



# EXHIBIT D

## LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Loan Agreement") is made and entered into as of December 28, 2007, by and among IFC CAPITAL FUNDING I, LLC ("Borrower"), IFC CREDIT CORPORATION ("IFC"), and CoACTIV CAPITAL PARTNERS, LLC ("Lender").

### RECITALS

Borrower desires that Lender establish for the benefit of Borrower a credit facility to finance Borrower's acquisition of certain assets.

Lender is willing to establish a credit facility for the benefit of Borrower in an aggregate original principal amount of up to Twenty-Five Million Dollars (\$25,000,000.00), subject to the terms and conditions herein set forth.

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IFC has agreed to service and administer the Assets (as defined below).

In consideration of the foregoing premises and the agreements hereinafter set forth, Borrower, IFC and Lender agree as follows:

### ARTICLE I DEFINITIONS

For purposes of this Loan Agreement, the following terms shall have the following meanings:

**"\$1.00 – Out Lease"** means a lease agreement providing the lessee with an option to purchase the leased equipment for \$1.00 or other nominal value at the end of the term of the Lease.

**"Account Documents"** shall mean customer agreements, notes, security agreements, financing statements, lease agreements, and agreements of any kind arising out of a lease, rental or provision of, or financing of Equipment between IFC as lessor or secured lender and the entity named therein as lessee or borrower, together with all guaranties, Certificates of Title, Chattel Paper, Instruments, documents, agreements, and such other documents, writings, charts and/or electronic tapes evidencing or relating to the Assets and assignments of all of IFC's rights in the foregoing to Borrower.

**"Affiliate"** shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise. In any event, Borrower and IFC are "Affiliates" of each other.

**"Amount of Funding"** shall have the meaning given to such term in Section 2.5(a) hereof.

**"Assets"** shall mean certain equipment rental agreements and/or loan and/or financing agreements entered into by IFC, as lessor or lender, and the entity named therein as lessee or borrower, and all of IFC's right to payment thereunder, which, as of the date hereof, have been and hereafter may be sold, transferred and assigned by IFC to Borrower, as more specifically identified on Exhibit A to the Sale Agreement and made subject to the Loan Documents.

“**Assignment Agreement**” shall mean each Assignment of Leases and Rents signed by Borrower assigning all Borrower’s right, title and interest in and to certain Assets to Lender, in the form attached hereto as Exhibit “B.”

“**Assignment of Servicing Agreement**” shall mean a collateral assignment of the Servicing Agreement executed by Borrower and Servicer for the benefit of Lender, in the form of Exhibit D hereto.

“**Bank**” shall mean Lakeside Bank.

“**Bankruptcy Code**” shall mean Title 11, United States Code, 11 U.S.C. §§ 101 et seq., as amended.

“**Blocked Account Agreement**” means the agreement among the Bank, Borrower and Lender which governs the administration of the Control Account as a blocked account.

“**Borrower**” shall have the meaning first set forth above.

“**Borrowing Date**” shall mean, with respect to each Loan (as defined below) the date of funding of proceeds under the Loan.

“**Business Day**” shall mean any day other than a Saturday or Sunday, or a date on which Lender or commercial banks in the State of Illinois generally are closed for regular business.

“**Certificate of Title**” shall mean any “certificate of title,” as such term is defined in the Code, now owned or hereafter acquired by Borrower.

“**Chattel Paper**” shall mean any “chattel paper,” as such term is defined in the Code, now owned or hereafter acquired by Borrower.

“**Closing**” shall have the meaning set forth Section 2.4(b).

“**Closing Fees and Expenses**” shall mean the costs of perfection, legal expenses, Lender’s legal fees and due diligence expenses, and the other fees and expenses agreed upon by Lender and Borrower in connection with the making of the Loan and the closing of the purchase of the Assets, which are to be paid by Borrower on each Borrowing Date.

“**Code**” means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the Commonwealth of Pennsylvania; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted from time to time and in effect in a jurisdiction other than the Commonwealth of Pennsylvania, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

“**Collateral**” shall have the meaning set forth in the Security Agreement.

“**Control Account**” shall mean the account at the Bank established solely for the purpose of (i) receiving deposits of amounts received by Obligor, (ii) receiving periodic deposits from Servicer related to payments on the Assets or other Collateral, and (iii) distributing amounts per Lender’s instructions pursuant to Section 3.3.

**Credit Facility** shall have the meaning set forth in Section 2.1.

**Custodial Agreement** shall mean the agreement dated December 28, 2007 by and between Borrower and Lender and acknowledged by IFC.

**Default Rate** shall mean a rate that is two percentage points (2%) above the otherwise applicable interest rate as set forth in the Notes.

**Disbursement Amount** shall have the meaning set forth in Section 3.3.

**Distribution Date** shall mean the tenth (10th) Business Day of each calendar month beginning the first month following the first Borrowing Date.

**Eligible Assets** means those assets, which meet each and every of the eligibility criteria set forth in Article VII hereof.

**Equipment** shall have the meaning given to such term in the code, now owned or hereafter acquired by Borrower wherever located.

**Event of Default** shall have the meaning set forth in Section 8.1.

**Fixed Interest** shall have the meaning set forth in Section 2.5.

**FMV Lease** means a lease agreement providing the lessee with an option to purchase the leased equipment for its fair market value at the end of the term of the lease.

**Governing State** shall mean the Commonwealth of Pennsylvania.

**Gross Receipts** shall mean all payments made by Obligors on account of the Assets, together with any other collections, income, interest, principal, penalties, late fees, extension fees, prepayment fees, or other fees received on account of the Assets, any net proceeds from the sale or other disposition of the Assets or other Collateral, including amounts received from any Obligor, all whether collected by Borrower, Servicer or any Subservicer, such that the amounts included in "Gross Receipts" are intended to be absolutely gross and not diminished by any amounts paid or to be paid to any party for costs or services rendered. Notwithstanding the foregoing, the term Gross Receipts shall not include any Tax Payments received from any Obligor.

**Guaranteed Residual Amount** means any residual position(s) constituting part of the Specified Payments with respect to any Asset and that is identified on an Assignment Agreement.

**IFC** shall have the meaning first set forth above.

**Instrument** shall mean any "instrument," as such term is defined in the Code, now owned or hereafter acquired by Borrower, wherever located.

**Lender** shall have the meaning first set forth above.

**Liabilities** shall include payment of the Notes in total, and each installment thereunder and all other obligations of Borrower hereunder and under the Notes or any of the Loan Documents as executed by or between Borrower and Lender and incorporated by reference herein, and all costs and expenses, including

but not limited to reasonable attorneys' fees, incurred by Lender in connection with creation and enforcement of such obligations.

“**Lien**” shall mean a lien, security interest, pledge, hypothecation, collateral assignment, charge, encumbrance, or other right or claim of any Person other than an unfiled lien for tax accrued but not yet payable

“**Loan**” and “**Loans**” shall have the meanings set forth in Section 2.2(a).

“**Loan Documents**” shall mean this Loan Agreement, the Notes, the Servicing Agreement, the Security Agreement, the Custodial Agreement, the Blocked Account Agreement, the Assignment of Servicing Agreement, the Assignment Agreements, and other documents, instruments or certificates delivered pursuant hereto or in connection herewith.

“**Losses**” shall have the meaning set forth in Section 7.15.

“**Material Adverse Effect**” shall mean, with respect to any event or circumstance, a material adverse effect on:

- (a) the ability of Borrower (or applicable party, as the context requires) to perform its obligations with respect to the Loan or under any Loan Document to which it is a party;
- (b) the validity or enforceability of any Loan Document;
- (c) the business, assets, properties, financial condition, members' equity, contingent liabilities, prospects, material agreements or results of operations of Borrower;
- (d) the status, existence, perfection, priority, or enforceability of any lien or security interest granted to Lender pursuant to the Loan Documents; or
- (e) the validity, enforceability or collectibility of the Assets, taken as a whole.

“**Maturity Date**” shall mean, with respect to each Loan, the date of the last payment under the Assets acquired with the proceeds of and securing the repayment and performance of such Loan.

“**Maximum Principal Balance**” shall mean, with respect to any loan, an amount, expressed as a percentage of the original Loan balance, by which the outstanding Loan balance must be reduced to at various points in time. The “Maximum Principal Balance” schedule shall be specified in the Note evidencing the Loan.

“**Non-Guaranteed Residual**” means any residual position(s) with respect to any Asset which is in excess of such Asset's Guaranteed Residual Amount (if any).

“**Notes**” shall mean the promissory notes evidencing the Loans, substantially in the form of Exhibit B hereto.

“**Note Rates**” shall have the meaning set forth in Section 2.5(a).

“**Notice**” shall have the meaning contained in Section 9.14.

“**Obligor**” shall mean each signer, co-signer, guarantor or other Person responsible for payment or performance under an Asset.

**“Permitted Liens”** shall mean those Liens against the Assets described in Exhibit F.

**“Person”** shall mean any natural person, limited liability company, corporation, partnership, joint venture, firm, association, trust, unincorporated organization, governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

**“Remittance Report”** shall mean a report submitted monthly by Servicer to Borrower and Lender (i) listing deposits into and disbursements out of the Control Account, (ii) calculating all Servicing Fees due Servicer for the period covered by such report, and (iii) showing all other amounts payable pursuant to Section 3.3.

**“Sale Agreement”** shall mean the Master Lease Sales Agreement dated as of December \_\_\_\_, 2007 by and between IFC and Borrower, pursuant to which IFC agreed to sell, transfer and assign all of its right, title and interest to and in certain Assets to Borrower.

**“Security Agreement”** shall mean the security agreement substantially in the form of Exhibit C hereto.

**“Servicer”** shall mean IFC or its successor under the Servicing Agreement between Borrower, as owner, and IFC, as servicer.

**“Servicer Termination Event”** shall mean an event or circumstance that is grounds for termination of Servicer under the Servicing Agreement.

**“Servicing Agreement”** shall mean the agreement between Borrower and Servicer relating to the collection and servicing of the Assets, initially substantially in the form of Exhibit E hereto and otherwise in form and containing such terms as may be required by and acceptable to Lender in its sole and absolute discretion.

**“Servicing Fees”** shall mean the fee for servicing the Assets set forth in the Servicing Agreement.

**“Specified Payments”** means and includes, with respect to each Asset, any of the following which have been identified in any Assignment Agreement and the related borrowing request as amounts and/or payments to be funded with the proceeds of the applicable Loan: (i) the monthly or periodic amounts the Obligor is required to pay under the terms of the applicable Account Documents, and (ii) any Guaranteed Residual Amount and (iii) any security deposit on a Asset not deducted from the Amount of Funding. The Specified Payments do not include any Non-Guaranteed Residual amounts, and may or may not be identical to the lease/loan payments as described on the Account Documents.

**“Subservicer”** shall mean any subservicer engaged for the purpose of advising Servicer or performing collections, or any other party performing Servicer’s obligations under the Servicing Agreement (whether by delegation or designation from Servicer or otherwise). Attorneys (other than in-house counsel) engaged for the purpose of collections are deemed to be Subservicers.

**“Tax Payments”** shall mean payments received from an Obligor that are made for the purpose of paying taxes, assessments and other governmental charges or levies in connection with the ownership or operation of Assets and for which such Obligor has received a separate invoice from Borrower or for which Obligor has an independent contractual obligation to pay.

**“Termination Date”** shall mean March 31, 2008, unless extended in writing signed by Lender prior to such date.

ARTICLE II  
THE LOAN; CLOSING; FINDER'S FEE

Section 2.1 The Credit Facility. Subject to the terms and conditions set forth herein, Lender agrees to establish for the benefit of Borrower a credit facility in an aggregate original principal amount of up to Twenty-Five Million Dollars (\$25,000,000.00) (the "Credit Facility"), in order to finance Borrower's acquisition of the Assets; provided, that, unless otherwise agreed in writing signed by Lender, Lender's commitment to make advances under the Credit Facility shall terminate on the Termination Date.

Section 2.2 Advances; Form of Borrowing Request.

(a) Loans. The Credit Facility may be disbursed to Borrower in one or more advances, and each advance shall constitute and shall be deemed a term loan (each a "Loan" and together, collectively, the "Loans"). Such advances will be made only to the extent that the proceeds of such advances will be used to pay for the Total Cost of the Eligible Assets, based upon invoices that accompany any request for an advance. Amounts borrowed under the Credit Facility may not be reborrowed after repayment.

(b) Form of Borrowing Request. Borrower shall deliver to Lender a written request for an advance under the Credit Facility at least five (5) Business Days prior to a proposed Borrowing Date. Each written request for an advance a description of the collateral package, which shall include, with respect to the specific Assets supporting such loan request, the name and address of each lessee, a description of the leased property, the net cost of the leased property, the net remaining rental payments due under the lease(s), and the terms of and rentals owed under each lease, the account number assigned to the lease by Borrower, and such other information which Lender shall reasonably request.

Section 2.3 The Notes. Each Loan shall be evidenced by a Note duly executed by Borrower and in form and substance acceptable to Lender in its sole and absolute discretion. Each Note shall bear interest from the first Borrowing Date applicable to the underlying Loan and shall be payable and be secured as provided therein and in the Security Agreement and herein and shall mature on the maturity date set forth therein. The maturity date of each Note shall be coterminous with the last regularly scheduled payment on the Assets acquired with the proceeds of the underlying Loan and securing the Note.

Section 2.4 Conditions Precedent to Closing and Loan Advances.

(a) Conditions for Closing. Closing under this Loan Agreement is subject to the precedent delivery by Borrower of the following documents, instruments and agreements, all in form and substance satisfactory to Lender and Lender's counsel:

- (i) Loan Documents. All of the Loan Documents duly executed on behalf of the applicable parties.
- (ii) Borrower's Organizational Documents. A true and correct copy of (1) Borrower's Articles of Organization and Operating Agreement, including all amendments thereto, accompanied by a written certificate of the Managing Member of Borrower as to the authenticity and completeness of such copies, and (2) Good Standing Certificate of Borrower issued by the state of its formation.



- (iii) Borrower's Resolution. A resolution, certified in writing by the Managing Member of Borrower evidencing (1) approval of this Loan Agreement and other matters contemplated hereby and (2) each document evidencing other necessary action and approvals, if any, with respect to this Loan Agreement.
- (iv) Borrower's Incumbency Certificate. A written certificate by the Managing Member of Borrower as to the names and signatures of its members who are authorized to sign this Loan Agreement, the Note, the other Loan Documents and the other documents or certificates to be executed and delivered by it pursuant hereto.
- (v) IFC's Organizational Documents. A true and correct copy of (1) IFC's Articles of Incorporation and By-laws, including all amendments thereto, accompanied by a written certificate of the Secretary or Assistant Secretary of IFC as to the authenticity and completeness of such copies, and (2) Good Standing Certificate of IFC issued by the state of its formation.

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(vi) IFC's Resolution and Secretary's Certificate. A resolution, certified in writing by the Secretary of IFC evidencing (1) approval of the sale of Assets to Borrower and approval of this Loan Agreement and other matters contemplated hereby, the Servicing Agreement, and the Assignment of Servicing Agreement, and (2) each document evidencing other necessary action and approvals, if any, with respect to this Loan Agreement, the Servicing Agreement, and the Assignment of Servicing Agreement; and a certificate of IFC's Secretary or Assistant Secretary evidencing the names and signatures of its officers who are authorized to sign this Loan Agreement, the other Loan Documents and the other documents or certificates to be executed and delivered by it pursuant hereto.

(vii) Non-Consolidation Opinion. A favorable opinion of Shumaker, Loop & Kendrick, LLP, special counsel to Borrower and IFC, covering, without limitation, certain bankruptcy and insolvency matters.

(viii) A true and correct copy of the Sale Agreement duly executed by the parties thereto.

(ix) Warranties and Representations at Closing. The warranties and representations contained in Section 5 as well as any other Section of this Loan Agreement shall be true and correct in all respects on the closing date with the same effect as though made on and as of that date. Borrower shall not have taken any action or permitted any condition to exist which would have been prohibited by any Section hereof.

(b) Closing. Unless otherwise agreed by Borrower and Lender, it is expected that the negotiation of the Loan Documents and the closing of the Loan will take place by telephone and exchange of documents through mail or other services, but the closing will be deemed to take place in Horsham, Pennsylvania. The closing will occur upon the satisfaction of the conditions precedent set forth in Section 2.4(a) above.

(c) Conditions for Advances. The obligation of Lender to make the first and each subsequent requested advance under the Credit Facility is subject to the satisfaction by Borrower of the following conditions precedent on or before the Borrowing Date pertaining to such requested advance, each in form and substance satisfactory to Lender, in its sole and absolute discretion:

- (i) Loan Documents. All of the Loan Documents, including the Note evidencing the requested Loan, shall have been fully executed on behalf of the applicable parties and delivered to Lender in form and substance acceptable to Lender in its sole and absolute discretion.
- (ii) Financing Statements. Lender shall have received evidence of the filing of UCC-1 financing statements with the Secretary of State of the state of Borrower's organization with respect to the Collateral, naming Borrower as debtor and Lender as secured party with respect to the Collateral.
- (iii) No Default. No Event of Default (and no condition, event or act which, with the giving of notice or passage of time, or both, would constitute an Event of Default) shall exist on the Borrowing Date.
- (iv) Representations and Warranties. All representations and warranties of Borrower and Servicer contained herein shall be true and correct in all material respects on the Borrowing Date, with the same force and effect as though such representations and warranties had been made at such time except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties will be true and correct in all material respects as of such earlier date or, in the case of financial statements, shall refer to the financial statements last delivered to Lender.
- (v) Compliance with Agreements. Borrower shall have otherwise complied with all of the terms and conditions of the Loan Documents, including, without limitation, the provisions of Sections 2.4(a) hereof, which are required to be performed or complied with by Borrower before or at the closing date.
- (vi) Delivery of Account Documents. Borrower shall have delivered to Lender, or Lender's agent, (a) a written request for the advance in form and in substance acceptable to Lender; together with (b) a description of the Assets to be purchased with the proceeds of such advance, which shall include, with respect to the specific Assets supporting such loan request, the name and address of each lessee, a description of the leased property, the net cost of the leased property, the net remaining rental payments due under the lease(s), and the terms of and rentals owed under each lease, the account number assigned to the lease by Borrower, and such other information which Lender shall reasonably request; (c) an Assignment Agreement signed by Borrower assigning and/or confirming the prior assignment of, Borrower's right, title and interest in and to the Assets to Lender, in the form attached hereto as Exhibit "B"; and (d) subject to the Custodial Agreement, the original copies of all Account Documents evidencing, constituting and/or relating to the Assets supporting such loan request that are Chattel Paper or Instruments, and will immediately deliver upon its receipt (or right to receive) any additional Account Documents that are Chattel Paper or Instruments as may be reasonably requested by Lender; provided, however, that any such Instruments must be delivered to Lender or Lender's agent within the time necessary for Lender to obtain a first priority perfected purchase money security interest therein, to the extent that Lender would be entitled to a purchase money security interest therein. For all Assets subject to a Certificate of Title or similar title documents, Borrower will deliver all original title documents to Lender on the date of purchase of the Assets or as soon as possible thereafter but in no event later than five (5) days following such date of purchase. To

the extent that Servicer holds any such Chattel Paper, Instruments, or Certificates of Title, Servicer shall hold them in a custodial capacity as bailee for Lender.

Section 2.5 Funding; Review of Account Documents; Re-Assignment.

(a) Funding. Lender shall make proceeds of each requested advance in the amount equal to the Amount of Funding available to Borrower within five (5) calendar days after receipt of the borrowing request, together with the description of the Assets to be purchased with the proceeds of such requested advance and the Account Documents, all in accordance with the terms of Section 2.4(c)(viii) by making a wire transfer in the amount equal to the Amount of Funding for such Assets to an account(s) specified by Borrower. As used herein, the "Amount of Funding," with respect to each advance, will be determined by discounting the aggregate amount of the Specified Payments for the Assets to be acquired with the proceeds of such advance to their net present value utilizing a discount rate agreed to by the parties (the "Discount Rate"). The amount of the Initial Purchase Price and related Discount Rate will be set forth in a closing letter (each, a "Closing Letter") to be executed by the parties prior to the applicable Borrowing Date. The amount of the Amount of Funding with respect to each advance assumes that the unpaid balance information contained in the schedule of Assets set forth on the applicable Assignment Agreement is true and correct as of the applicable Borrowing Date, and if such unpaid balance information proves to be inaccurate or incorrect, the Amount of Funding shall be adjusted accordingly, and Lender or Borrower, as the case may be, shall upon demand setting forth the required adjustments (utilizing the same method of calculation of the Amount of funding set forth in this subsection 2.5(a) and the same Discount Rate set forth in the applicable Closing Letter) immediately pay the other the amount of the adjustments.

(b) Review of Account Documents; Reassignment. Notwithstanding the generality of subsection 2.5(a) above, Borrower agrees that, following delivery of Account Documents supporting each requested advance, Lender shall have thirty (30) days to review said Account Documents and determine, in its sole and absolute discretion, whether the Assets meet the criteria for Eligible Assets, as set forth in Article VII below. In the event any Asset (or the Account Documents pertaining to any Asset) are not acceptable to Borrower in its sole and absolute discretion, Lender shall have the right to re-assign such Asset to Borrower and Borrower shall within five (5) calendar days refund the portion of the Amount of Funding in the amount of the Specified Payments for such re-assigned Asset discounted to their net present value at the Discount Rate to Lender in immediately available funds.

Section 2.6 Interest on Loans. Borrower hereby agrees to pay interest ("Fixed Interest") on the unpaid principal balance of the Loans for the period commencing on the relevant Borrowing Date for each Loan and continuing thereafter until the Loan is paid in full, in accordance with the following:

(a) Prior to the occurrence of an Event of Default, the outstanding principal balances of the Loans shall bear Fixed Interest in arrears at an annual rate at all times equal to the following Note Rates:

(i) With respect to the first advance under the Credit Facility, at the fixed rate of 7.35% per annum;

(ii) With respect to the second and third advance under the Credit Facility, provided such advances are made on or before December 31, 2007, at the fixed rate of 7.50% per annum; and

(iii) The applicable annual rate with respect to any advance made under the Credit Facility after December 31, 2007 shall be negotiated and agreed upon in writing by Borrower and Lender after the closing of this Loan Agreement.

(b) Fixed Interest shall be payable monthly on each Distribution Date with respect to the prior calendar month; provided, however, that if Gross Receipts from the Assets are insufficient to pay the accrued Fixed Interest, such accrued but unpaid Fixed Interest shall be added to the principal amount of the Notes, effective as of the last day of the prior month.

(c) From and after the occurrence of an Event of Default and continuing thereafter until such Event of Default shall be remedied to the written satisfaction of Lender, the outstanding principal balance of the Loan shall bear interest at an annual rate equal to the Default Rate.

Section 2.7 Computation of Interest. Fixed Interest accruing on the Loans shall be computed on the basis of the actual number of days elapsed in a year of three hundred sixty (360) days.

Section 2.8 Savings Provision. All agreements between Borrower and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance, loaning or detention of the indebtedness evidenced hereby exceed the maximum permissible amount under applicable law. If from any circumstances whatsoever, fulfillment of any provisions hereof or of any other Loan Document at any time given shall exceed the maximum permissible amount under applicable law, then the obligation to be fulfilled shall automatically be reduced to an amount which complies with applicable law, and if from any circumstances Lender should ever receive as interest an amount which would exceed the highest lawful rate of interest, such amount which would be in excess of such lawful rate of interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower and Lender and shall also be binding upon and available to any subsequent holder of the Notes.

### ARTICLE III LOAN REPAYMENT

Section 3.1 Payment of Principal and Interest on Loan. Interest accruing on the Loans shall be payable in arrears on the next occurring Distribution Date. All accrued interest and unpaid principal of the Loans shall be finally due and payable on the Maturity Date.

Section 3.2 Administration of Collateral and Gross Receipts.

(a) Payment and Receipt Processing. Subject to the provisions of Section 9.21(c), Borrower shall instruct Obligors to submit all payments (including Tax Payments) directly into the Control Account. Any and all other Gross Receipts obtained by Borrower or Servicer from parties other than Obligors (e.g., sale or repurchase proceeds, etc.) shall be deposited directly into the Control Account upon receipt.

(b) Remittance Report. At least three (3) Business Days prior to each Distribution Date, Servicer shall provide Lender with a Remittance Report together with applicable bank reconciliations and other supporting materials sufficient to allow Lender to confirm that such Remittance Report is correct. Upon receipt of the Remittance Report and receipt of confirmation by Lender that the amounts are correct, Lender will direct the Bank to disburse funds in accordance with the (approved) Remittance Report using amounts then residing in the Control Account.

Section 3.3 Distribution of Gross Receipts. All amounts deposited into the Control Account other than Tax Payments, together with any interest earned thereon (the "**Disbursement Amount**") shall be distributed by the Bank (and Borrower shall instruct the Bank to so distribute) on each Distribution Date in accordance with Lender's instructions, in the following order of priority:

- (a) first, to the Bank, any fees due for its services; then
- (b) second, to Servicer, an amount equal to all Servicing Fees, together with any amounts of Servicing Fees due for prior months that have not yet been paid to Servicer; then
- (c) third, to Lender, an amount equal to all accrued and unpaid interest on the related Loan; then
- (d) fourth, to Lender, the unpaid principal balance of the related Loan.

Section 3.4 Non-recourse Loan. The personal liability of Borrower or any member of Borrower to pay the principal of and interest on the debt evidenced by the Notes and any other agreement evidencing Borrower's obligations under the Notes shall be limited to (a) any Gross Receipts received by Borrower or Servicer and (b) the Assets and the other Collateral. Lender shall not seek any judgment for a deficiency against any of Borrower's members, Affiliates, or any of their respective heirs, legal representatives, successors or assigns, in any action to enforce any right or remedy under the Loan Documents, or (b) any judgment. Notwithstanding the generality of the foregoing, Lender may commence legal action on the Notes and other Loan Documents, including, without limitation, by confessing judgment against Borrower in accordance with Section 10.3 below, as may be necessary to enforce the lien against the Collateral and/or to exercise any remedies or any other agreement pursuant to which Borrower or an Affiliate has pledged property as security for the Notes.

Section 3.5 Tax Payments. Tax Payments in the Control Account shall be disbursed solely for the purpose of paying amounts required to be paid by Borrower under Section 7.3 on a timely basis.

#### ARTICLE IV COLLATERAL

Section 4.1 Borrower to Pledge Collateral. To induce Lender to establish the Credit Facility and as security for the payment in full by Borrower of all amounts due hereunder and under the Notes, Borrower agrees as follows:

- (a) Security Agreement. Borrower shall execute and deliver to Lender a Security Agreement pursuant to which Borrower shall assign to and grant Lender a security interest in the Collateral and shall keep such security interest continually perfected thereafter. Such Collateral shall secure all liabilities, obligations and indebtedness of Borrower to Lender howsoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred, including all obligations of Borrower under the Loan Documents or any other agreements entered into between Borrower and Lender. Notwithstanding the generality of the foregoing or any provision to the contrary set forth in said Security Agreement, the parties hereto agree that the Assets purchased with the proceeds of the Loans hereunder shall not be cross-collateralized with respect to payments due from Obligors thereunder, meaning that the Collateral securing, arising out of and pertaining to one Asset financed hereunder does not constitute collateral for or secure payment obligations of Obligors under any other Asset financed hereunder.

(b) Perfection of Lender's Security Interest. Borrower shall take, and shall cause Servicer to take, all steps necessary to perfect Lender's security interest in the Assets and other Collateral, as may be requested by Lender in its sole and absolute discretion, including, without limitation, (i) appropriate notations of Lender's interest on the files constituting the Assets and/or on the computer records with respect to the Assets, (ii) physical delivery of Assets and Account Documents with respect to the Assets that are Chattel Paper or Instruments to Lender or its designated agent as Lender may from time to time reasonably direct, and/or (iii) authorizing Lender to file financing statements and amendments to financing statements without Borrower's signature, in accordance with the, in any filing office as Lender, in its sole discretion may determine. Borrower agrees to execute, acknowledge and deliver all such further and additional instruments and documents and to take such other actions as may be necessary or as Lender or its counsel may reasonably request from time to time in order to preserve, perfect and maintain Lender's rights hereunder and under the Security Agreement, including, taking all acts requested by Lender in order to terminate any and all liens on the Assets (or any of them), which may have been pledged, granted or suffered by Borrower and/or IFC at any time before or after the closing of this Loan Agreement, including, without limitation, causing all secured parties holding a lien on and security interest in any of the Assets to deliver such Assets and the original Account Documents pertaining thereto to Lender and to file UCC-3 Financing Statements with respect to the underlying liens and security interests immediately upon the disbursement of the Amount of Funding for such Assets in accordance with the the provisions of Section 2.5 above. Without limiting the generality of the foregoing, in order for Lender to have a valid, duly perfected, first priority security interest in and lien on the Assets, together with all lease agreements, notes, stock powers, letters of credit, certificates and documents of title, chattel paper, warehouse receipts, instruments and other similar instruments that may constitute Collateral, Borrower, on the date hereof, IFC and Lender shall enter into and execute the Custodial Agreement, which shall be in the form and substance satisfactory to Lender. Lender represents and warrants that it is located in the Commonwealth of Pennsylvania and, accordingly, possession of the Collateral subject to the Custodial Agreement shall be deemed to be in the Commonwealth of Pennsylvania.

## ARTICLE V BORROWER'S REPRESENTATIONS AND WARRANTIES.

To induce Lender to make the Loan under this Loan Agreement, Borrower makes the following representations and warranties, each of which shall survive the execution and delivery of the Loan Documents and shall be deemed to be made as of each Borrowing Date and shall continue in full force and effect until payment in full by Borrower of all amounts payable hereunder or under the Loan Documents.

Section 5.1 Corporate Existence; Good Standing; Qualification. Borrower is, and will continue to be, a duly organized and validly existing limited liability company in good standing under the laws of the State of Illinois with all requisite power and authority to own and operate its property and assets and to conduct the businesses in which it is engaged or proposes to engage. Borrower is duly qualified and in good standing as a foreign business entity authorized to do business in each state or jurisdiction where such qualification is necessary or where lack of qualification would have a materially adverse affect on Lender's rights and remedies with respect to the Collateral.

Section 5.2 Power and Authority. Borrower has all requisite power and authority to execute, deliver, and carry out the terms and provisions of the Loan Documents and has duly and properly taken all necessary action to permit and authorize the execution, delivery and performance of the Loan Documents. The Loan Documents have been duly authorized, executed and delivered by Borrower, and each constitutes a legal, valid and binding obligation of Borrower, enforceable against it in accordance

with its respective terms subject to bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditor's rights generally and the effects, if any, of general principles of equity.

Section 5.3 Compliance with Law and Other Agreements. Borrower is not in violation of, or in default under, any terms of its organizational documents or any agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets are subject, or any judgment, decree, order, statute, rule or governmental regulation applicable to it, which violation or default would have a material adverse effect on Borrower or its ability to perform its duties under the Loan Documents. The execution, delivery, and performance by Borrower of the Loan Documents, the consummation of the transactions contemplated herein or therein and the compliance with the terms and provisions hereof or thereof will not contravene any material provision of law, statute, rule, or regulation to which Borrower is subject or any material judgment, decree, franchise, order, governmental regulation, or permit applicable to Borrower and will not violate, conflict with, or result in any breach of any of the terms, covenants, conditions, or provisions of, or constitute a default under, or result (except as contemplated by the Loan Documents) in the creation or imposition of any lien, mortgage, pledge or encumbrance upon any of the property or assets of Borrower pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which Borrower is a party or by which it or its properties are bound. Borrower holds all of the permits, licenses, certificates, consents and other authorizations of applicable governmental entities required by law to own the Assets.

Section 5.4 Litigation. There are no actions, suits, proceedings, or investigations pending, or, to the best of Borrower's knowledge, threatened against or affecting Borrower, its property or any of its Affiliates, nor is there any outstanding judgment, order, writ, injunction, decree or award affecting Borrower or its Affiliates before any court or before any federal, state, municipal or other governmental department, commission, board, bureau or agency, which, either separately or in the aggregate, could have a materially adverse effect on the business, assets, properties, prospects or financial condition of Borrower, or which in any manner might impair the Assets or other Collateral, and Borrower knows of no meritorious basis for any such suit, proceeding, or investigation.

Section 5.5 Ownership; Liens. Borrower has not contracted for, created, or incurred any Liens upon or granted any security interest in any of the Collateral, except the Liens created pursuant to the Security Agreement and the Permitted Liens.

Section 5.6 No Materially Adverse Contracts. Borrower is not obligated under any contract or agreement or under any law, regulation or decree, which materially and adversely affects its ability to perform its obligations under the Loan Documents, or which materially and adversely affects the value of the Collateral.

Section 5.7 Disclosure. The Loan Documents and the certificates, exhibits and schedules attached thereto or furnished to Lender by Borrower in connection with the closing of the Loan do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the best knowledge of Borrower, except as previously disclosed to Lender in writing, there is no fact or condition existing as of the date hereof which materially and adversely affects, or in the future may materially and adversely affect the condition (financial or otherwise) of Borrower or the Collateral.

Section 5.8 Government Approval. Except for the filing of financing statements, Borrower is not required to obtain any order, consent, approval or authorization of, or presently required to make any declaration or filing with any governmental authority in connection with, the execution, delivery or performance of the Loan Documents.

Section 5.9 Borrower's and Servicer's History. The experience and past results of Borrower, Servicer and their Affiliates, as represented to Lender by Borrower and Servicer prior to the date hereof, are true and correct in all material respects, and Borrower has not failed to disclose to Lender any material fact which is necessary to make such representations not misleading.

Section 5.10 Limited Authority over Control Account. Borrower has no authority to withdraw funds from the Control Account.

Section 5.11 No Omitted Material Facts. No representation or warranty in this Loan Agreement or in any schedule, statement or other document furnished or to be furnished to Lender pursuant hereto or in connection with the transactions contemplated hereby knowingly contains or will contain any untrue statement of a material fact or knowingly omits or will knowingly omit to state any material fact required to be stated herein or therein or necessary to make the statements herein or therein not misleading.

Section 5.12 Perfection. Borrower is the owner of all of the Assets free and clear of all adverse claims (other than any Permitted Liens) and upon the making of the initial Loan hereunder and at all times thereafter until the all amounts due under the Notes have been paid in full, all financing statements and other documents required to be recorded or filed in order to perfect and protect the interest of Lender in the Assets against all creditors of and purchasers from Borrower and IFC will have been duly filed in each filing office necessary for such purpose and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full.

Section 5.13. Tax Status. Borrower has (i) timely filed all tax returns (federal, state and local) required to be filed, and (ii) paid or made adequate provision for the payment of all taxes, assessments and other governmental charges, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP.

Section 5.14. Use of Proceeds. No proceeds of any investment or reinvestment will be used by Borrower (i) to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, (ii) to acquire any equity security of a class which is registered pursuant to Section 12 of such act or (iii) for any other purpose that violates applicable law, including Regulations T, U or X of the Federal Reserve Board.

Section 5.15 Principal Place of Business, Chief Executive Office, Location of Records. Borrower's principal place of business, chief executive office and the offices where it keeps all its records, are located at the address(es) described in Section 9.14 (i) or such other locations notified to the Lender in writing.

Section 5.16 Subsidiaries, Tradenames, Etc. As of closing: (i) Borrower has no subsidiaries and divisions; and (ii) Borrower has not, within the last five (5) years, operated under any tradenames, and, within the last five (5) years, has not changed its name, merged with or into or consolidated with any other Person or been the subject of any proceeding under the Bankruptcy Code.

Section 5.17 Good Title. Upon the closing of each Loan hereunder, Lender shall acquire a valid and enforceable perfected first priority security interest in the Collateral pledged to Lender on the date of such Loan, with respect thereto, free and clear of any adverse claim, other than Permitted Liens.

Section 5.18 Not an Investment Company or Holding Company. Borrower is not, and is not controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, or



is exempt from all provisions of such act. Borrower is not a "holding company," or a subsidiary or affiliate of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935.

Section 5.19 Control Accounts. The name and addresses of the Bank, together with the account number of the Control Account at the Bank (or at such other Blocked Account Bank and/or with such other Control Account as have been notified to Lender, for which a Blocked Account Agreement has been executed and delivered to the Servicer) are set forth on Schedule 5.19 hereto. The Control Account is subject to a Blocked Account Agreement. All Obligors related to Assets have been instructed to make payment to the Control Account and only Gross Receipts shall be deposited into the Control Account.

Section 5.20 Bulk Sales. No transaction contemplated hereby requires compliance with any bulk sales act or similar law.

Section 5.21 Preference; Voidability. Borrower shall have given reasonably equivalent value to IFC in consideration for the transfer to it of the Assets from IFC, and each transfer from IFC to Borrower shall not have been made for or on account of an antecedent debt owed by IFC to Borrower and is not voidable under any section of the Bankruptcy Code.

Section 5.22 Nonconsolidation. Borrower is operated in such a manner that the separate existence of Borrower, on the one hand, and IFC or any Affiliate thereof, on the other, would not be disregarded in the event of the bankruptcy or insolvency of IFC or any Affiliate thereof and, without limiting the generality of the foregoing:

(i) Borrower is a limited purpose limited liability company whose activities are restricted in its limited liability company agreement to activities related to purchasing or otherwise acquiring leases and lease receivables and related assets and rights and conducting any related or incidental business or activities it deems necessary or appropriate to carry out its primary purpose, including entering into agreements like the Loan Documents;

(ii) Borrower has not engaged, and does not presently engage, in any activity other than those activities expressly permitted hereunder and under the Loan Documents, nor has Borrower entered into any agreement other than this Loan Agreement, the other Loan Documents to which it is a party, and with the prior written consent of Lender, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(iii) (A) Borrower maintains its own deposit account or accounts, separate from those of any of its Affiliates, with commercial banking institutions, (B) the funds of Borrower are not and have not been diverted to any other Person or for other than the corporate use of Borrower and (C), except as may be expressly permitted by this Loan Agreement, the funds of Borrower are not and have not been commingled with those of any of its Affiliates;

(iv) to the extent that Borrower contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing are fairly allocated to or among Borrower and such entities for whose benefit the goods and services are provided, and Borrower and each such entity bears its fair share of such costs; and all material transactions between Borrower and any of its Affiliates shall be only on an arm's-length basis;

(v) Borrower conducts its affairs strictly in accordance with its certificate of formation and limited liability company agreement and observes all necessary, appropriate and customary formalities, including (A) holding all regular and special member and/or manager meetings appropriate to authorize

all limited liability company action, (B) keeping separate and accurate minutes of such meetings, (C) passing all resolutions or consents necessary to authorize actions taken or to be taken, and (D) maintaining accurate and separate books, records and accounts, including intercompany transaction accounts;

(vi) all decisions with respect to its business and daily operations are independently made by Borrower (although the officer making any particular decision may also be an employee, officer or director of an Affiliate of Borrower) and are not dictated by any Affiliate of Borrower (it being understood that the Servicer, which is an Affiliate of Borrower, will undertake and perform all of the operations, functions and obligations of it set forth herein and it may appoint Subservicers, which may be Affiliates of Borrower, to perform certain of such operations, functions and obligations);

(vii) Borrower acts solely in its own limited liability company name and through its own authorized officers and agents, and no Affiliate of Borrower shall be appointed to act as its agent, except as expressly contemplated by this Loan Agreement;

(viii) no Affiliate of Borrower advances funds to Borrower, other than as is otherwise provided herein or in the other Loan Documents, and no Affiliate of Borrower otherwise supplies funds to, or guaranties debts of, Borrower other than pursuant to this Loan Agreement and the other Loan Documents; PROVIDED, HOWEVER, that an Affiliate of Borrower may provide funds to Borrower in connection with the capitalization of Borrower;

(ix) other than organizational expenses and as expressly provided herein, Borrower pays all expenses, indebtedness and other obligations incurred by it;

(x) Borrower does not guarantee, and is not otherwise liable, with respect to any obligation of any of its Affiliates;

(xi) any financial reports required of Borrower comply with generally accepted accounting principles and are issued separately from, but may be consolidated with, any reports prepared for any of its Affiliates;

(xii) at all times Borrower is adequately capitalized to engage in the transactions contemplated in its Operating Agreement;

(xiii) the financial statements and books and records of Borrower and IFC reflect the separate existence of Borrower;

(xiv) Borrower does not act as agent for IFC or any Affiliate thereof, but instead presents itself to the public as a limited liability company separate from each such member and independently engaged in the business of purchasing and financing leases and lease receivables;

(xv) Borrower maintains a three-person board of managers, including at least one independent manager, who has never been, and shall at no time be a stockholder, director, officer, employee or associate, or any relative of the foregoing, of IFC or any Affiliate thereof (other than Borrower and any other bankruptcy-remote special purpose entity formed for the sole purpose of securitizing, or facilitating the securitization of, financial assets of IFC or any Affiliate thereof), all as provided in its Operating Agreement, and is otherwise reasonably acceptable to Lender; and

(xvi) the Operating Agreement of Borrower requires the affirmative vote of the independent manager before a voluntary petition under Section 301 of the Bankruptcy Code may be filed by Borrower

and/or to approve any decision to liquidate or dissolve Borrower, to sell all or substantially all of Borrower's assets, or to approve a merger of Borrower with or into any other person, and Borrower shall maintain correct and complete books and records of account and minutes of the meetings and other proceedings of its members and board of managers.

Section 5.23 Representations and Warranties with Respect to Assets. Borrower represents that all Assets purchased with the proceeds of Loans hereunder meet the eligibility criteria set forth in Article VII hereof.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF IFC

Section 6.1 Corporate Existence; Good Standing; Qualification. IFC is, and will continue to be, a duly organized and validly existing corporation in good standing under the laws of the State of Illinois with all requisite power and authority to own and operate its property and assets and to conduct the businesses in which it is engaged or proposes to engage. IFC is duly qualified and in good standing as a foreign business entity authorized to do business in each state or jurisdiction where such qualification is necessary or where lack of qualification would have a materially adverse affect on Lender's rights and remedies with respect to the Collateral.

Section 6.2 Power and Authority. IFC has all requisite power and authority to execute, deliver, and carry out the terms and provisions of the Loan Documents, which IFC is a party to, and has duly and properly taken all necessary action to permit and authorize the execution, delivery and performance of the Loan Documents, which IFC is a party to. The Loan Documents have been duly authorized, executed and delivered by IFC, and each constitutes a legal, valid and binding obligation of IFC, enforceable against it in accordance with its respective terms subject to bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditor's rights generally and the effects, if any, of general principles of equity.

Section 6.3 Compliance with Law and Other Agreements. IFC is not in violation of, or in default under, any terms of its organizational documents or any agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets are subject, or any judgment, decree, order, statute, rule or governmental regulation applicable to it, which violation or default would have a material adverse effect on IFC or its ability to perform its duties under the Loan Documents. The execution, delivery, and performance by IFC of the Loan Documents, the consummation of the transactions contemplated herein or therein and the compliance with the terms and provisions hereof or thereof will not contravene any material provision of law, statute, rule, or regulation to which IFC is subject or any material judgment, decree, franchise, order, governmental regulation, or permit applicable to IFC and will not violate, conflict with, or result in any breach of any of the terms, covenants, conditions, or provisions of, or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which IFC is a party or by which it or its properties are bound. IFC holds all of the permits, licenses, certificates, consents and other authorizations of applicable governmental entities required by law to service the Assets.

Section 6.4 Sale of Assets. Prior to or upon the closing of each Loan hereunder, IFC shall have sold, transferred and assigned all of its title to, right and interest in the Assets (including, without limitation, the Non-Guaranteed Residuals) purchased with the proceeds of such Loan to Borrower, free and clear of any interest and/or adverse claim.

Section 6.5 Litigation. Except as set forth on Schedule 6.5 hereto, there are no actions, suits, proceedings, or investigations pending, or, to the best of IFC's knowledge, threatened against or affecting IFC, or its property, in which the amount of damages claimed is greater than \$50,000.00, nor is there any outstanding judgment, order, writ, injunction, decree or award affecting IFC before any court or before any federal, state, municipal or other governmental department, commission, board, bureau or agency, which, either separately or in the aggregate, could have a materially adverse effect on the business, assets, properties, prospects or financial condition of IFC, or which in any manner might impair the Assets or other Collateral, and IFC knows of no meritorious basis for any such suit, proceeding, or investigation.

## ARTICLE VII

### ELIGIBILITY

Each Asset purchased with the proceeds of a Loan hereunder shall meet each and every of the following criteria:

(i) On the date of each Borrowing Date, Borrower shall own the Assets purchased with the proceeds of the applicable Loan free and clear of all mortgages, liens, pledges, security interests or other encumbrances of any kind (collectively, "Liens"), except for Liens in favor of Lender hereunder, and shall have the absolute and full right to transfer, pledge, granted security interests in and assign its right, title and interest in such Assets to Lender, and none of the applicable Account Documents contains a prohibition against such sale, assignment, pledge and/or grant of security interests;

(ii) Each Asset and Account Document is genuine (whether existing as an original or a faxed copy) and represents a valid obligation of each lessee, borrower, guarantor, pledgor and/or each other party named therein or which is obligated to make payments on any Asset or Account Document (each, an "Obligor") pertaining to such Asset, and each such Account Document is enforceable against each Obligor in accordance with the terms thereof, subject to the Bankruptcy Exception;

(iii) Each Account Document contains an unconditional obligation of each Obligor to pay all amounts set forth therein, and is free from dispute, set off, defense, counterclaim or recoupment of any kind, and is non-cancelable for the duration of its term;

(iv) Borrower has delivered or will deliver to Lender the sole and exclusive original or original counterpart (or a certified copy thereof and an original copy of the applicable schedule in the case of a master lease or master loan agreement) of each Account Document; In the event that Borrower received delivery of the signature on an Account Document via facsimile and Borrower's only "authoritative" copy of such Transaction Document (as defined in Section 9-105 of the Uniform Commercial Code) is such facsimile version, such original faxed copy of the Account Document shall be delivered to Lender and deemed to be the original for all purposes so long as any other copies of such Account Document are marked as not being the authoritative copy;

(v) The terms and conditions contained in the Account Documents correctly reflect the entire agreement between the parties thereto and there are no other written agreements or representations, or any oral agreements by Borrower, in connection therewith;

(vi) As of the applicable Borrowing Date, except in cases where there is a deposit or program fee that is greater than one (1) monthly payment, each Obligor who has a payment owing has made at least one (1) timely monthly payment, exclusive of advance payments; no Asset is delinquent for more than thirty (30) days in the payment of any amount due thereunder; no "Event of Bankruptcy" (as defined below) has occurred with respect to any Obligor, and no other default exists

under any Account Document; nor has any Obligor thereunder failed generally to, or admitted in writing its inability to, pay its debts as they become due. For purposes of this Agreement, an “Event of Bankruptcy” means the occurrence of either of the following events: (A) a court of competent jurisdiction shall enter a decree or order for relief in respect of such person in any involuntary case under applicable bankruptcy and solvency or similar laws now or hereafter in effect, or appoint a receiver, liquidator, custodian, trustee, sequestrator or other similar official of such person to offer any substantial part of its property or order the winding up or liquidation of its affairs, or (B) such person shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in any proceeding under any such law, including, without limitation, the Bankruptcy Code, or shall consent to the appointment of, or taking possession by a receiver, liquidator, trustee, custodian, sequestrator or other similar official of such person of, any substantial part of its property, or shall make any fraudulent conveyance, general assignment for the benefit of creditors, or take any action in furtherance of any of the foregoing;

(vii) Except as set forth in the applicable Assignment, as of the applicable Borrower Date, Borrower has not, directly or indirectly, in any way extended or otherwise restructured the payment terms or any other term or condition of any Account Document or made any extension or other accommodation to any Obligor for purposes of changing or beneficially affecting the delinquency status of any Asset;

(viii) The applicable Assignment correctly reflects, as of the applicable Borrowing Date, for each Account, the name of each Obligor, the periodic installments of rent, the number of periodic installments remaining to be paid on such Assets and the total amount of payments payable with respect to each Asset;

(ix) Except as set forth in the applicable Assignment, as of the applicable Borrowing Date, no rental, installment or other amount due on a Asset has been prepaid;

(x) To the best of Borrower’s knowledge, each Account Document complied and continues to comply with all applicable state, federal, local and other laws, rules, regulations and requirements in effect from its initial date of execution through the applicable Borrowing Date, with respect to the creation of such obligations, the billing or collection of discounts, fees or similar charges, the amount of interest or other charges which may be collected and the disclosure of discounts, fees, interest or other charges;

(xi) Each Account Document is in full force and effect, and, to the best of Borrower’s knowledge, there are no claims, suits, actions, arbitrations or other proceedings or governmental investigations, including, without limitation, any counterclaims or claims by any Obligor, pending, or, to the best of Borrower’s knowledge, threatened, against Borrower relating to any Account or the acquisition, collection or administration of any Asset. Borrower has not received any notice of, nor, to the best of Borrower’s knowledge, is there any valid basis for any claim against, or assertion of liability against, Borrower relating to any Asset, or the acquisition, collection or administration thereof. Borrower has not been the subject of any proceeding, nor, to the best of Borrower’s knowledge, has there been any investigation by or before any regulatory authority in connection with Borrower’s business practices with respect to any Asset, or the acquisition, collection or administration thereof;

(xii) Any down payment or advance rental that may be required with respect to any Asset has been fully paid in cash and no part thereof has been loaned, directly or indirectly, by Borrower, and all amounts payable to any broker, vendor or supplier have been paid in full;

(xiii) All Collateral leased or sold to the Obligors has been delivered to, and unconditionally accepted by, the Obligors and all vendors have been paid on account of or with respect to said Collateral;

(xiv) Except in regard to \$1.00-Out Leases with an original equipment cost less than \$25,000 and FMV Leases with an original equipment cost less than \$50,000, Borrower either owns or has a valid, first priority purchase money security interest in the Collateral and any insurance thereon, free and clear of any superior lien, security interest or other encumbrance (collectively, a "Lien"), and, except as set forth in the applicable Assignment, Borrower has not previously assigned, sold or hypothecated any interest that it may have in or under any Asset, any Collateral or any insurance thereon;

(xv) The Equipment relating to each Asset is properly insured as required by the terms of the Account Documents, either by insurance obtained by the Obligor or through a policy of insurance maintained by Borrower, in each case naming Borrower and its assigns as loss payee and additional insured; If an Obligor does not maintain such insurance coverage, Borrower has obtained such insurance coverage with respect to the Equipment relating to the Asset of each such Obligor through either ALI, Premier or another insurer mutually acceptable to Borrower and Lender. If charges are added to the monthly payments due from an Obligor due to its failure to maintain insurance coverage, Borrower shall be entitled to retain, for its own account, such any such additional charges paid by an Obligor so long as Borrower continues to maintain the insurance coverage on such Equipment.

(xvi) As of the applicable Borrowing Date, all outstanding taxes, fees, charges or assessments levied or assessed against each Asset being pledged and assigned pursuant to an applicable Assignment or the Equipment that is the subject of such Asset at any time prior to the applicable Borrowing Date have been fully paid by Borrower or by the Obligor, as the case may be, except to the extent that such taxes, fees, charges or assessments are being contested in good faith and by appropriate and lawful proceedings diligently contested and for which adequate reserves or other appropriate provisions shall have been made;

(xvii) There are no oral or written agreements of any kind between Borrower and any other person, company or entity (including, without limitation, brokers, vendors, Obligors and governmental bodies) which will or may materially and adversely affect Lender's interests in or to any of the Assets, Account Documents, the Collateral or any insurance thereon;

(xviii) Except to the extent required by "private label" leasing arrangements, Borrower has not conducted business under any trade name, fictitious name or any other legal name except for Bluedot Funding, Pioneer Capital Corporation of Texas, FIRSTCORP, First Portland Corporation, and Spectrum Medical Leasing;

(xix) No Obligor has an agreed upon (orally or in writing) right under any Account Document or any other agreement to buy out or terminate a Asset prior to the completion of its original term unless such right is expressly set forth in the Account Documents delivered to Lender;

(xx) Borrower has not received actual written notice from any Obligor of a bulk sale (or pending bulk sale) of such Obligor's assets, or notice of any Obligor's attempt to assign its rights under its Account Documents or sublease the Equipment;

(xxi) Borrower has no ongoing maintenance or service obligations with respect to any of the Collateral;

(xxii) Borrower has made no warranties to Obligor under the Assets; and

(xxiii) Each Asset in which the applicable Equipment is a motor vehicle is in the form of an equipment finance agreement, or a "lease intended as security" and not a "true" lease; the security interest of Borrower is noted on the vehicle title or an application therefor has been filed and copies thereof delivered to Borrower.

#### ARTICLE VIII SERVICING; DISPOSITION OF ASSETS

Section 8.1 Servicer. Borrower shall initially designate IFC as Servicer to collect and service the Assets and at all times that Borrower owes Lender any amounts under the Loan Documents. The terms under which Servicer shall manage and service the Assets shall be set forth in the Servicing Agreement. Servicer shall be entitled to receive Servicing Fees on a monthly basis in the amounts set forth in the Servicing Agreement. Servicer shall not delegate any of its rights or obligations under this Loan Agreement or the Servicing Agreement to any other Person (including any Subservicer) except upon terms and conditions that have been approved by Lender in Lender's sole and absolute discretion.

Section 8.2 Replacement Servicer. If IFC is terminated as Servicer pursuant to Section 8.4 below, any replacement Servicer and the terms of any new servicing agreement, including, without limitation, the amount of any Servicing Fees, must first be approved in writing by Lender, in its sole and absolute discretion.

Section 8.3 Termination of Servicer. Borrower agrees that Lender may, at its option, terminate Servicer as provided in the Servicing Agreement and in Section 10.2(b) below.

Section 8.4 Subservicing; Delegation by Servicer. Borrower agrees that the terms and conditions of any subservicing agreement or other assignment or delegation of all or part of Servicer's responsibilities under the Servicing Agreement to any Subservicer, including any amendment to any such agreement or change in the terms of any such assignment of delegation, must be approved in writing in advance by Lender. Lender's approval with respect to such subservicing, assignment or delegation may be given or withheld by Lender in its sole and absolute discretion.

#### ARTICLE IX OTHER COVENANTS AND AGREEMENTS OF BORROWER

Borrower agrees with Lender that it shall fulfill and comply with the covenants and agreements set forth in this Article VII from the date hereof until payment in full of each Note and of all other amounts due under the Loan Documents.

Section 9.1 Business and Existence. Borrower shall perform all things necessary to preserve and keep in full force and affect its existence and use its best efforts to comply with all laws applicable to it. Borrower shall not engage in any line of business other than the purchasing and collection of Assets acquired pursuant to the terms of this Loan Agreement.

Section 9.2 Payment of Obligations and Expenses. Borrower shall pay and discharge all of its indebtedness, obligations and expenses promptly in accordance with normal terms and practices of its business, before the same shall become delinquent, as well as all lawful claims for labor, materials and supplies which otherwise, if unpaid, might become a lien or charge upon its properties or assets or any part thereof. Borrower shall not be required to pay any obligation so long as Borrower shall contest, in

good faith and at its own cost and expense, the amount or the validity thereof in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the obligations so contested, provided that no such contest shall subject Lender to the risk of any liability. Borrower shall give Lender prompt written notice of any such contest.

Section 9.3 Payment of Taxes and Assessments. Borrower shall pay when due all taxes, assessments and other governmental charges or levies which become due and payable by Borrower to any political entity, subdivision or department thereof under any law now or hereafter in force or effect; provided, however, that Borrower shall not be required to pay any tax, charge or assessment so long as Borrower shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or the validity thereof in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, levy or charge, so contested, provided that no such contest shall subject Lender to the risk of any liability. Borrower shall give Lender prompt written notice of any such contest.

Section 9.4 Notice of Event of Default. At the time of Borrower's first knowledge of an Event of Default or any condition which, with the passage of time could become an Event of Default, Borrower shall furnish Lender with written notice of the occurrence of any such event or the existence of any such condition which constitutes or upon written notice or lapse of time could constitute an Event of Default.

Section 9.5 Other Information. Borrower shall furnish such other information regarding the operations, business affairs and financial condition of Borrower or its property or assets (including but not limited to the Assets and the other Collateral) as Lender may reasonably request for the purpose of determining compliance with the Loan Documents including but not limited to true and exact copies of Borrower's books of account and tax returns, and all information furnished to any governmental authority.

Section 9.6 Liens; Other Debt. Borrower shall not contract, create, incur or permit any Liens upon or grant any security interest in any of the Collateral, whether now owned or hereafter acquired, except for the Liens created pursuant to the Security Agreement or any Permitted Lien. Borrower shall not incur any debt, secured or unsecured, direct or contingent (including the guarantee of any obligation), other than the Loan.

Section 9.7 Consolidation, Merger, Sale of Collateral. Borrower shall not (i) wind up, liquidate, or dissolve its affairs, (ii) enter into any transaction of merger or consolidation, (iii) convey, sell, lease or otherwise dispose of any of the Assets, any other Collateral, or any part thereof, except pursuant to a sale or other disposition approved by the Independent Manager of Borrower and consented to in writing by Lender in the exercise of its sole and absolute discretion.

Section 9.8 Other Agreements. Borrower shall not enter into any agreement containing any provision that would be violated or breached by the performance of Borrower's obligations hereunder, under the Security Agreement or under any other Loan Document.

Section 9.9 Use of Loan Proceeds. Borrower shall use the proceeds of the Loans only to pay for the acquisition of the Assets (less the Non-Guaranteed Residuals) and for no other purpose.

Section 9.10 Notification of Legal Process. Borrower shall promptly notify Lender of any attachment or other legal process levied against any of the Assets or other Collateral and any information received by Borrower relative to the Collateral that might materially and adversely affect the value thereof or the rights and remedies of Lender with respect thereto.



Section 9.11 Obligor Communication. Borrower and Servicer shall provide Lender with copies of all information received from Obligors and written communications to Obligors.

Section 9.12 Single Purpose Entity.

- (a) Borrower shall not own any asset other than cash and the Assets;
  - (b) Borrower shall not engage in any business other than the ownership, management and collection of the Assets;
  - (c) Borrower shall not enter into any contract or agreement with any partner, principal or Affiliate of Borrower or any Affiliate of any partner of Borrower except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an Affiliate. Notwithstanding the generality of the foregoing, the parties agree that Borrower may from time to time, only after receipt of all Specified Payments due to Lender with respect to an Asset hereunder, make discretionary distributions to IFC of any excess amounts received on such Asset, including but not limited to amounts received in connection with Non-Guaranteed Residuals.;
  - (d) Borrower shall not make any loans or advances to any third party (including any Affiliate), except pursuant to the Servicing Agreement and related subservicing agreements;
  - (e) Borrower shall do all things necessary to preserve its existence, and will not amend, modify or otherwise change its articles of incorporation or by-laws in a manner which adversely affects Borrower's existence as a single purpose entity or permit the holder of any equity interest in Borrower to make any such amendment, modification or change;
  - (f) Borrower shall not seek the dissolution or winding up, in whole or in part, of Borrower;
  - (g) Borrower shall not enter into any transaction of merger or consolidation, or acquire by purchase or otherwise, all or substantially all of the business assets of, or any stock or beneficial ownership of, any entity;
  - (h) Borrower will conduct and operate its business as presently conducted and operated;
- and

Section 9.13 Location for Payment. Borrower shall not change the location or address for remittance of amounts due by Obligors without the prior written consent of Lender, which consent may be given or withheld in the sole and absolute discretion of Lender.

Section 9.14 Notice of Litigation. Borrower shall promptly notify Lender of any threatened or actual litigation involving any Asset or other Collateral or Borrower in which the amount of damages claimed is greater than \$10,000.

Section 9.15 Borrower's Indemnity. Borrower agrees to indemnify, defend and hold Lender harmless from and against any and all losses, damages, costs, claims, expenses (including reasonable attorneys' fees) and liabilities (collectively, "Losses") arising out of or resulting from any of the following:

- (i) the failure to pay and discharge any Liens, encumbrances or security interests in the Assets or other Collateral (other than liens granted to Lender to secure repayment of

the Loan or Permitted Liens) created as a result of the actions of Borrower or its Affiliates; or

(iii) fraud or material misrepresentation by Borrower or its Affiliates or any of its officers, managers, members, partners, employees, agents or representatives. or

(c) Borrower agrees to indemnify, defend and hold Lender harmless from and against any and all losses, damages, costs, claims, expenses (including reasonable attorneys fees) and liabilities to third parties growing out of or resulting from any other breach by Borrower or Servicer of any representation, warranty, covenant or other agreement of Borrower or Servicer contained in the Loan Documents.

(d) All payments made by each Borrower or its Obligors to Lender hereunder shall be made free and clear of, and without deduction for or on account of, any tax, other than:

(i) any tax imposed because of a present or former connection between the jurisdiction of the governmental body imposing such tax and Lender, other than a connection arising solely from Lender having executed, delivered or performed its obligations hereunder (but excluding a tax imposed on or relating to the enforcement by Lender of any right or remedy provided herein or in the Loan Documents or available by operation of applicable law) or from having received a payment or enforced the Loan Documents; or

(ii) taxes imposed on or with respect to, based on or measured by the net income, gross income, receipts, capital or net worth of Lender by any governmental body in any jurisdiction in which Lender is formed, has its principal place of business or is subject to such taxes by reason of transactions or activities unrelated to those contemplated by the Loan Documents (except there shall not be excluded any such taxes in the nature of or imposed in lieu of sales, use, property, excise, *ad valorem* or similar taxes);

(collectively, and excluding the taxes set forth in the preceding clauses (i) and (ii), the “**Indemnified Taxes**”). If any Indemnified Taxes are required to be withheld or deducted from any amounts payable to Lender under the Loan Documents, such Borrower shall pay to Lender an additional amount that (after subtraction of all such Indemnified Taxes and any taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to Lender the full amounts so payable. Within 15 days after the date of each payment of Indemnified Taxes to a governmental body, such Borrower shall furnish to Lender the original or a certified copy of a receipt or other evidence of the payment of such Indemnified Taxes. If Lender determines in good faith that any Indemnified Taxes are payable in respect of any payments under any Loan Document, Lender may (but is not obligated to) pay such Indemnified Taxes, and such Borrower shall promptly pay to Lender, on demand, an amount that will be sufficient to yield to Lender (after subtraction of any taxes incurred by reason of the receipt of such payment) the full amount of such Indemnified Taxes so paid.

In the event any claim is made against Lender for any Indemnified Taxes for which such Borrower might be liable under this Section 9.15(d), Lender shall give notice to such Borrower of such claim and shall consult in good faith with such Borrower concerning such claim. If requested by such Borrower, Lender shall contest such claim at the sole cost and expense of such Borrower; provided that Lender shall have no obligation to contest any such claim if, in its reasonable opinion, such contest is not likely to be successful or such contest would be prejudicial to its interests. If Lender shall receive a refund of any Indemnified Tax that was paid or indemnified by such Borrower under

this Section 9.15(d), then so long as no Event of Default has occurred that has not been waived in writing by Lender, Lender shall promptly pay to such Borrower (x) the amount of such refund and (y) any interest actually received by Lender in respect of such refund.

Any successor Lender that is not incorporated in a jurisdiction of the United States of America shall deliver to such Borrower upon request such certificates, documents or other evidence as may be reasonably requested by such Borrower from time to time, including any certificate or statement of exemption required by United States Treasury Regulation Section 1.1441-4(a) or Section 1.1441-6(c), completed and duly executed by such successor Lender, to establish that payments of interest on the Loans to such successor Lender and any other payment required by any Loan Document to such successor Lender are exempt from, or are subject to a reduced rate of, withholding of tax imposed by a governmental body of the United States.

This Section 9.15 shall survive payment in full of the Notes indefinitely.

Section 9.16 Sale Treatment. Borrower shall not (i) account for (including for accounting and tax purposes), or otherwise treat, the transactions contemplated by this Loan Agreement in any manner other than as a sale of leases and lease receivables by IFC to Borrower, or (ii) account for (other than for tax purposes) or otherwise treat the transactions contemplated hereby in any manner other than as an extension of credit by Lender to Borrower. In addition, Borrower shall disclose (in a footnote or otherwise) in all of its financial statements (including any such financial statements consolidated with any other Persons' financial statements) the existence and nature of the transaction contemplated hereby and the interest of Borrower (in the case of IFC's financial statements), in the Assets.

Section 9.17 Separate Business; Nonconsolidation. Borrower shall not (i) engage in any business not permitted by its certificate of formation or Operating Agreement as in effect on the date of this Loan Agreement or (ii) conduct its business or act in any other manner which is inconsistent with Section 5.20. The officers and directors of Borrower (as appropriate) shall make decisions with respect to the business and daily operations of Borrower independent of and not dictated by IFC or any other controlling Person.

Section 9.18 Corporate Documents. Borrower shall only amend, alter, change or repeal its Operating Agreement with the prior written consent of Lender.

Section 9.19 Change in Accountants or Accounting Policies. The Servicer shall promptly notify Lender of any material change in its accountants or accounting policy.

Section 9.20 Ownership Interest, Etc. Borrower shall, at its expense, take all action necessary or desirable to establish and maintain a valid and enforceable ownership in the Collateral and proceeds with respect thereto, and a first priority perfected security interest in the Collateral, in each case free and clear of any adverse claim other than Permitted Liens or those in favor of Lender, including taking such action to perfect, protect or more fully evidence the interest of Lender, as Lender may reasonably request.

Section 9.21 Negative Covenants of Borrower and Servicer. At all times from the date hereof until all amounts under the Notes have been paid in full, unless Lender shall otherwise consent in writing in its sole and absolute discretion:

(a) No Extension or Amendment of Assets. Except as otherwise permitted herein, neither Borrower nor the Servicer shall extend, amend or otherwise modify the terms of the Assets, or amend, modify or waive any term or condition of any contract related thereto.

(b) Change in Payment Instructions to Obligors. Neither Borrower nor the Servicer shall add or terminate any bank as the Control Account bank without Lender's prior written consent in its sole and absolute discretion or make any change in its instructions to Obligors regarding payments to be made to any Control Account, unless (i) such instructions are to deposit such payments to another existing Control Account or (ii) the Lender shall have received written notice of such addition, termination or change at least thirty (30) days prior thereto and Lender shall have received a Blocked Account Agreement executed by Bank, Borrower and Lender with respect to the new Control Account, as applicable.

(c) Deposits to Control Account. Borrower shall not collect any payments from Obligors under the Assets, and Borrower and Servicer shall take all actions necessary to ensure that only cash or cash proceeds constituting Gross Receipts shall be deposited or credited, to the Control Account and not to Borrower and/or Servicer and/or any of their respective Affiliates. If, notwithstanding the foregoing, Borrower, Servicer and/or any of their respective Affiliates receives any payments from Obligors with respect to an Asset after the Borrowing Date with respect thereto, Borrower shall remit (and, if applicable, shall cause Servicer and/or the Affiliate(s) to remit) any and all such payments, and any other payments received by Borrower, Servicer and/or any of their respective Affiliates to which Lender is entitled hereunder or under any Assignment Agreement to the Control Account within two (2) business dates after Borrower's, Servicer's or any of their respective Affiliates' receipt thereof.

(d) Change of Name Etc. Borrower shall not change its name, identity or structure (including a merger) or the location of its chief executive office or any other change that could render any UCC financing statement filed in connection with this Loan Agreement or any other Loan Document to become "seriously misleading" under the UCC, unless at least thirty (30) days prior to the effective date of any such change Borrower delivers to Lender (i) such documents, instruments or agreements, executed by Borrower as are necessary to reflect such change and to continue the perfection of the Lender's security interests in the Collateral and (ii) new or revised Blocked Account Agreements executed by the Blocked Account Bank which reflect such change and enable Lender to continue to exercise its rights contained in the Blocked Account Agreement.

(e) Amendment to this Loan Agreement. Borrower shall not amend, modify, or supplement this Loan Agreement or waive any provision thereof, in each case except with the prior written consent of Lender; nor shall Borrower take, or permit IFC to take, any other action under that could reasonably be expected to have a Material Adverse Effect on Lender or which is inconsistent with the terms of this Loan Agreement.

(f) Other Debt. Except as provided herein, Borrower shall not create, incur, assume or suffer to exist any indebtedness whether current or funded, or any other liability other than indebtedness of Borrower representing fees, expenses and indemnities arising hereunder, under the Servicing Agreement or any other Loan Document for the purchase price of the Assets.

(g) Payment to IFC. Borrower shall not acquire any Assets other than through, under, and pursuant to the terms of the Assignment of Leases and Rents, the payment by Borrower either in cash or by increase in the amount of the subordinated indebtedness owed by Borrower to IFC pursuant to the Assignment of Leases and Rents.

(h) Restricted Payments. Borrower shall not (A) purchase or redeem any shares of its capital stock, (B) prepay, purchase or redeem any indebtedness, (C) lend or advance any funds or (D) repay any loans or advances to, for or from any of its Affiliates (the amounts described in CLAUSES (A) through (D) being referred to as "RESTRICTED PAYMENTS"), except that Borrower may (1)

make Restricted Payments out of funds received pursuant to SECTION 9.12(c) or as otherwise expressly permitted under this Agreement and (2) may make other Restricted Payments (including the payment of dividends).

ARTICLE X  
DEFAULT

Section 10.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Loan Agreement:

(a) Payment. Failure of Borrower (i) to direct (or cause Servicer to direct) all Obligors and other parties to submit payments and other Gross Receipts directly into the Control Account (ii) to make deposits (or to cause Servicer to make deposits) to the Control Account of payments of interest, principal or other amounts payable to Lender under any Loan Document within five (5) days after such payment or deposit is due, including, without limitation the failure to meet the "Maximum Principal Balance" specified in the Notes;

(b) Representations and Warranties. Any representation or warranty made by Borrower or Servicer hereunder, including any representation or warranty with respect to any Asset, or any other Loan Document shall prove to be false, misleading, incomplete or untrue in any material respect as of the date on which such representation or warranty is made;

(c) Covenants. Any breach by Borrower of any covenant, term, agreement or condition contained in any Loan Document, which breach has a Material Adverse Effect, and the same shall continue unremedied for a period of thirty (30) calendar days after Borrower has or reasonably should have had notice thereof (provided that such thirty (30) calendar day period shall only be applicable if Borrower uses diligent efforts during such time to cure such breach) or such other amount of time permitted for cure that is specifically provided herein;

(d) Bankruptcy or Insolvency. (i) The commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower and such proceeding shall not be dismissed within forth-five (45) calendar days after the date of filing; (ii) Borrower is unable, or admits in writing its inability, to pay its recourse debts as they become due; (iii) Borrower makes an assignment for the benefit of creditors; (iv) Borrower files a petition or applies to any tribunal for the appointment of a custodian, receiver or any trustee for all or a substantial part of its assets; (v) Borrower, by any act or omission, indicates its consent, approval of, or acquiescence in the appointment of a receiver, custodian or trustee for all or a substantial part of its property; (vi) Borrower is adjudicated a bankrupt; (vii) Borrower becomes insolvent however otherwise evidenced; or (viii) Borrower ceases doing business as a going concern;

(e) Fraudulent Conveyances. Borrower shall have concealed, removed or permitted to be concealed or removed, any part of its property, with intent to hinder, delay or defraud Borrower's creditors, or made or permitted a transfer of any of its property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law;

(f) Ownership and Control of Borrower. IFC shall cease either (i) to own, directly or indirectly, at least 51% of Borrower in the aggregate or (ii) control Borrower, directly or indirectly; and/or Lamont Melton (or a successor Independent Manager appointed by Borrower with Lender's prior written approval) ceases to be Borrower's Independent Manager; and/or

(g) Dissolution. The dissolution or liquidation of Borrower.

Section 10.2 Effect of Event of Default.

(a) Upon the occurrence of any Event of Default, Lender may at its option and without limitation, by written notice to Borrower, declare the entire unpaid principal balance of the Notes, together with all accrued interest thereon and all other amounts due hereunder, immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrower, and/or confess judgment in the amount of all outstanding principal balance of the Notes, together with all accrued interest thereon and all other amounts, including Lender's attorneys' fees incurred in connection with the preparation and negotiation of this Loan Agreement and the other Loan Documents and the administration and collection of the Loans, in accordance with Section 10.3 below. In addition, upon the occurrence of any Event of Default, Lender may, at its option and in its sole and absolute discretion, direct Obligors to make payments to a mailing address (including Lender's address) that is different from the address where payments were previously delivered and exercise any and all rights and remedies available to it under applicable law, including the Code, and equity.

(b) The parties hereto agree that a default or an event of default by an Obligor under one Asset does not constitute an event of default under any other Asset, except where expressly provided otherwise in the Account Documents; provided, however, upon the occurrence of a default or an event of default by an Obligor under an Asset, Lender may, but is not obligated to, terminate IFC's appointment as the servicer and assume IFC's servicing responsibilities with respect to such Asset (and such Asset only).

**Section 10.3 Confession of Judgment. In addition to any other right or remedy, after the occurrence of any Event of Default hereunder, Borrower irrevocably authorizes and empowers the Lender, by and through Prothonotary, Clerk of Court, or any attorney of any Court of Record in the Commonwealth of Pennsylvania to appear for Borrower in any and all actions and to enter judgment against Borrower for the entire principal sum remaining due hereunder, and for any other of the Liabilities, and for interest and costs, together with actual attorneys' fees incurred by reason of such default and in collection of all Liabilities (not to exceed fifteen percent (15%) of the unpaid balance of indebtedness). Borrower further irrevocably authorizes and employs any attorney of any Court of Record in the Commonwealth of Pennsylvania to appear for and enter judgment against Borrower and in favor of Lender in an action of replevin, ejectment or any other action to recover possession of any of the Collateral. Such confessions of judgment or actions shall be with release of errors, waiver of appeals, and without stay of execution; and Borrower waives all relief from any and all appraisal or exemption laws or rights in any action wherein judgment is to be confessed. It shall not be necessary to file the original hereof, such verified copy shall be sufficient warrant for any attorney of any Court of Record to appear for and confess judgment against Borrower as provided herein. Judgment may be confessed from time to time under the aforesaid powers, which shall not be exhausted by one exercise thereof even if previously stricken pursuant to the Pennsylvania Rules of Civil Procedure.**

**Borrower, being fully aware of the right to notice and a hearing concerning the validity of any and all claims that may be asserted against Borrower by Lender before a judgment can be entered hereunder or before execution may be levied on such judgment against any and all property of Borrower, hereby waives these rights and agrees and consents to judgment being entered by confession in accordance with the terms hereof and execution being levied on such judgment against any and all property of Borrower, in each case without first giving notice and the opportunity to be heard on the validity of the claim or claims upon which such judgment is entered.**

ARTICLE XI  
MISCELLANEOUS

Section 11.1 Survival of Representations and Warranties. All representations and warranties made herein shall be true and correct as of each Borrowing Date and shall survive each Borrowing Date and the execution and delivery of each Loan Document, and shall continue in full force and effect until payment in full by Borrower of all amounts payable under the Loan Documents.

Section 11.2 Cure. Lender shall have the right to cure any default by Borrower upon any lease, insurance policy, indenture, security agreement, mortgage, deed of trust, agreement or other instrument to which Borrower is a party or by which its properties are bound or may be subject if such default shall in any manner affect Lender's rights hereunder, or in and to the Assets or other Collateral, or the ability of Borrower to perform its obligations under any of the Loan Documents, and Borrower shall immediately reimburse Lender for any amounts paid to cure such defaults.

Section 11.3 Relationship between Parties. The relationship between Lender and Borrower shall be solely one of commercial lender and borrower, and nothing contained in any Loan Document shall constitute the parties as partners or co-venturers with one another or with any other party, or agents for one another or for any other party with regard to any activities contemplated by the Loan Documents or otherwise, or render any party liable for any debts or obligations of any other party.

Section 11.4 Confidentiality. The parties hereto agree that they shall keep the terms of all Loan Documents and the Loans made or to be made hereunder confidential, and shall not disclose such terms to any other Person without the prior written consent of the other parties; provided however, that each party shall be permitted to disclose the terms of this transaction to its participating lenders, partners, investors and Affiliates and their auditors, agents and representatives if such participating lenders, partners, investors and Affiliates and their auditors, agents and representatives agree to keep such information confidential.

Section 11.5 Amendment and Modification. Any amendments or modifications to any provisions of the Loan Documents must be (i) in writing and (ii) signed by the respective parties thereto.

Section 11.6 Waivers. Lender shall not be deemed to have waived any of its rights or remedies hereunder or under any other Loan Document unless such waiver is (i) in writing and (ii) signed by Lender, and then only to the extent specifically recited. No failure to exercise and no delay or omission in exercising any right, remedy or recourse on the right of Lender shall operate or be deemed as a waiver of such right, remedy or recourse hereunder or thereunder or preclude any other or further exercise thereof. A waiver or release on any one occasion shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse on any subsequent occasion. All rights and remedies of Lender pursuant to any Loan Document shall be cumulative and concurrent and may be exercised singularly, successively or concurrently, at the sole and absolute discretion of Lender and may be exercised as often as occasion therefore may exist.

Section 11.7 Transferability of Loan Agreement; Loan Participations. This Loan Agreement shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that (i) Borrower may not transfer or assign any or all of its rights or obligations hereunder without the prior written consent of Lender; (ii) Lender may transfer and assign any or all of its rights or obligations hereunder or under the Loans or the Notes (including, without limitation, the sale of participations in the Loans or the Notes) without the prior written consent of Borrower. In connection with any such transfer, assignment or sale or proposed transfer, assignment or sale, Lender may furnish any information concerning the Loan Documents, the Loans, or Borrower to such actual or potential assignees or

transferees provided that the actual or potential assignee or transferee agrees to keep all such information confidential. The Loan Documents shall be for the benefit of Lender and those of its affiliated funds which act as lenders pursuant hereto.

Section 11.8 Actions in Connection with Bankruptcy. Without the necessity of an evidentiary hearing and without the necessity or requirement that Lender establish or prove the value of the Assets or other Collateral (or any other collateral pledged to Lender pursuant to the Loan Documents), or the lack of adequate protection of Lender's interest in the Collateral (or any other collateral pledged to Lender pursuant to the Loan Documents), Lender shall be entitled to the immediate termination of the automatic stay of 11 U.S.C. § 362 in order to permit Lender to exercise all of its rights and remedies in respect of the Assets or Collateral (or any other collateral pledged to Lender pursuant to the Loan Documents), the existence of this provision constituting sufficient "cause" for purposes of 11 U.S.C. § 362(d)(1). Borrower agrees not to directly or indirectly oppose or otherwise defend against the termination of the automatic stay. Any reasonable attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower.

Section 11.9 GOVERNING LAW; JURISDICTION; VENUE. **THE LOAN DOCUMENTS AND ANY QUESTIONS CONCERNING THE INTERPRETATION OR ENFORCEMENT THEREOF SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GOVERNING STATE.** The parties hereto each hereby irrevocably submit to the jurisdiction of any state or federal court sitting in the Governing State over any suit, action or proceeding arising out of or relating to the Loan or the Loan Documents. The proper venue for all such disputes, actions, or proceedings shall be Montgomery County or Philadelphia County in the Commonwealth of Pennsylvania, as Lender, in its sole discretion may elect. Borrower irrevocably waives, to the fullest extent permitted by law, any objection that Borrower may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court and any claims that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing in this Section shall limit the right of Lender to bring proceedings against Borrower in the courts of any other jurisdiction. Borrower agrees that any forum other than the Governing State is an inconvenient forum and that a suit brought by Borrower against Lender in a court of any state other than the Governing State should be forthwith dismissed or transferred to a court located in the Governing State by that court.

Section

11.10 WAIVER OF JURY TRIAL; LIMITATION ON DAMAGES.

(a) Waiver of Jury Trial. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG LENDER, BORROWER OR SERVICER ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURT OF DEALINGS, STATEMENTS OR



ACTIONS OF LENDER RELATING TO THE ADMINISTRATION OF THE LOANS OR ENFORCEMENT OF THE LOAN DOCUMENTS. FURTHER, THE PARTIES HERETO AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

(b) Limitation on Damages. EXCEPT AS PROHIBITED BY LAW, IN ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR OTHER LOAN, THE PARTIES HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER, AND THE WAIVER OF A JURY TRIAL, CONSTITUTE MATERIAL INDUCEMENTS FOR LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN. EACH PARTY FURTHER ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION 11.10(B) HAVE BEEN FULLY DISCLOSED TO IT AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED.

Section 11.11 Enforceability of Loan Agreement. Should any one or more of the provisions of this Loan Agreement be determined to be illegal or unenforceable, all other provisions shall remain effective and binding on the parties hereto.

Section 11.12 Titles. Titles of the Sections of this Loan Agreement are merely for convenience in reading and shall not be construed to alter, modify or interpret the meaning of the provisions under said titles.

Section 11.13 Accounting Terms. Unless otherwise defined herein, all accounting terms used in this Loan Agreement shall have the meanings ascribed to them by generally accepted accounting principles.

Section 11.14 Notice. Unless otherwise required or provided by this Loan Agreement, all demands, notices, approvals and other communications hereunder (including Borrower's reporting obligations set forth herein) (individually and collectively, "**Notices**") shall be in writing and shall be served personally, delivered by facsimile or sent by a national overnight delivery or courier company, or by United States registered or certified mail, postage prepaid return receipt requested, and addressed as set forth below. Any such Notices shall be deemed delivered upon delivery or refusal to accept delivery as indicated in writing by the Person attempting to make personal service, on the United States Postal Service return receipt, or by similar written advice from the overnight delivery company; provided, however, that if any such Notice shall be sent by telecopier to the telecopier number, if any, set forth above, such Notice shall be deemed given at the time and on the date of machine transmittal (except if sent after 5:00 p.m. recipient's time, then the notice shall be given at 9:00 a.m. on the next Business Day) if the sending party receives a written send verification on its machine and sends a duplicate Notice on the same day or the next Business Day by personal service, registered or certified United States mail, or overnight delivery in the manner described above. Each party hereto shall make an ordinary, good faith effort to ensure that it will accept or receive Notices that are given in accordance with this Section 11.14, and that any Person to be given Notice actually receives such Notice. Any party to whom Notices are to be sent pursuant to this Loan Agreement may from time to time change its address and/or facsimile number for future communication hereunder by giving Notice in the manner prescribed herein to all other

parties hereto, provided that the address and/or facsimile number change shall not be effective until five (5) Business Days after the Notice of change has been given.

If to Lender:  
CoActiv Capital Partners, LLC  
655 Business Center Drive, Suite 250  
Horsham, PA 19044  
Attention: Lamont Melton  
Telephone No.: 267.960.4020  
Facsimile No.: 267-960-4001

With a Copy to:  
Frey Petrakis Deeb Blum & Murphy, P.C.  
1601 Market Street, Suite 2600  
Philadelphia, PA 19103  
Attention: Peter J. Deeb, Esquire  
Telephone No.: 215.563.0500  
Facsimile No.: 215.563.5532

If to Borrower:  
IFC Capital Funding I, LLC,  
8700 Waukegan Road, Suite 100  
Morton Grove, IL 60053  
Attention: Marc Langs  
Telephone No.: 847.663.6504  
Facsimile No.: 847.663.6701

With a Copy to:  
IFC Credit Corporation  
8700 Waukegan Road, Suite 100  
Morton Grove, IL 60053  
Attention: Legal Department  
Telephone No.: 847.663.6700  
Facsimile No.: 847.663.6701

If to IFC:  
IFC Credit Corporation  
8700 Waukegan Road, Suite 100  
Morton Grove, IL 60053  
Attention: Marc Langs  
Telephone No.: 847.663.6504  
Facsimile No.: 847.663.6701

With a Copy to:  
IFC Credit Corporation  
8700 Waukegan Road, Suite 100  
Morton Grove, IL 60053  
Attention: Legal Department  
Telephone No.: 847.663.6700  
Facsimile No.: 847.663.6701

Section 11.15 USA Patriot Act Documentation. Borrower shall, from time to time, as requested by Lender and in Lender's sole and absolute discretion, provide all necessary documentation relating to Borrower and the transactions contemplated by the Loan Documents, in order to allow Lender to comply with applicable law relating to Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001) (commonly referred to as the USA Patriot Act), as either of the foregoing may have been or are hereafter renewed, extended, amended, or replaced.

Section 11.16 Entire Agreement. This Loan Agreement (including all Exhibits hereto), the Notes, the Servicing Agreement, the Custodial Agreement, the Security Agreement, the Assignments, and all other Loan Documents shall constitute the full and entire understanding and agreement of the parties hereto and there are no further or other agreements or undertakings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to herein. All prior negotiations, agreements, representations and warranties, statements and undertakings concerning the subject matter hereof between the parties are superseded by this Loan Agreement and the other Loan Documents.

*[The remainder of this page was intentionally left blank.]*

**LOAN AGREEMENT**

[Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ATTEST/WITNESS:

By: [Signature]  
Name: Kelly McMillin  
Title: Paralegal  
ATTEST/WITNESS:

By: [Signature]  
Name: Kelly McMillin  
Title: Paralegal  
ATTEST/WITNESS:

By: [Signature]  
Name: Lamont A. Melton  
Title: SVP, Credit

BORROWER:

IFC CAPITAL FUNDING I, LLC  
By: [Signature]  
Name: Rudolph D. Trebels  
Its: manager

IFC:  
IFC CREDIT CORPORATION, an Illinois corporation  
By: [Signature]  
Name: Rudolph D. Trebels  
Its: President

LENDER:  
COACTIV CAPITAL PARTNERS, LLC  
By: [Signature]  
Name: Donald P. Campbell  
Title: CEO

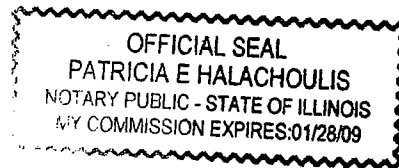
STATE OF  
COUNTY OF

:  
: ss.  
:

On this day of 28<sup>th</sup>, 2007, before me, a notary public, the undersigned officer, personally appeared Rudolph P. Trebel, who acknowledged himself to be the manager of IFC Capital Funding I, LLC, an Illinois limited liability company, and that he as such manager, being authorized to do so, executed the foregoing document for the purposes therein contained by signing the name of the aforesaid limited liability company by himself as such managing member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Patricia E. Halachoulis  
Notary



STATE OF

:  
: ss.

COUNTY OF

:

On this day of 28<sup>th</sup> December, 2007, before me, a notary public, the undersigned officer, personally appeared Rudolph D. Trebels who acknowledged himself to be the President of IFC Credit Corporation, an Illinois corporation, and that he as such officer being authorized to do so, executed the foregoing document for the purposes therein contained by signing the name of the aforesaid limited liability company by himself as such managing member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Patricia E. Halachoulis

Notary



STATE OF

:

: ss.

COUNTY OF

:

On this 31<sup>st</sup> day of December, 2007, before me, a notary public, the undersigned officer, personally appeared Don Campbell, who acknowledged himself to be the CEO of CoActiv Capital Partners LLC, a Delaware limited liability company, and that he as such officer being authorized to do so, executed the foregoing document for the purposes therein contained by signing the name of the aforesaid limited liability company by himself as such managing member.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Kimberly A Gatto  
Notary

