly payments;

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 Carla Poole and



Charles Poole monthly payments in an amount equal to the interest payments Concordia has been making to Carla Poole and Charles Poole. 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

Carla P. Poole

By: Charles R. Poole
Carla Poole and Charles Poole

# 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 14, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Carla & Charles Poole* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *November 14, 2001,* Concordia and *Carla & Charles Poole* 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 *Carla & Charles Poole's* investment balance. *Carla & Charles Poole* 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 *$198,238.36* to $33,238.36.

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 *Carla & Charles Poole*. In the event that *Carla & Charles Poole* 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, Carla & Charles Poole 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: Charles R Poole
Carla & Charles Poole
Carla P. Poole 12/15/11

**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 4-9, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) Trust ("Investor") hereinafter collectively referred to as "the parties."

Thompson Family Trust DTD 7-2-91

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.



EXHIBIT
S-128a
ADMITTED

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,

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: MAE L. THOMPSON
[redacted]
AZ [redacted]

12.10 Waiver of Jury Trial. KC MT *(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 4 day of APRIL 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Mae L. Thompson

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 4-9, 2001 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".

### RECITALS

Thompson Family Trust DTD 7-2-91

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4-9, 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:





EXHIBIT
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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,



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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: Mae R. Thompson

Custodian: E R Financial and Advisory Service

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has been making to Thompson Family Trust dated 7/2/91. 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: Mae L. Thompson
Thompson Family Trust dated 7/2/91
Mae L. Thompson

EXHIBIT
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ADMITTED

# 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, 09, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Mae L.Thompson* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *April, 09, 2001,* Concordia and *Mae L.Thompson* 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 *Mae L.Thompson 's* investment balance. *Mae L.Thompson* 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





EXHIBIT
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ADMITTED

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 *$45,175.10 to $7,574.42.*

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 *Mae L.Thompson* . In the event that *Mae L.Thompson* 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, Mae L.Thompson 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: Mae L. Thompson
Mae L.Thompson

**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 December 26, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Charno Revocable Trust, Peter Charno, Trustee, a Trust ("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.



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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 $125,000.00 (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. 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: PETER CHARNO TRUSTEE
[redacted]
[redacted] AZ [redacted]

12.10 Waiver of Jury Trial. x P.T.C. 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 26th day of Dec 2001, at Ontario, California.

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

By: Kenneth Crowder
Kenneth Crowder
President

Investor: x Peter T. Charno

Exhibit A:

List of Contracts

| Name of Customer | Dealer Principal Amount As of _____,2001 |
| --- | --- |

Total: $_____

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of Dec. 26, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Charno Revocable Trust, Peter Charno Trustee, a 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 December 26, 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:





EXHIBIT
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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,



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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: x Peter T. Charno

Custodian: E R Financial and Advisory Service

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# AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on December 26, 2001 by and between Peter Charno and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about December 26, 2001 Peter Charno 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 Charno 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 Peter Charno 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 Charno monthly payments in an amount equal to the interest payments Concordia has been making to

Peter Charno. 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 T. Charno
Peter Charno

# 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 26, 2001,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Peter Charno* is hereby amended in the following respects:

## RECITALS

A. WHEREAS on or about *December 26, 2001,* Concordia and *Peter Charno* 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 Charno's* investment balance. *Peter Charno* 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





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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 *$594,715.07* to $99,715.07.

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 Charno*. In the event that *Peter Charno* 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



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