

## RECEIVABLES PURCHASE AGREEMENT

This Receivables Purchase Agreement ("Agreement") is made and entered into on **May 9, 2013** by and between [REDACTED] (hereinafter referred to as "Seller") with offices located at [REDACTED] and **The Rolling Jubilee Fund, a Delaware non-profit corporation** (hereinafter referred to as "Purchaser") 151 First Ave. #222 New York City, NY 10003.

**WHEREAS**, Seller desires to sell certain receivables ("Debt Receivables", "Account", or "Accounts"); and

**WHEREAS**, Purchaser desires to purchase such Debt Receivables from Seller, as more particularly defined herein on the terms and conditions set forth in this Agreement;

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual covenants and conditions contained in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows;

1. **SALE AND PURCHASE OF DEBT RECEIVABLES.** Subject to the terms of this Agreement, Seller agrees to sell, convey, transfer and assign to Purchaser and Purchaser agrees to purchase from Seller, for the consideration herein provided, the right, title, interest, and obligations of Seller in and to those Debt Receivables Purchaser as described on Exhibit A attached hereto (all of such receivables herein collectively called "Accounts" and singularly an "Account"). To the best knowledge of Seller, the Accounts shall not include accounts which, as of the Closing Date (the actual date of Closing being herein called the "Closing Date"), are classified as follows (hereinafter referred to as "Unqualified Accounts"):
  - A. Satisfied, settled, or released (the account was paid or otherwise released or settlement check was received by Seller prior to the Closing Date).
  - B. Bankruptcy (an Account where all of the debtors obligated on such Account filed for bankruptcy, and such bankruptcies have not been dismissed).
  - C. Deceased (an Account where all of the debtors obligated on such Account have died).
  - D. Fraud (an Account where debtor obligated on such Account has asserted in writing that the Account was fraudulently originated or used and such assertion was evidenced to the reasonable satisfaction of Seller).
  - E. Pending litigation or disputes.

All Accounts sold to Purchaser under this Agreement are sold and transferred without recourse as to their enforceability, collectability or documentation except as stated above.

2. **PURCHASE PRICE.** Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties and covenants of the Seller made herein, Purchaser shall pay and deliver to Seller the sum set forth in the Closing Statement attached hereto as Exhibit B, for the Accounts purchased under this Agreement.
3. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller represents and warrants to Purchaser that to the best of its knowledge and belief as of the date of this Agreement and on the Closing Date:
  - A. Seller will, at the time of execution of the Assignment and Bill of Sale (Transfer Date), be the owner of all right, title, and interest in and to all of the Accounts. Seller transfers the assets to be sold, free and clear of all assignments, liens, charged, encumbrances and other security interests.
  - B. On the Transfer Date, Seller will have good and marketable title to the Accounts free and clear of all liens, charges, encumbrances or rights of others (other than Purchaser). The Seller will sell and transfer the Accounts to Purchaser without recourse, and without any express or implied representation or warranty except as made in this Agreement. Except as expressly set forth in this Agreement, Seller has made no representation, and now makes no representation, with respect to any of the Accounts or with respect to the completeness or accuracy of any documents relating to any Account ("Account Documents").
  - C. To the best of Seller's knowledge, Account Balances are without accrued post charge off interest and represent the principal balance, unless applied by the original creditor or any prior owner of the Accounts.
  - D. Seller undertakes to initiate the recall of the Accounts from all credit reporting agencies no later than five (5) business days after the Closing Date, and shall provide confirmation of files having been received by credit reporting agencies and files used to recall the Accounts.
4. **PURCHASE OR SUBSTITUTION OF UNQUALIFIED ACCOUNTS.** If within Ninety (90) days following the Closing Date, it is determined that Unqualified Accounts were included among the purchased Accounts, then Seller shall refund Purchaser the purchase price paid for those accounts. Such reimbursements shall be made to Purchaser by Seller only if proof is provided by Purchaser to Seller as set forth in Exhibit D attached hereto, within 90 days of the Closing Date.
5. **INDEMNIFICATION BY PURCHASER.** Purchaser agrees to indemnify and hold Seller (including its officers, directors, employees, affiliates, shareholders, agents, and attorneys) harmless from and against any claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs

(including all attorneys fees and disbursements of counsel) incurred or suffered by Seller by reason of any act or omission of Purchaser with respect to Purchaser's obligations pursuant to this Agreement, or breach of any of Purchaser's warranties or representations made in this Agreement, or any willful misconduct or violation of any applicable law, rule or regulation by Purchaser (or its employees, representatives, agents or successors) or any subsequent Purchaser (or its employees, representatives, agents or successors), in connection with the collection or enforcement of the Accounts. At its option, Seller shall have the right to require Purchaser to assume the defense of any claims, actions, suits or other actual or threatened proceedings and to directly pay for all losses, judgments, damages, expenses or other costs (including all fees and disbursements of counsel) which may be imposed.

6. **INDEMNIFICATION BY SELLER.** For a period of one (1) year following each Closing Date and with respect to the Accounts subject to such Closing, Seller agrees to indemnify and hold Purchaser (including its officers, directors, employees, affiliates, shareholders, agents, and attorneys) harmless from and against any claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs (including all attorneys fees and disbursements of counsel) incurred or suffered by Purchaser by reason of any act or omission of Seller with respect to Seller's obligations pursuant to this Agreement, or breach of any of Seller's warranties or representations made in this Agreement, otherwise in connection with the Accounts, or any willful misconduct or violation of any applicable law, rule or regulation by Seller (or its employees, representatives, agents or successors), in connection with the collection or enforcement of the Accounts. At its option, Purchaser shall have the right to require Seller to assume the defense of any claims, actions, suits or other actual or threatened proceedings and to directly pay for all losses, judgments, damages, expenses or other costs (including all fees and disbursements of counsel) which may be imposed.

7. **LIMITATIONS OF LIABILITY.** Notwithstanding any provision in this Agreement to the contrary, the liabilities, responsibilities, and obligations of the Seller under this Agreement shall be subject to the following limitations:

- A In no event will Seller be liable or responsible to the Purchaser for any indirect, incidental, consequential, special, punitive or exemplary damages (including, without limitation, lost profits) arising from, or relating to, any provision, breach, default, or performance of, this Agreement.
- B No claim by the Purchaser under this Agreement will be effective if it is not received by the Seller in writing on or before the first anniversary of the Closing Date.
- C The maximum aggregate liability of the Seller under this Agreement, the Bill of Sale, or otherwise in connection with the Accounts shall be an amount determined by subtracting (i) the Purchase Price paid by the Purchaser; minus (ii) all payments made or scheduled to be made to the Purchaser.

8. **REMITTANCE OF DIRECT PAYMENTS.** Seller shall remit to Purchaser all payments that are dated after the Closing Date that it receives, together with sufficient information about the debtor on such account so as to facilitate the refund by Purchaser to the applicable debtor.
9. **CONDITIONS OF SALE.**
- A. The obligations of Purchaser to perform hereunder and purchase the Accounts on the Closing Date shall be subject to the satisfaction on or before the Closing Date of the following further conditions: (i) the representations and warranties contained in Paragraph 3 hereof shall to the best of Seller's knowledge and belief be true and correct in all respects on the Closing Date as if made on such date; and (ii) Seller shall have performed and observed all covenants, agreements and conditions hereof to be performed or observed by it on or before the Closing Date.
  - B. The obligations of Seller to perform hereunder and sell the Accounts at Closing shall be subject to the satisfaction, on or before the Closing Date, of the following further conditions: (i) Purchaser shall have delivered to Seller the Purchaser Price specified in Paragraph 2 hereof and (ii) Seller, to the extent required by contract, has obtained consent from the Creditor or prior holder of the account..
  - C. Purchaser agrees that by incorporating the provisions of any prior purchase and sale agreements it is the intent of the parties, except as may be modified by this Agreement, that the Purchaser's rights and liabilities be the same as those assumed by Seller under the various agreements as to the Accounts purchased thereunder, including all requirements of any Business Associate Agreement entered into by Seller with the original creditor or prior holder of any Account..
10. **CLOSING.** The closing of the sale and applicable purchase of the Accounts shall take place on the Closing Date described in the Exhibit B hereto. At the Closing, the following shall be done:
- A. Seller shall deliver or cause to be delivered to Purchaser such bills for sale, assignments, conveyances and other good and sufficient instruments of transfer (all of which shall be consistent with the terms set forth in this Agreement), which shall be effective to vest in Purchaser good and valid title to the Accounts.
  - B. Purchaser shall pay to Seller the Purchase Price as set forth on Paragraph 2 of this Agreement and in Exhibit B.
11. **RETRIEVAL OF ACCOUNT DOCUMENTS.** After the Closing Date, Seller will use its best efforts to furnish Purchaser, as soon as reasonably possible for Seller to do so, such Account Documents that Purchaser reasonably requests on the Account acquired by

Purchaser to the extent such documents are available. Seller will charge Purchaser a 25% premium over Seller's actual cost per copy for Account Documents requested by Purchaser, but at no such time shall Purchaser's cost for such Account Documentation be less than \$10.00. For illustration purposes only, if Seller is charged \$10.00 per copy, Seller will charge Purchaser \$12.50. If the promissory note or the evidence of indebtedness for an Account is lost, Seller shall furnish to Purchaser a lost note affidavit for such account at the costs outlined herein. Seller makes no guarantees as to the availability of applications, statements, records, or copies of previous payment checks on any account and Purchaser acknowledges that Seller shall have no liability to purchaser for the failure to produce any such application, statement, record or copy.

12. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.**

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

Purchaser is a Delaware Company duly organized, validly existing and in good standing under the laws of the state of its formation with full power and authority to enter into this Agreement, to purchase the Accounts, and to carry out the terms and provisions hereof.

Purchaser has the power and Authorizations, if any, required by governmental authority to carry on its business as now being conducted which relate to the Accounts, which Authorization is in full force and effect.

The execution and delivery of this Agreement and the performance hereunder have been duly authorized on or prior to the Closing Date, by all necessary action on the part of Purchaser and no provision of applicable law or regulation or the charter or by-laws of Purchaser or any agreement, judgment, injunction, order, decree or other instrument binding upon Purchaser is or will be contravened by Purchaser's execution and delivery of this Agreement or Purchaser's performance hereunder.

No Authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any governmental agency or regulatory authority or any other body is required in connection with the execution, delivery or performance by Purchaser of this Agreement, which authorization, consent, approval, license, qualification or formal exemption from, or filing declaration or registration has not been obtained on or prior to each Closing Date hereunder.

No Authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any governmental agency or regulatory authority or other body is required in connection with the purchase by the Purchaser of the Accounts to be purchased on each Closing Date, which authorization, consent, approval, license, qualification or formal exemption, or filing, declaration or registration has not been obtained on or prior to such date.

Purchaser agrees to immediately notify Seller in writing of any unauthorized

misappropriation, disclosure or use by any person of any of Seller's Confidential Information which may come to its attention and to take immediate steps to limit, stop, or otherwise remedy such misappropriation, disclosure or use.

This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

Purchaser represents and warrants that its sole and absolute business purpose is to provide a charitable relief to consumers across the United States of America by lawfully acquiring the unpaid legal obligations of consumers ("Debt" or "Debts") and subsequently extinguishing those Debts owed by the consumer by eliminating any further obligation with respect to the specific Account purchased by the Purchaser.

Purchaser covenants and agrees that it will not, nor will any of its representatives, agents, independent contractors, persons or entities acting on its behalf, or any assignee engage in any type of collection efforts in connection with any Account sold to it by Seller (those of which also may be listed in Exhibit A), and that (to the extent applicable) Purchaser and its agents, employees, representatives or assignees shall comply with all applicable state and federal debt collection laws, or any other law.

Purchaser warrants and represents that it will not resell any Accounts being purchased pursuant to this Agreement to any third parties, affiliates, or any other entity that's not party to this Agreement.

Purchaser or its assignee or successor shall, at its own expense, give the debtor of each Account written notice of the transfer by ordinary mail or debtor's last known address in its first written communication with the debtor.

Purchaser warrants and represents that it is a sophisticated informed investor, has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transaction contemplated by this Agreement.

Purchaser acknowledges that Seller does not represent, warrant or insure the accuracy or completeness of any information or its sources of information contained in the information provided or in any of the Account Files.

Purchaser agrees and represents that the Accounts and any other information provided to Purchaser prior to the decision to purchase the Accounts were an adequate and sufficient basis on which to determine whether and at what price to purchase the Accounts.

Purchaser has made such independent investigations as it deems to be warranted into the nature, validity, enforceability, collectability and value of the Accounts, and all other



facts it deems material to its purchase and is entering into this transaction solely on the basis of that investigation and Purchaser's own judgment, and is not acting in reliance on any representatives or independent contractors (other than the representations and warranties of Seller contained herein).

Purchaser acknowledges that it has read and understands all of the provisions of any prior purchase and sale agreements evidenced in Exhibit E ("Prior Agreements"), and that it is the intent of the parties, except as may be modified by this Agreement, that the Purchaser assume the obligations under those Prior Agreements (as may be required) as to the Accounts purchased thereunder.

Purchaser is in full compliance with its obligations under the terms of any Confidentiality Agreement, including but not limited to any business associate agreement executed by the Purchaser to review the information made available by Seller or its agents, and the terms thereof are hereby incorporated herein subject to Purchaser's ownership rights and interests acquired by Purchaser hereunder.

Purchaser is compliant with all data and information security standards, patient account privacy standards, and any other account information security standards that are generally accepted industry standards for the financial services and healthcare industries, including but not limited to PCI, HIPAA, PHI, and HITECH.

At time of Closing the Purchaser represents and warrants that it has, and will continue to maintain during its ownership of any Account sold to Purchaser under this Agreement, General Liability Insurance and Errors & Omissions Insurance, each individually in an amount of not less than \$1,000,000 per occurrence, and \$3,000,000 in aggregate.

13. **NOTICES.** Any notice or other communication provided for herein or given hereunder to a party hereto shall be in writing and shall be delivered in person to such party or mailed by first class registered or certified mail, or by courier service such as Federal Express, postage prepaid, addressed as follows:

If to Seller:

[REDACTED]  
[REDACTED]  
[REDACTED]  
Attn: [REDACTED]  
Ph: [REDACTED]

If to Purchaser:

The Rolling Jubilee Fund  
151 First Ave. #222  
New York City, NY 10003  
Attn: Thomas Gokey  
Ph: [REDACTED]

14. **SEVERABILITY.** If any provision, or application thereof, of this Agreement is held

unlawful or unenforceable in any respect, the parties hereto agree that such illegality or unenforceability shall not affect other provisions or allocations that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provisions are amended so as to make it valid, reasonable and enforceable and agree to be bound by the terms of such provision, as modified by the court.

15. **AMENDMENTS.** This Agreement may be amended or modified only by a written instrument executed by all the parties hereto.
16. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.
17. **HEADINGS.** The headings contained in this Agreement and in the Exhibits appended hereto are for convenience only and shall be deemed to affect the interpretation of the provisions of this Agreement.
18. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** The representations, warranties, covenants and agreements of the parties set forth herein shall survive the closing.
19. **GOVERNING LAW AND VENUE.** This Agreement is made pursuant to, and shall be construed under the laws of Delaware.
20. **ENTIRE AGREEMENT.** This Agreement is intended to define the full extent of the legally enforceable undertakings of the parties hereto, and no related promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either party to be legally binding. Both parties acknowledge that in deciding to enter into this transaction they have relied on no representations, written or oral, other than those explicitly set forth in this Agreement.
21. **CONFIDENTIALITY.** The parties understand and agree that, except as required by law, government regulation, or a court ordered process, the terms of this Agreement are confidential and they will not be disclosed to anyone outside of their respective organizations unless the recipients of such information are agents or representatives of such organizations (including attorneys and accountants thereof), each of which if receiving such information shall be bound by the same terms and conditions of any confidentiality agreements or other agreements signed by Purchaser, provided, however, that Purchaser may generally describe the process of identifying, negotiating and purchasing the Debt Receivables, which may only include summarized facts of information related to the # of Debt Receivables, the unpaid balance of the Debt Receivables, and a very generalized (non-specific) range of pricing (without disclosing the identity of Seller, the name of any individual representative of Seller, the name of the originating creditor, including the hospital or hospital system, any prior holder of any Account being sold, the actual price percentage paid for any individual Account, the aggregate dollar amount paid by Seller for the Accounts being purchased, or any debtor



information with respect to any Account). Moreover, Purchaser shall be permitted to disclose the existence of this Agreement and share pre-approved redacted copies of this Agreement as needed, including with the Internal Revenue Service to the extent required in order for Purchaser to obtain and/or maintain its tax-exempt status. At no time and for no reason will the Seller's name, the name of any individual representative of Seller, or the name of the originating creditor (including the hospital or hospital system), the prior holder of any Account, or except in connection with the Purchaser's application for and maintenance of tax-exempt status, the actual price paid by Buyer for any Account or the portfolio of Accounts be referenced in any document, publication, online forum, or anything that would be viewable by any third party, for any reason. Purchaser further agrees not to disclose to any third party without written consent from Seller any information describing Seller's business practices, contacts, sources for Assets, other customers or pricing information, or any other information regarding Seller, except as would be reasonably required to be revealed to Purchaser's accountants to prepare financial statements or tax returns, or to a lender in order to obtain financing. For the avoidance of doubt, the preceding sentence shall not prevent Purchaser from discussing, in general terms, for educational purposes and in any medium, the workings of the debt-collection industry, so long as such information does not contain any information about the Seller or its employees, representatives, agents, the original creditor or any prior holder of the Accounts, and does not contain any information about the transaction contemplated by this Agreement except as may otherwise be allowed by this Section 21. In addition, this Agreement will automatically re-new the terms and conditions of any prior Confidentiality Agreement that Purchaser has executed with Seller.

22. **PURCHASER'S RIGHT OF RESALE.** Purchaser is strictly prohibited from reselling any Debt Receivable or Account purchased under this Agreement.
23. **DEFAULT BY PURCHASER:** If after the execution of this Agreement the Purchaser fails or refuses, for any reason, to purchase Accounts pursuant to this Agreement prior to the applicable Closing Date, or fails to perform any of Purchaser's other obligations hereunder prior to the Closing Date, Seller shall have the right to (i) enforce specific performance of Purchaser's obligations under this Agreement and/or (ii) exercise any other right or remedy Seller may have at law or in equity by reason of the default.
24. **PURCHASE AGREEMENT IDENTIFICATION:** This Receivables Purchase Agreement shall be from time to time referred to as LOT "[REDACTED]-RJ051013" and LOT "[REDACTED]-RJ051013"
25. **FACSIMILE SIGNATURES:** All signatures to this Agreement may be delivered by facsimile and such facsimile signatures shall be binding and have full force and effect of original signatures.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement for  
LOT [REDACTED]-RJ051013 and LOT [REDACTED]-RJ051013 on the date entered below.

**SELLER:**

[REDACTED]

By:

[REDACTED]

Authorized Signatory

5/10/13  
Date

**PURCHASER:**

The Rolling Jubilee Fund  
151 First Ave. #222  
New York City, NY 10003

By:

**Strike Debt**

Date

May 13, 2013

## EXHIBIT A

(Listing of Accounts for [REDACTED]-RJ051013 and [REDACTED]-RJ051013)

COMPUTER FILE AS OF THE CUT-OFF DATE \$12,291,378.56

<u>State</u>	<u>Face Value</u>	<u># of Accounts</u>	<u>Purchase Price Factor</u>	<u>Purchase Price</u>
	\$12,291,378.56	2479	1.92%	\$236,001.71

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**EXHIBIT B**  
**CLOSING STATEMENT**  
**LOT [REDACTED]-RJ051013 and LOT [REDACTED]-RJ051013**

This transaction consists of Charged Off Receivables being purchased by **The Rolling Jubilee Fund** ("Purchaser") from [REDACTED] ("Seller") pursuant to a Receivables Purchase Agreement dated May 9, 2013 between Purchaser and Seller.

For the purpose of this Closing Statement the Sale File date shall be May 10, 2013.

- NUMBER OF CHARGED-OFF ACCOUNTS: 2,479
- TOTAL UNPAID BALANCE: \$12,291,378.56
- PURCHASE PERCENTAGE: 1.92%
- PURCHASE PRICE: \$236,001.71

**TOTAL COMBINED/BLENDED PURCHASE PRICE: \$ 236,001.71 (1.92%)**

- A. On the Closing Date May 10, 2013 Purchaser shall pay to Seller, by wire transfer or otherwise immediately available funds, an amount which equals Two Hundred Thirty Six Thousand One Dollars and 71/100 (**\$236,001.71**).
- B. Seller agrees to transfer the Purchased Receivables, as set forth in Schedule 1, to Purchaser on the Closing Date.

## EXHIBIT C

### ASSIGNMENT AND BILL OF SALE

LOT [REDACTED]-RJ051013 and LOT [REDACTED]-RJ051013

[REDACTED] (hereinafter called "Seller") has entered into a Receivable Purchase Agreement dated **May 9, 2013** ("Agreement") for the sale of Accounts on Exhibit "A", hereof to The Rolling Jubilee Fund (hereinafter called "Purchaser"), upon the terms and conditions set forth in that Agreement.

NOW, THEREFORE, for good and valuable consideration, Seller hereby sells, assigns, and transfers to Purchaser, its successors and assigns, all of Seller's rights, title, and interest in each and every one of the Accounts described in the Agreement.

Purchaser and Seller agree that the Purchase Price shall be as stated in Section 2 and Exhibit B of this Agreement.

IN WITNESS WHEREOF, Seller has signed and delivered this instrument on May 10, 2013.

By:

[REDACTED]

[REDACTED]

Authorized Signatory

## **EXHIBIT D**

### **REQUIRED DOCUMENTATION FOR UNQUALIFIED ACCOUNTS**

#### **BANKRUPTCY:**

- Chapter and
- Date filed and
- Docket No and
- Joint or Individual Filing and
- Court District Name or
- BANKO report and
- LOT number of Purchase Agreement found in section 23 of the Purchase Agreement

Bankruptcy filing date must be prior to Closing Date. If the bankruptcy is an individual filing and the Account is a joint Account, the Account will not be replaced or repurchased unless both Accountholders have filed for bankruptcy.

#### **DECEASED:**

- Copy of death certificate or
- Letter from attorney indicating date of death or
- Verification from Department of Social Security indicating date of death or
- Copy of obituary
- LOT number of Purchase Agreement found in section 23 of the Purchase Agreement

Date of death must be prior to the Closing Date or the Account will not be repurchased. If a joint account, both Accountholders must have died prior to the applicable Closing Date.

#### **FRAUD:**

- Letter from debtor or debtor's attorney alleging a dispute received by Seller prior to the Closing Date, which allegation has not been resolved to the seller's satisfaction by the Closing date.
- LOT number of Purchase Agreement found in section 23 of the Purchase Agreement

#### **PREVIOUSLY SETTLED:**

- Letter from either the seller or Collection Agency stating the account was settled.
- LOT number of Purchase Agreement found in section 23 of the Purchase Agreement



**EXHIBIT E**  
**PRIOR PURCHASE AGREEMENT(S)**