

**FORWARD FLOW PURCHASE AGREEMENT**

**BETWEEN**

**HILCO RECEIVABLES, LLC**

**AND**

**NATIONAL CAPITAL MANAGEMENT, LLC**

**DATED AS OF**

**AUGUST 13, 2008**

## **FORWARD FLOW PURCHASE AGREEMENT**

This Purchase Agreement ("Agreement") dated as of August 13, 2008 ("Effective Date") between Hilco Receivables, LLC ("Seller"), an Illinois limited liability company having an office at Suite 510, 5 Revere Drive, Northbrook, Illinois ("Seller") and National Capital Management, LLC, a Tennessee limited liability company, having an office at 8245 Tournament Drive, Suite 230, Memphis, TN 38125 ("Buyer").

### **Definitions.**

**"Account"** means a Chapter 13 Account.

**"Account Document"** means each application, agreement, billing statement, notice, correspondence or other document in the possession of the Seller or the Affiliate that relates to an Account.

**"Affiliate"** means a directly or indirectly wholly owned subsidiary of Seller to which the Seller has assigned substantially all of its consumer credit card accounts.

**"Aggregate Chapter 13 Purchase Price"** means, with respect to the Chapter 13 Accounts retained by the Buyer on the Claim Verification Date, an amount equal [REDACTED] of Chapter 13 Purchase Price.

**"Bankruptcy Notice"** means a Chapter 13 Bankruptcy Notice, as applicable.

**"Business Day"** means any day except a Saturday, Sunday, legal holiday, or a day upon which either Buyer or Seller was scheduled to be closed for business.

**"Chapter 13 Account"** means each unsecured consumer line of credit account and each credit card account as to which, during the Term, Seller has received a Chapter 13 Bankruptcy Notice.

**"Chapter 13 Bankruptcy Notice"** means the earliest notice, which may be in electronic form, relating to a Debtor's filing of a Chapter 13 Proceeding.

**"Chapter 13 Proceeding"** means a Chapter 13 proceeding under the U.S. Bankruptcy Code.

**"Chapter 13 Purchase Price"** means, with respect to the Included Accounts that are Chapter 13 Accounts being sold by Seller to Buyer on a Funding Date, the amount equal to the Chapter 13 Purchase Price Percentage multiplied by the aggregate Funding Date Claim Amounts of such Included Accounts that are Chapter 13 Accounts.

**"Chapter 13 Purchase Price Percentage"** means [REDACTED].

**"Claims Bar Date"** means the day by which a Proof of Claim must be filed in a Chapter 13 Proceeding

*Handwritten initials/signature*

**"Claim Verification Date"** means with respect to each Account, the first Business Day after 180 days following the Funding Date during the Term and is the day by which the Buyer will determine and notify the Seller which of the Accounts in the Notification File are not Eligible Accounts for sale pursuant to the terms of this Agreement and will be repurchased by the Seller.

**"Closing Date"** means with respect to the first closing, August \_\_, 2008. Thereafter, each Closing Date shall be the same date as the Funding Date. During the Term, there shall be at least one (1) Closing Date per month unless the Seller is not able to offer Accounts with a face value equal to [REDACTED]. In that event, the process described by Section 2.4(a) shall govern.

**"Cut-off Date"** means the date Buyer receives Sale File from Seller.

**"Debtor"** means the obligor or obligors on an Account.

**"Eligibility Requirements"** means the requirements set forth in Paragraphs 9.1, 9.2, 9.3 and 9.4 with respect to each Account.

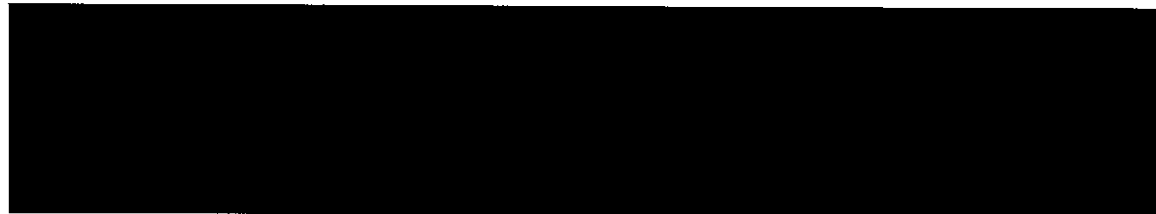
**"Eligible Account"** means each Account that meets the Eligibility Requirements as of the applicable Funding Date.

**"File Delivery Date"** means each Business Day that Seller delivers a Notification File to Buyer.

**"Funding Date"** means, with respect to an Account, on or before the sixth Business Day after the date Buyer receives the Notification File if such day is a Business Day or, if not, the next Business Day.

**"Funding Date Claim Amount"** means the outstanding balance of an Account as of the close of business on the Business Day immediately preceding the Funding Date as calculated by Buyer pursuant to Paragraph 2.3(b). Such amount shall be the Notification Balance of the Account, as provided by Seller on the Notification File, less any payments on the Account as of the close of business on the Business Day immediately preceding the Funding Date.

**"Included Accounts"** has the meaning specified in Section 2.3(a).



**"Notification Balance"** means, with respect to an Account, the Unpaid Balance of the Account as of the close of business on the Business Day immediately preceding the delivery of the applicable Notification File.

**"Notification File"** means, with respect to each Account, a computer file (which may be on diskettes or other computer medium) containing; all of the Account information listed in **Exhibit A** attached hereto.

**"Notification File Date"** means the date upon which the Buyer receives the Notification File from the Seller if such day is a Business Day or, if not, the next Business Day.

**"Proof of Claim"** means the written document defined and described in Bankruptcy Rule 3001

**"Purchase Price"** means the Chapter 13 Purchase Price, as applicable.

**"Purchase Price Percentage"** means the Chapter 13 Purchase Price Percentage, as applicable.

**"Repurchase Date"** means (i) with respect to an Account repurchased by Seller pursuant to Section 3.2, the Claim Verification Date and (ii) with respect to an Account repurchased under any other provision of this Agreement, the date the Buyer requested such repurchase.

**"Sale File"** means, with respect to each Account, the computer file (which may be on diskettes or other computer medium) identifying such Account; each such Sale File shall contain, for each Account identified therein: the Account number, the Debtor's name and social security number, and the Account's Unpaid Balance.

**"Term"** means the period beginning on August 1, 2008 and ending on July 31, 2009, provided that, if no written notice of termination has been given by either party hereto at least thirty (30) days prior to last day of the then current term, then the Term shall automatically extend for additional six (6) month periods.

**"Trustee"** means the trustee in a Chapter 13 Proceeding.

**"UCC"** means Uniform Commercial Code as in effect in the applicable state.

**"UCC Financing Statement"** means a UCC Financing Statement in the form of **Exhibit B** attached hereto, to be filed with the Secretary of State of the State of Illinois with respect to the Accounts.

**"Verified Purchase Price"** means, with respect to all of the applicable Included Accounts that meet the Eligibility Requirements on a Claim Verification Date, the amount equal to the Purchase Price Percentage multiplied by the aggregate Funding Date Claim Amounts of such Included Accounts.

**"Unpaid Balance"** means, as to any Account, the total outstanding unpaid balance as of the date prior to the commencement of the Chapter 13 Proceeding as shown on the Sale File and the Seller's books and records (including all amounts due to purchases, cash advances, finance charges, late fees, return check charges, overlimit fees and all other applicable fees and charges).

2. Computer File Deliveries.

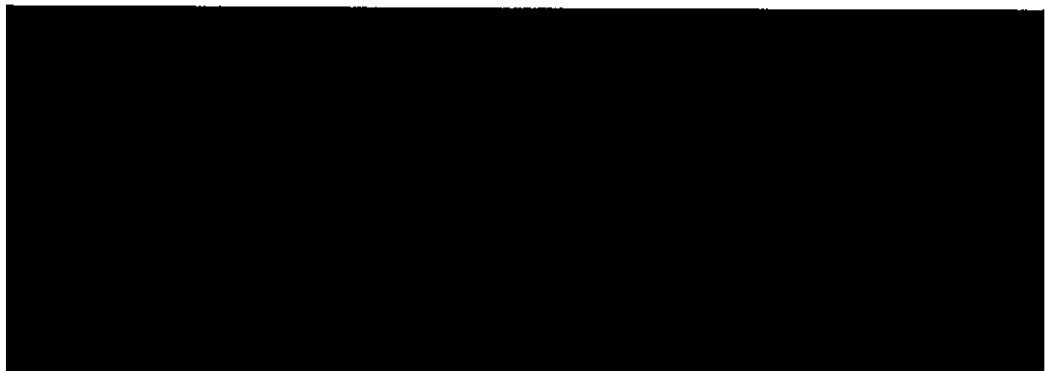
**2.1 Notification Files.** On the File Delivery Date during the Term, Seller will deliver to the Buyer a Notification File (i) identifying certain Accounts serviced by Seller or an Affiliate for which, since the immediately preceding File Delivery Date, the Seller has received a Bankruptcy Notice and (ii) containing information about each such Account sufficient to permit the Buyer to calculate and to file a Proof of Claim in the outstanding amount of the Account as of the filing date of the applicable Chapter 13 Proceeding. To the extent that Buyer has not purchased such Account by the applicable date, Seller shall file a Proof of Claim form with the appropriate Bankruptcy Court on behalf of Seller or Seller's affiliate, as directed by Seller, no later than the Claims Bar Date established in respect of such Account (on an Account by Account basis, the "Claims Bar Date") so long as Seller has received the Notification File with respect to such Account no later than thirty five (35) days prior to the Bar Date. After the Funding Date, Buyer may file a Proof of Claim for each Account in its own name.

**2.2 Sale File.** On or before the 5<sup>th</sup> Business Day after the File Delivery Date, the Seller will deliver to the Buyer a Sale File identifying the Accounts contained in the previously delivered Notification File to be sold hereunder.

**2.3 Sale of Accounts.** Subject to the terms and conditions of this Agreement, beginning on August \_\_, 2008, the initial Closing Date, and monthly thereafter until July 31, 2009, the final Closing Date, and every subsequent Closing Date during any additional Term, Seller will sell, assign and transfer to Buyer and Buyer shall purchase, effective as of the Cut-off Date, all of Seller's rights, title and interest in and to certain Accounts identified in the [REDACTED] at a Purchase Price determined by multiplying the total Unpaid Balances as of the Cut-off Date by the Purchase Price Percentage.

**2.4 Sale File Reconciliation**

(a)



[REDACTED]

(b) Reserved.

**2.5 Title Transfer.** On each Funding Date, the Seller will sell and the Buyer will purchase, without recourse except as set forth in this Agreement, on the terms and the conditions set forth herein all of the Accounts set forth in the Sale File. In the event that Seller has not delivered a Sale File for an Account contained in a Notification File by the last day of the second calendar month following the calendar month of the delivery of the Notification File containing such Account, Buyer may notify Seller that Buyer will not purchase such Account and Seller shall resume servicing responsibilities for such Account upon such notice. Buyer may, if applicable, file a transfer of claim in any applicable Chapter 13 Proceeding for each such Account. Such Accounts shall no longer be subject to the terms and conditions of this Agreement, and Buyer shall have no further responsibility for such Accounts.

**3 Transfer, Payment and Claim Verification.**

**3.1 Closing.** On each Funding Date, the Seller will deliver to the Buyer: (i) an assignment of all right, title and interest in and to the Included Accounts, effective with respect to each Included Account on such Included Account's Funding Date, to be transferred hereunder in the form of **Exhibit C**; (ii) evidence of the Seller's authority to enter into this Agreement (iii) a Waiver of Notice of Transfer of Claim in the form of **Exhibit F** and (iv) a Bill of Sale in form of **Exhibit G**. On each Funding Date, the Buyer will deliver to the Seller the Chapter 13 Purchase Price for the applicable Included Accounts by wire transfer of immediately available funds in accordance with the instructions provided by the Seller from time to time.

[REDACTED]

**3.3 Proceeds / Communications.** The Seller will be entitled to all proceeds of the Accounts prior to the applicable Funding Date and Buyer to all proceeds received on or after the Funding Date, provided that, Seller shall be entitled to all proceeds received by either party in respect of any Account that has been repurchased by Seller under this Agreement. Each party, within thirty calendar days of receipt, will deliver or cause its affiliate or servicers to deliver to the other party any payments to the Accounts to which the other party is entitled and each party represents that funds received and to be transferred pursuant to this paragraph will be held in trust for the other party until such funds are transferred. All payments of proceeds from one party to the other shall be accompanied by an account-by-account detailing. From and after the date of the delivery of the applicable Notification File, the Seller, within fifteen (15) calendar days of receipt, will deliver or cause its Affiliate to deliver to the Buyer any communications received by the Seller or such Affiliate with respect to the Accounts identified in the Notification File(s) delivered to Buyer.

**3.4 Schedule.** The Seller and the Buyer will maintain a schedule on a computer tape or printout of all Accounts sold hereunder. With respect to Accounts sold by the Seller hereunder, the Seller will change its records on its computer system to indicate that such Accounts have been sold. If any Accounts sold hereunder are reassigned to the Seller, the Seller will promptly change its records on its computer system to indicate that such Accounts are owned by it.

**4. Conditions Precedent to Purchase or Sale of Accounts.** The Seller's obligation to sell and the Buyer's obligation to purchase any Accounts on each Funding Date will be subject to the following conditions:

**4.1 Representations and Warranties.** The other party's representations and warranties, as the case may be, in this Agreement will be true and correct as of such Funding Date.

**4.2 Compliance with Covenants and Agreements.** The other party will have complied in all material respects with any obligation to be performed by it on or before such Funding Date.

**4.3 Bankruptcy.** The other party is solvent, has not instituted a bankruptcy proceeding seeking relief under any bankruptcy law, has not made a general assignment for the benefit of its creditors or is dissolved or passes a resolution for its winding-up, other than pursuant to a merger, consolidation or transfer of substantially all of its assets.

**4.4 Merger Without Assumption.** The other party has not merged with, consolidated with or transferred substantially all of its assets to another entity unless such entity has assumed such party's obligations under this Agreement.

**5 The Seller's Representations and Warranties.** As of each Closing Date hereof and each Funding Date the Seller represents and warrants that:

**5.1 Due Organization and Authorization.** The Seller is duly organized, existing and in good standing as an Illinois limited liability company and the Seller's execution, delivery and performance of this Agreement are within the Seller's powers, having been duly authorized by all necessary action. This Agreement is the legal obligation of the Seller enforceable against the Seller in accordance with its terms and this Agreement is not in conflict with any law or regulation applicable to the Seller or the terms of the Seller's charter or by-laws or of any material indenture, agreement or undertaking to which the Seller is bound.

**5.2 Accounts.** The Seller is authorized to transfer all right, title and interest in each Account pursuant to this Agreement and, as of the applicable Funding Date, the Seller is the owner of the Account free and clear of all liens and encumbrances.

**5.3 UCC Information.** Seller is a limited liability company organized in the state of Illinois, with its chief executive office located at Suite 510, 5 Revere Drive, Northbrook, Illinois 60062.

**5.4 Approvals and Notices.** Except for the filings of any proofs of claim and the UCC Financing Statement, no approval or other action by, or notice to or filing with, any Debtor, any governmental authority or any other entity is required in connection with the Seller's performance of its obligations and satisfaction of any conditions hereunder.

**5.5 No Violation of Law.** Performance of this Agreement by the Seller will not violate any order of any court or governmental body having competent jurisdiction or any law or regulation that applies to it.

**5.6 No Brokers or Finders.** The Seller has not employed any investment banker, broker or finder in connection with the transaction contemplated hereby who might be entitled to a fee or commission upon consummation of such transaction.

**5.7** As of each respective Closing Date, each Account sold by Seller to Buyer shall be (A) the subject of an active proceeding under Chapter 13 of the United States Bankruptcy Code and not all of the debtors on each such Account are deceased.

**5.8** Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all losses, costs, claims, demands, suits or actions brought by any third parties arising



out of or related to the manner in which the Accounts were serviced and collected prior to the applicable Closing Date.

**6. The Buyer's Representations and Warranties.** As of the Closing Date hereof and each Funding Date the Buyer represents and warrants that:

**6.1 Due Organization and Authorization.** The Buyer is duly organized, existing and in good standing as a Tennessee limited liability company, the Buyer's execution, delivery and performance of this Agreement are within the Buyer's corporate powers, having been duly authorized by all necessary corporate action, this Agreement is the legal obligation of the Buyer enforceable against the Buyer in accordance with the terms, and this Agreement is not in conflict with any law or regulation applicable to the Buyer or the terms of the Buyer's certificate of incorporation or by-laws, or of any material indenture, agreement or undertaking to which the Buyer is bound.

**6.2 Approvals and Notices.** Except for the filing of any proofs of claim and the UCC Financing Statement, no approval or other action by, or notice to or filing with, any Debtor, any governmental authority or any other entity is required in connection with the Buyer's performance of its obligations and satisfaction of any conditions hereunder.

**6.3 No Violation of Law.** Performance of this Agreement by the Buyer will not violate any order of any court or governmental body having competent jurisdiction or any law or regulation that applies to it.

**6.4 No Brokers or Finders.** The Buyer has not employed any investment banker, broker or finder in connection with the transaction contemplated hereby who might be entitled to a fee or commission upon consummation of such transaction.

**6.5 Compliance with Law.** Buyer agrees that in connection with Buyer's ownership, servicing, and collection of the Accounts, Buyer shall be responsible for the servicing, administration and collection of all Accounts after the applicable Closing Date. Furthermore, Buyer shall be in material compliance with all state and federal laws applicable to Account servicing and administration as well as Debt Collection including, without limitation, the Fair Credit Reporting Act and the Fair Debt Collection Practices Act.

**6.6** Buyer agrees to indemnify, defend and hold Seller harmless from and against any and all losses, costs, claims, demands, suits or actions brought by any third parties arising out of or related to the manner in which the Accounts are serviced and collected after the applicable Closing Date.

**7. Conduct of Business.**

**7.1 Notice.** After each Funding Date and where lawful, the Seller may give or cause its Affiliate to give a Debtor written or oral notice of the transfer of such Debtor's Account to the Buyer at the Debtor's last known address. At the Buyer's reasonable request, the Seller will provide a form letter that the Buyer, at the Buyer's expense (which expense includes postage and freight), may send to a Debtor confirming the transfer of the

Account to the Buyer. If required, the Seller will notify or cause the Affiliate to notify any credit bureau of the transfer of the Account.

**7.2 Account Documents.**

(a) Upon its receipt of a written request from Buyer, in a data format acceptable to Seller in a secure data transmission file, (unsecured requests will not be fulfilled), Seller shall, to the best of its abilities and to the extent applications, written terms and conditions, and other media as set forth below are available, for Accounts still owned by the Buyer, provide Buyer with copies of signed Account applications, applicable written terms and conditions and other media, defined in the written request(s) by the Buyer, if available, that relate to any of the Accounts sold to Buyer pursuant to this Agreement. [REDACTED]

[REDACTED] In the event that a requested document(s) is/are not available, or if specifically requested to do so by Buyer, Seller will give Buyer an Affidavit of Debt similar to that shown in Exhibit E. [REDACTED]

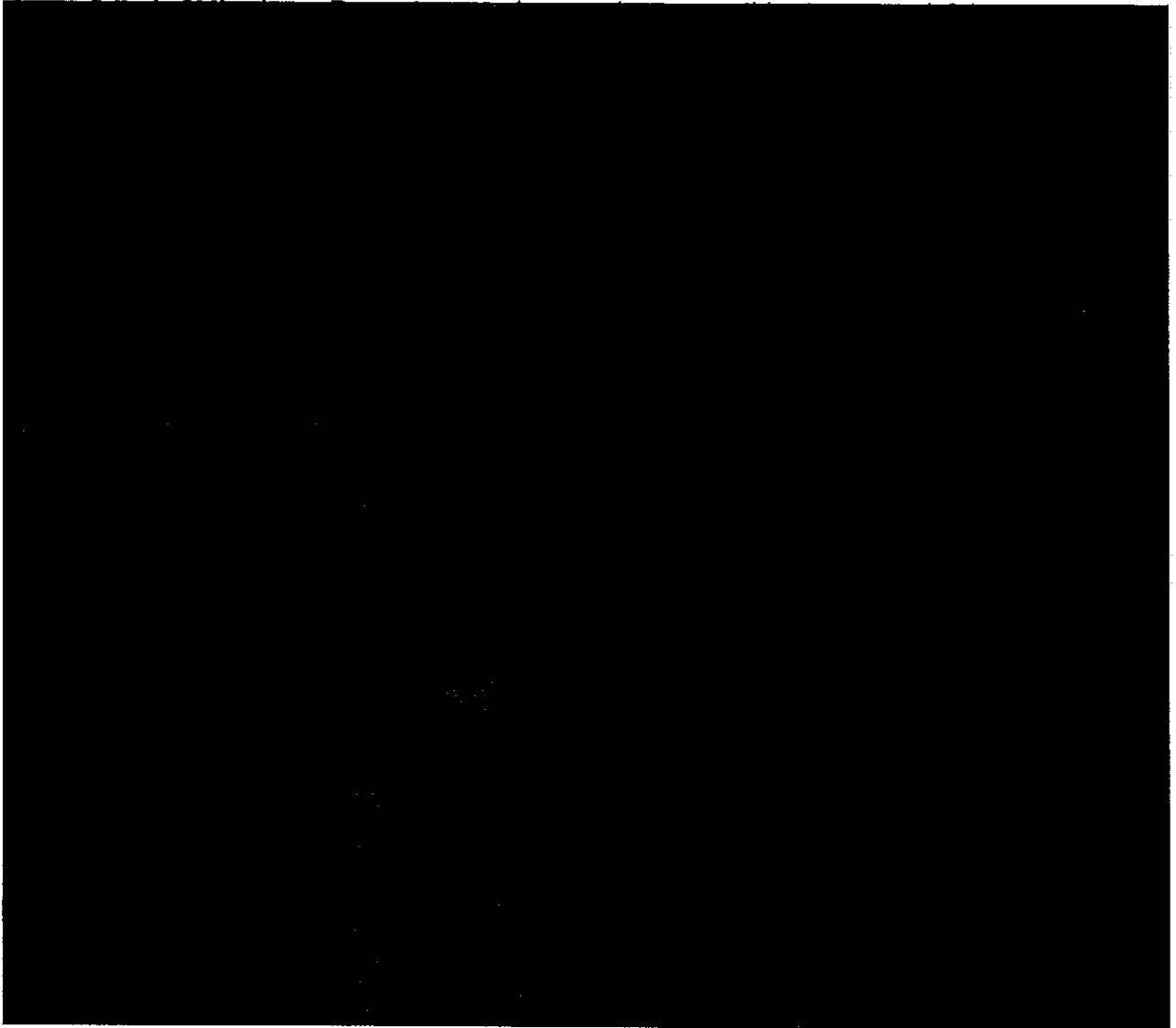
[REDACTED]

**7.3 The Seller as Witness.** If the Buyer files any legal action to collect on a purchased Account and requests or subpoenas an officer or employee of the Seller or an affiliate of Seller to appear at a trial, hearing or deposition to testify about the Account, the Buyer will pay the Seller or the affiliate for the officer's or employee's time in traveling to and from the location the testimony is to be given or the deposition is taken, attending and testifying at the trial, hearing or deposition, whether or not the officer or employee is called as a witness, at the compensation rates set forth in Exhibit D for the applicable officer or employee. The Buyer will also reimburse the Seller or the affiliate for the officer or employee's reasonable out-of-pocket, expenses within thirty (30) days of receipt of Seller's invoice for same.

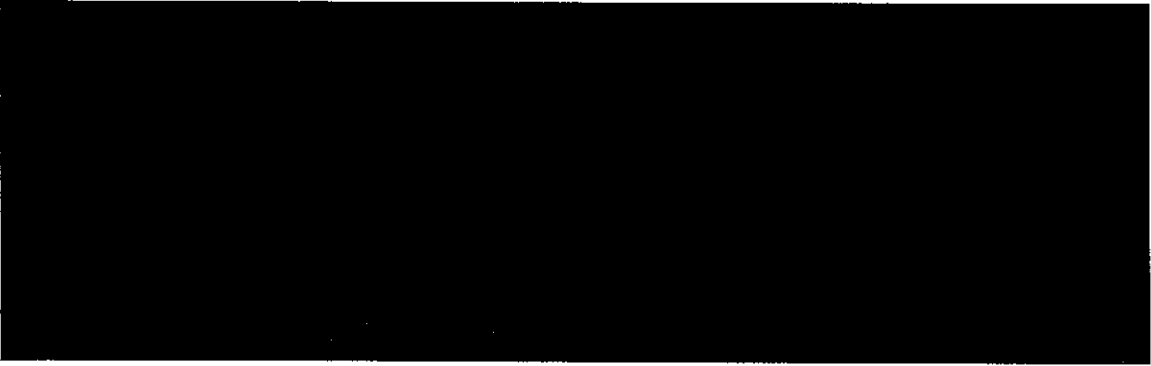
**7.4. Reserved.**

7.5. **Account Information.** The Seller will use reasonable efforts in accordance with its past practices to create Notification Files and Sale Files which properly identify the Accounts for the purpose of Buyer's filing of a proof of claim therefore.

8. **Use of the Seller's Name.** The Buyer may reference the name of the Seller or its Affiliate for purposes of (i) identifying an Account in communications with the Account's Debtor, in collecting amounts outstanding on the Account, and in conducting litigation or participating in a bankruptcy proceeding with respect to the Account, and (ii) describing the transaction contemplated hereby in connection with sale or transfer of the Account or any interest in the Account in accordance with Paragraph 10 below. In taking such action, the Buyer will not represent that Buyer is doing so on behalf of the Seller or its Affiliate.



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**10. Buyer's Right to Resale.** With Seller's prior consent, which Seller may not unreasonably withhold, Buyer may sell or otherwise transfer any Account or interest therein to any third party, provided, however, that Buyer shall require such third party to assume all of Buyer's obligations under this Agreement, and Buyer's purchaser or transferee must agree to the acceptance of such obligations in writing, provided, further that, to the extent necessary, Seller shall request permission for Buyer to sell to third parties from those parties from whom Seller purchased the applicable Accounts, and provided, further that denial of such permission by such original seller shall be deemed reasonable grounds to deny Buyer permission to resell the Accounts. With respect to the transfer or sale of any Account, the Buyer and any transferee of the Account will have the right to assign the Buyer's rights hereunder to any transferee of the Account.

**11. UCC.** The Seller hereby consents to the Buyer's filing, at Buyer's expense, any UCC Financing Statements (including continuation statements or amendments) necessary or appropriate to give effect to the Buyer's security interest in, and/or or purchase of, the Accounts hereunder. On and after each applicable Closing Date, the Seller promptly will give the Buyer written notice of any changes in its name, form or jurisdiction of business organization, its chief executive office, location of its chief place of business, or the state designated as its location with the Office of the Comptroller of the Currency.

**12. Indemnity.**

**12.1 Indemnification by the Seller.** Regardless of any provision to the contrary in this Agreement and regardless of whether the Seller has knowledge, the Seller will indemnify and hold the Buyer harmless from and against any loss, claim, liability, damage, cost and expense (including without limitation, reasonable attorney's fees and costs of suits) that is based upon (i) any breach by the Seller or its Affiliates of any representation or agreement contained in this Agreement or in any document delivered in connection herewith, or (ii) any inability to meet a condition set forth in Paragraphs 9.1 to 9.6 with respect to an Account, provided, however, that Buyer's sole remedy for any breach of paragraphs 9.1 through 9.4 shall be to resell any affected Accounts to Seller. At its option, the Seller will have the right to assume the defense, in a manner and with counsel reasonably acceptable to the Buyer, of any claims, actions, suits or other actual or threatened proceedings and to directly pay for all losses, judgments, damages, expenses and other costs, (including reasonable fees and disbursements of counsel) which may be imposed. The Seller may not settle any claim, action, suit or proceeding for which it has

assumed the defense without the prior written consent of the Buyer, which will not be unreasonably withheld.

**12.2 Indemnification by the Buyer.** The Buyer will indemnify and hold the Seller and its Affiliate harmless from and against any loss, claim, liability, damage, cost and expense (including, without limitation, reasonable attorney's fees and costs of suits) that is based upon any breach by the Buyer or its affiliates of any representation or agreement contained in this Agreement, including any breach of paragraph 6.5 or any action of the Buyer's assignee causing a breach of an agreement contained in Paragraph 7.3, or in any document delivered in connection herewith. At its option, the Buyer will have the right to assume the defense, in a manner and with counsel reasonably acceptable to the Seller, of any claims, actions, suits or other actual or threatened proceedings and to directly pay for all losses, judgments, damages, expenses and other costs (including reasonable fees and disbursements of counsel) which may be imposed. The Buyer may not settle any claim, action and/or proceeding for which it has assumed the defense without the prior written consent of the Seller, which will not be unreasonably withheld.

**12.3 Notice.** Promptly after discovery, each party will notify the other party of any claim or threatened claim against the other party, or any claim or threatened claim that may affect the other party. Failure to give such notice to an indemnifying party will not affect any indemnification hereunder except to the extent that such failure adversely affected the indemnifying party.

**13. Confidentiality.** This Agreement, the consideration paid for the Accounts, and the nature and terms of this transaction will remain confidential and will not be disclosed by either party without the written consent of the other, except to the extent such disclosure (i) is required to be made under any applicable court order, law or regulation, (ii) is required to be made to any tax, banking or other regulatory authority or legal or financial advisor of either party, (iii) is made in connection with the Seller's assignment of substantially all its consumer credit card accounts to an Affiliate or (iv) is made in connection with the sale or other transfer of any Account or interest therein by the Buyer or its successors or assigns. With respect to information in their respective possession regarding customers of the other party, each of the parties shall comply with their respective policies and procedures applicable to information security and privacy of information identifiable to such customers, as amended from time to time. The parties intend to generally meet accepted industry standards, as same may relate to information security and privacy. With respect to their electronic data storage and transmission, the parties shall mutually resolve issues related to network or system security breaches or known threats or risks that may impact the parties.

**14. Miscellaneous Terms.**

**14.1 Notices.** All notices and other communications between the parties will be in writing and will be deemed given when delivered personally or four Business Days after mailing by registered or certified mail, return receipt requested, to a party at its address set forth below, or to any other address as a party may designate in writing:

To the Buyer:

National Capital Management, LLC


Attn: Freeman A. Marr  
8245 Tournament Drive  
Suite 230  
Memphis, TN 38125

With a copy to:

National Capital Management, LLC

Attn:

To the Seller:

Hilco Receivables, LLC  
Suite 510, 5 Revere Drive  
Northbrook, Illinois 60062  
Attention: Robert Chorba, COO/CFO 

With a copy to:

Hilco Receivables, LLC  
Suite 510, 5 Revere Drive

Northbrook, Illinois  
Attn: Michael H. Walsh, General Counsel

**14.2 Expenses.** Except as otherwise expressly provided in this Agreement, the Buyer and the Seller will each bear its own out-of-pocket expenses, including fees and disbursements of its attorneys and any other agents or representatives in connection with the transaction contemplated by this Agreement, except that the Seller will pay any taxes (excluding any of the Buyer's taxes based on net income), transfer and other fees imposed by any federal, state or local government in connection with such transaction.



**14.3 Successors and Assigns.** This Agreement will bind and inure to the benefit of the Buyer and the Seller and their respective successors and assigns.

**14.4 Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties and supercedes all prior agreements and understandings relating to the subject matter of this Agreement.

**14.5 Amendment.** Neither this Agreement nor any of its provisions may be changed, waived, discharged or terminated orally. Any change, waiver, discharge or termination may be affected only in writing signed by the party against whom enforcement is sought.

**14.6 Change to U.S. Bankruptcy Code.** In the event the U.S. Bankruptcy Code or any regulation thereunder is amended at any time and either party reasonably believes that such change shall cause a materially adverse effect upon its economic expectations with respect to the Accounts to be purchased and sold hereunder, such party shall notify the other party in writing of such determination and the reasons therefor (the "Termination Notice"). Neither party shall be required to disclose any proprietary information in the Termination Notice. Without prejudice to their respective rights with respect to previously transferred Accounts, from and after the 30th day following the date of the Termination Notice, Buyer will not be obligated to purchase nor Seller to sell any additional Accounts. The parties may, but shall not be obligated to, meet to negotiate in good faith any changes to the Purchase Price Percentage or Eligibility Requirements for future Account sales based upon changes to the U.S. Bankruptcy Code.

**14.7 Governing Law; Severability.** This Agreement will be governed by Illinois law without regard to its conflict of law provisions. If any one or more of the provisions of this Agreement, for any reason, is held to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability will not affect any other provision of this Agreement and this Agreement will be construed without the invalid, illegal or unenforceable provision.

**14.8 Waivers, etc.** No waiver of any single breach or default will be deemed a waiver of any other breach or default of this Agreement. All rights and remedies, either under this Agreement or by law or otherwise afforded to a party, will be cumulative and not alternative.

**14.9 Headings.** Paragraph headings are for reference only, and will not affect the interpretation or meaning of any provision of this Agreement.

**14.10 Counterparts.** This Agreement may be signed in two or more counterparts, each of which will be deemed an original and will constitute one and the same Agreement.

**14.11 Timing.** A dismissal, conversion or other action in a Chapter 13 Proceeding will be deemed to occur on the date such action is ordered by the applicable bankruptcy court, and not on the date such order is entered.

**14.12 Survival.** All representations and agreements in this Agreement, including without limitation, all representations and agreements with respect to indemnification and confidentiality will survive the Term, each Closing Date and each Funding Date.

**14.13 Further Assurance.** From and after the date hereof, each party will take such action as the other party may reasonably request to carry out the purposes of this Agreement, including without limitation (i) in the case of Seller, promptly executing or causing the Affiliate to execute any document reasonably requested by Buyer in connection with Buyer's filing of proofs of claim, (ii) in the case of Buyer, with respect to repurchased accounts, promptly executing any transfer of a proof of claim and waiver of notice and opportunity to object to such transfer and otherwise cooperating with respect to the substitution of the Seller for the Buyer in a Chapter 13 Proceeding, and (iii) auditing either party or the Affiliate upon reasonable notice during normal business hours to determine its compliance with the representations and covenants in this Agreement. The audit will be at the expense of the party requesting the audit unless the audit confirms that the party being audited has materially failed to perform any of its obligations hereunder, in which case the audit will be at the expense of the party being audited.

15. **No Third Party Beneficiaries**

This Agreement is for the sole and exclusive benefit of the parties hereto; nothing in this Agreement shall be construed to grant to any person other than the parties hereto, and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

16. **Brokers**

Neither party hereto has had or is having any dealings with, or has received any services from any finder, broker, agent or other similar party, who is or will be entitled to a commission, fee or other payment of any nature in connection with this Agreement or any transaction contemplated hereby.

17. **Independent Contractors**

Nothing in this Agreement shall be deemed to create a partnership or joint venture between the parties. Except as expressly set forth herein, no party shall have any authority to bind or commit the other party. In the performance of its duties or obligations under this Agreement or any other contract, commitment, undertaking or agreement made pursuant to this Agreement, each party hereto shall not be deemed to be, or permit itself to be, understood as an agent of the other party hereto and shall at all times take whatever measures are necessary to ensure that its status shall be that of an independent contractor operating a separate entity.



18. **Public Announcement**

Neither Buyer nor Seller shall make any public announcement of this Agreement or provide any information concerning this Agreement or the subject matter hereof to any representative of the news media or any other person not a party to this transaction without the prior approval of the other party. The parties herein will not respond to any inquiry from public, governmental or administrative authorities concerning this Agreement without prior consultation and coordination with each other.

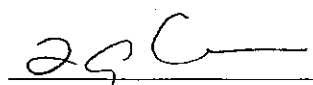
19. **Limited Power of Attorney**

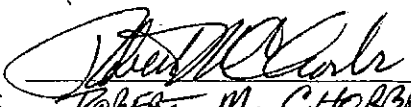
Effective upon Closing and thereafter, and in accordance with the terms of that certain Limited Power of Attorney attached hereto as Exhibit H and incorporated herein (the "Limited Power of Attorney"), Seller has named, constituted and appointed Buyer and Buyer's officers, agents, employees and representatives as its duly authorized attorney-in-fact and agent with full power and authority to endorse in Seller's name, any check, draft, money order or other form of payment, releases, insurance claims or title documents relating to the Accounts sold hereunder and for the purpose of exercising all rights and remedies Seller would have with respect to the Accounts sold hereunder for matters arising after each Closing Date.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the Effective Date.

**NATIONAL CAPITAL MANAGEMENT,  
LLC**

**HILCO RECEIVABLES, LLC**

By:   
Name: Frederick A. Manna  
Title: member/manager

By:   
Name: Robert M. Chorba  
Title: COO/CEO