



**BASIC TERMS AND CONDITIONS FOR
PURCHASES AND SALES OF PARTICIPATING INTERESTS**

Dated: June 3, 2015 (Version 2.0)

From time to time, through the DriverUp online marketplace, www.driverup.com, Investors will be invited to purchase from Seller and Seller may, in its discretion, sell to such Investors, one or more PI's (as defined below) in one or more Contracts. Each such purchase and sale of each PI is subject to these Basic Terms.

By making the appropriate entries on the DriverUp Website, each Investor acknowledges and agrees that such Investor:

- (a) is signing these Basic Terms electronically;
- (b) intends to attach and does attach such Investor's electronic signature to these Basic Terms;
- (c) intends to be and is legally bound by the provisions of these Basic Terms as if such Investor had signed these Basic Terms with such Investor's manual signature;
- (d) intends for these Basic Terms to constitute a binding agreement between Seller and such Investor; and
- (e) agrees to conduct the transactions contemplated by these Basic Terms by electronic (*i.e.*, technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities) means.

ARTICLE I
DEFINED TERMS.

As used in these Basic Terms, the following terms have the meaning specified below:

“**ACH System**” means the automated clearing house system operated by the National Automated Clearing House Association, the Electronic Payments Association, and the Board of Governors of the Federal Reserve System.

“**Acquiring**”, and the correlative terms “**Acquire**” and “**Acquired**”, means the actions of Seller in analyzing, evaluating and acquiring an Underlying Contract relating to a PI.

“**Advisors**” is defined in **Section 5.4**.

“**Backup Servicer**” is defined in **Section 5.1(b)**.

“**Bankruptcy Code**” means Bankruptcy Reform Act of 1978, 11 U.S.C. §101 et seq., as amended.

“**Basic Terms**” means these Basic Terms and Conditions for Purchases and Sales of Participating Interests, as such Basic Terms and Conditions for Purchases and Sales of Participating Interests may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“**Benefit Plan Investor**” means any (a) employee benefit plan subject to Part 4 of Title I of ERISA, (b) plan to which section 4975 of the Internal Revenue Code applies, and (c) entity whose underlying assets include plan assets by reason of a plan’s investment in the entity. Foreign pension plans, state and local government pension plans and certain church plans do not constitute benefit plan investors for purposes of this definition.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in Dallas, Texas are authorized or required by law to close.

“**Chapter 7 Proceeding**” means, as to any Person, the occurrence of either of the following events: (a) an order shall be entered under Chapter 7 of the Bankruptcy Code approving an involuntary petition that has been filed against such Person seeking the liquidation of such Person under Chapter 7 of the Bankruptcy Code; or (b) such Person shall voluntarily commence a proceeding under Chapter 7 of the Bankruptcy Code seeking the liquidation of such Person under Chapter 7 of the Bankruptcy Code.

“**Contract**” means a motor-vehicle installment-purchase contract for a passenger vehicle, a light-duty truck or a van (together with all related documents, chattel paper, promissory notes, installment-purchase notes, instruments and other documents evidencing or relating to such Contract and including (a) the certificate of title or other official, memorialized title information relating to the passenger vehicle, light-duty truck or van purchased under the Contract and (b) any contracts or documents containing obligations of any Dealer relating to such Contract) in each case as amended, supplemented or modified from time to time.

“**Dealer**” means, as to each Contract, the Person that originated the Contract.

“**Dollars**” or “**\$**” refers to the lawful money of the United States of America.

“**DriverUp Website**” means Seller’s online marketplace at www.driverup.com and any subdomain thereof.

“**Effective Sale Date**” means that Dallas, Texas time at which Seller collects the Purchase Price for a PI from an Investor.

“**E-Media**” is defined in **Section 2.8**.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute.

“**E-Transmission/Storage Risk**” is defined in **Section 2.8**.

“**Expenses**” means the following:

(a) costs and expenses of repossessing and selling collateral securing Underlying Contracts, which may include fees and disbursements of counsel, if any;

(b) charges and other expenses resulting from (i) the return of any Obligor’s checks, or (ii) chargebacks for payments made by any Obligor by credit or debit card; and

(c) to the extent that any PI Payment is made to the PI Owner thereof in accordance with the provisions hereof and such PI Payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside, or otherwise required to be repaid or disgorged by Seller, the amount Seller is required to pay, repay, return or disgorge in connection therewith.

“**Governmental Authority**” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

“**Investor**” means a Person that (a) is an “accredited investor” as defined in Rule 501 of Securities Act, (b) properly certifies to Seller on an Internal Revenue Service Form W-9 that such Person is a U.S. person for U.S. federal income tax purposes, (c) is a “U.S. Person” as defined in Rule 902(k) of Regulation S under the Securities Act, (d) is not subject to any United States sanctions administered by OFAC, (e) is a resident of, or whose principal place of business is in, the United States (as applicable), (f) is not a Benefit Plan Investor, (g) has been declared by

Seller to be an Investor, and (h) has not had such Person's eligibility as an Investor discontinued by Seller.

"Obligor" means, with respect to any PI purchased by an Investor in accordance with these Basic Terms, the Persons who are obligated on the Underlying Contract.

"Obligor Entitlement" means amounts paid by or on behalf of any Obligor that exceed the amount owed by such Obligor under the terms and provisions of an Underlying Contract and any other amounts that are required to be refunded or paid to an Obligor in connection with an Underlying Contract pursuant to the provisions of such Underlying Contract or under any applicable law or regulation.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"PI" means, as to any PI Owner that has purchased a PI pursuant to the provisions of these Basic Terms and the other then-applicable terms and conditions relating thereto as specified from time to time on the DriverUp Website, such PI Owner's 100% participation interest in the Underlying Contract relating to such PI. The purchase of a PI shall entitle such PI Owner to 100% of the cash proceeds of the related Underlying Contract, net of Servicing Fees, Expenses and Obligor Entitlements as provided in **Section 5.6**. For the avoidance of doubt, such PI Owner's ownership of such PI shall be subject to and burdened by the provisions of these Basic Terms, and such PI Owner shall not own or be entitled to: (a) any right to exercise any of the rights or remedies Seller may have under such Underlying Contract or any other right or remedy that is retained by or allocated to Seller under these Basic Terms, whether in connection with the Servicing or otherwise, (b) any Obligor Entitlement, or (c) any cash used by Seller to refund or pay the amount of such Obligor Entitlement to such Obligor, even if such cash has been deposited into the Segregated Account.

"PI Confirmation" means the electronic, non-negotiable uncertificated statement (as such statement may be amended, supplemented or otherwise modified from time to time) posted on the DriverUp Website or otherwise provided to an Investor whose proposal to purchase a PI has been accepted by Seller, which PI Confirmation will be issued after Seller's collection of the Purchase Price for such PI as remitted by such Investor and which shall evidence such Investor's ownership of such PI. Seller shall have the right to include CUSIP numbers in PI Confirmations.

"PI Owner" means an Investor who has become the owner of a PI in accordance with the provisions of **Section 2.2** hereof.

"PI Payment" means, as to a PI, all payments and other distributions of cash (including interest, monthly payments, prepayments, insurance recoveries, late fees, proceeds of Dealer repurchases and proceeds of repossessions) received by Seller on the Underlying Contract (in Seller's capacity as the servicer of such Underlying Contract under the provisions of **Section 5.1** hereof) from the date of Seller's initial purchase of the Underlying Contract in respect of such PI

after deducting Servicing Fees, Expenses and Obligor Entitlements pursuant to **Section 5.6**. For the avoidance of doubt, the term “PI Payment” shall include all such payments and other distributions of cash received by Seller on such Underlying Contract on or after the Effective Sale Date.

“**Privacy Policy**” means Seller’s Privacy Policy as posted on the DriverUp Website, as such Privacy Policy may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“**Purchase Price**” means, with respect to a purchase and sale of a PI, the Dollar purchase price for such PI payable by an Investor who has offered to purchase the same, as specified on the DriverUp website therefor at time of offering thereof.

“**Purchaser-Excluded Information**” means, with respect to any Underlying Contract in respect of which PI’s are offered or sold, (a) the identity and whereabouts of Obligors and Dealers relating thereto and (b) with respect to any vehicle that is collateral for such Underlying Contract, (i) identifying information with respect to such vehicle (other than such vehicle’s year, make and model and any other similar information posted on the DriverUp Website), and (ii) the whereabouts of such vehicle.

“**Registry**” is defined in **Section 6.1**.

“**SEC**” means the Securities and Exchange Commission or any successor Governmental Authority.

“**Securities Act**” means the Securities Act of 1933, 15 U.S.C. §§77a et seq., as amended, and the rules and regulations promulgated under it.

“**Security Interest**” means any (a) mortgage, pledge, lien, security interest, charge, hypothecation, security agreement, security arrangement or encumbrance or other adverse claim against title of any kind, (b) purchase, option, call or put agreement or arrangement, (c) subordination agreement or arrangement or (d) agreement or arrangement to create or effect any of the foregoing.

“**Segregated Account**” means a non-interest bearing demand-deposit bank account of Seller into which Seller will deposit, or cause to be deposited, in accordance with the provisions of **Article III** hereof, PI Payments received by Seller with respect to PI’s that have been sold to Investors in accordance with the terms hereof.

“**Seller**” means SIERRA AUTO FINANCE LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its successors and assigns.

“**Servicing**” is defined in **Section 5.1**.

“**Servicing Fee**” is defined in **Section 5.6**.

“Standard of Care” means that Seller will in Acquiring and Servicing Underlying Contracts at all times provide to PI Owners, in good faith, with Contract-origination analysis and servicing diligence in accord with generally prevailing, commercially reasonable industry practice, it being understood that Seller is a service provider and not a fiduciary.

“Underlying Contract” means in respect of any PI that has been sold to a PI Owner, the Contract relating to such PI as to which such PI Owner has the right to receive 100% of the cash proceeds of such Contract net of Servicing Fees, Expenses and Obligor Entitlements as provided in **Section 5.6**.

ARTICLE II PARTICIPATING INTERESTS; PAYMENTS; LIMITS ON RECOURSE; LIMITED RIGHTS TO TRANSFER.

Section 2.1 Applying for Investor Status. Only Investors may acquire PI's. The procedures for applying for Investor status will be displayed on the DriverUp Website or otherwise provided. Each applicant for Investor status acknowledges and agrees that (a) government regulations require Seller to take reasonable steps to verify that such applicant is an “accredited investor” as defined in Rule 501 of Securities Act, and (b) such applicant shall provide to Seller (i) a confirmatory letter from (A) such applicant's public accountant (registered and in good standing), (B) licensed attorney (in good standing), or (C) an authorized registered representative of such applicant's licensed broker-dealer or registered investment advisor, or (ii) such other forms of verification as are acceptable to Seller in its sole and absolute discretion. If such applicant is unable to provide such a confirmatory letter or other acceptable form of verification, Seller will need to conduct additional verification procedures; if Seller does this, Seller reserves the right to quote to such applicant and to demand cash payment of expenses and other service charges for the extra work. Seller may also require additional information from such applicant in order to satisfy any relevant “know-your-customer” requirements that are applicable to any of Seller's banks. After Seller has obtained all information Seller needs from such applicant, has independently verified such applicant's status as an “accredited investor” and has declared such applicant to be an Investor, Seller will provide to such applicant secure login information so that such applicant can review and purchase available PI's. Notwithstanding the foregoing, Seller reserves the right to decline any such application for any reason, in its discretion. Also, Seller may at any time discontinue any Person as an Investor for any reason, in its discretion, by notice to such Investor.

Section 2.2 Purchase and Sale Procedures. Seller expects from time to time to post on the DriverUp Website information about Contracts in which PI's are offered for sale. The specific procedures for Investors to respond to such postings will be displayed on the DriverUp Website or otherwise provided, which will include procedures for an Investor irrevocably to indicate an interest in purchasing a PI in such contract. Seller may accept or reject any such indication of interest, in its discretion. If Seller declines such indication of interest, it will so advise the submitting Investor, as provided in such procedures. If Seller accepts such indication of interest it will post a statement to that effect on the dashboard on the DriverUp Website or via an electronic order confirmation. The posting of such statement of acceptance by Seller automatically creates an irrevocable, binding and enforceable obligation of such submitting

Investor to pay to Seller the Purchase Price (free of any withholding, setoff, counterclaim, recoupment or deduction of any kind) for such PI by wire transfer (or in any other manner, if any, specified by Seller) and within the deadlines posted as part of such procedure, provided that, for the avoidance of doubt, the foregoing provision shall not affect the binding agreement that such submitting Investor previously entered into with Seller as described in the second full paragraph of these Basic Terms. Any such submitting Investor who fails so to fulfill such Investor's obligation to pay such Purchase Price by 4:30 p.m. Dallas time on the Business Day following a confirmed order (or by such other time as may be indicated on the related PI Confirmation) will have materially breached these Basic Terms and such purchase shall be subject to cancellation at Seller's discretion. When Seller has collected the Purchase Price timely tendered (in accordance with the terms specified by Seller) by such Investor as contemplated above, Seller shall thereby automatically (and without further action) be deemed to have irrevocably sold, assigned, conveyed and transferred such PI to such Investor, and such Investor shall automatically (and without further action) become the PI Owner of such PI and be deemed to have irrevocably purchased and acquired such PI from Seller as of the Effective Sale Date.

Section 2.3 PI Confirmations. Seller will not issue any PI Confirmations in certificated form. PI Confirmations will be issued only in non-negotiable, uncertificated electronic form. The PI Confirmation issued electronically by Seller will evidence each PI Owner's purchase and ownership of a PI. If any applicable law requires Seller's issuance to a PI Owner of a physical certificate evidencing such PI Owner's participation interest in a related Underlying Contract, such PI Owner hereby waives such requirement for the issuance of such a physical certificate to the fullest extent permitted under applicable law, provided that if such waiver is not legally valid, Seller shall not continue such PI Owner as an Investor entitled to purchase additional PI's.

Section 2.4 Sale Treatment; Relationship.

(a) Seller and each PI Owner that has purchased a PI hereunder expressly intend and agree that the sale of such PI shall, subject in all respects to the provisions of these Basic Terms, be treated (i) under applicable law, as a sale and transfer to such PI Owner of a 100% loan participation in the Underlying Contract relating to such PI, and (ii) as a sale and transfer to such PI Owner of a 100% "participating interest" in such Underlying Contract for the purposes of Accounting Standards Codification Section 860 promulgated by the Financial Accounting Standards Board.

(b) Seller and each PI Owner that has purchased a PI hereunder also expressly intend and agree that the sale of such PI shall be treated as a sale of such PI by Seller and as a purchase of such PI by such Investor for all purposes. In this regard, Seller and each such Investor acknowledge and agree that (i) Seller has retained record legal title to the related Underlying Contracts for the purpose of Servicing such Underlying Contracts in accordance with **Section 5.1** hereof and for the purposes of legal compliance, and (ii) such Investor, by purchasing such PI, owns 100% of the beneficial interest in the Underlying Contract relating to such PI, subject only to Seller's rights under **Section 5.6** and under the other provisions of these Basic Terms. The relationship between Seller, on the one hand, and each PI Owner that has

purchased one or more PI's hereunder, on the other hand, shall be that of seller and buyer. The PI Confirmations and the provisions of these Basic Terms shall not be construed to create a partnership or joint venture between Seller and any such Investor. The issuance of PI's by Seller is not intended as a borrowing of money; in no event shall the issuances and purchases of PI's be construed as a loan from any Investor or PI Owner to Seller.

Section 2.5 No Recourse or Guarantees. Except as set forth in **Section 2.6** hereof, (a) each sale of a PI hereunder shall be without recourse to Seller or any of its assets, and (b) each Investor that purchases a PI shall bear the entire risk of loss relating thereto. Remission of PI Payments to PI Owners depends exclusively on what funds, if any, Seller receives from Obligor and Dealers, net of Servicing Fees, Expenses and Obligor Entitlements as provided in **Section 5.6**. Seller does not represent or warrant that any such amounts will ever be collected. Seller provides no guarantees as to recoveries.

Section 2.6 Seller's Repurchase Obligation. If Seller breaches the representation and warranty set forth in Section 4.1(g) as to any PI, Seller shall, with reasonable promptness and in accordance with the procedures adopted by Seller, electronically notify the PI Owner of such PI, in which case such PI Owner may, at its option (which must be exercised within thirty (30) days after the posting of such electronic notice) then require Seller to repurchase such PI from such PI Owner at a purchase price equal to the Purchase Price (including underwriting and origination fees) paid by such PI Owner for such PI, less any PI Payments previously remitted by Seller to such PI Owner with respect to such PI, Servicing Fees, Expenses and Obligor Entitlements.

Section 2.7 No Purchaser-Excluded Information About Obligor or Rights Against Them, etc.

(a) Neither Investors nor PI Owners are entitled at any time or under any circumstance (i) to access any Purchaser-Excluded Information, (ii) directly or indirectly, whether or not through any third party or other intermediary, to take any steps designed to (A) identify any Obligor or such Obligor's whereabouts or to determine the whereabouts of any vehicle relating to an Underlying Contract, (B) collect any amounts due under any Underlying Contract or (C) obtain identifying information with respect to any vehicle relating to an Underlying Contract (other than such vehicle's year, make and model and any other similar information posted on the DriverUp Website). In addition, in no event shall any PI Owner (x) notify any Obligor or Dealer that such PI Owner has purchased a PI relating to the Underlying Contract on which such Obligor is obligated or that such Dealer has originated, or (y) exercise or attempt to exercise any rights or remedies under any Underlying Contract.

(b) Each Investor and each PI Owner acknowledges and agrees that damages alone would not be an adequate remedy to Seller for the breach by such Investor or PI Owner of any of the provisions of **Section 2.7(a)**. Accordingly, without prejudice to any other rights and remedies Seller may have, to the fullest extent permitted under applicable law, Seller shall be entitled to the granting of equitable relief (including without limitation injunctive relief as to which no bond shall be required) concerning any threatened or actual breach by such Investor or PI Owner of any of the provisions of **Section 2.7(a)**.

Section 2.8 E-Transmission/Storage Risks. The parties understand that information provided by, sent to or stored about Investors, PI Owners and PI's will be sent via the internet or received or stored on Seller's computer systems (including backup systems) or on mobile storage devices or by or on email (collectively "E-Media") each of which has associated risks, such as risks of interception, invasion, hacking, breach of confidentiality, theft, alteration, forgery, distortion, loss or delay in transmission ("E-Transmission/Storage Risks"). By transmission of information to and from Seller hereunder and doing business with Seller, each Investor and PI Owner accepts E-Transmission/Storage Risks and irrevocably and unconditionally waives, to the fullest extent permitted under applicable law, any claim against Seller that may result from E-Transmission/Storage Risks by either party, except that in the case of information received, held or transmitted by Seller which has been so transmitted or so stored or both, Seller shall utilize commercially reasonable procedures and methods to diminish such risks. Seller has no duty hereunder in respect of E-Media received or held by any Investor or PI Owner or, prior to receipt by Seller, E-Media communications from any Investor or PI Owner. Seller has no responsibility or liability to any Investor or PI Owner for unlawful, unauthorized or fraudulent use of login credentials to access and instruct Seller with regard to such Investor's or PI Owner's account on the DriverUp Website or funds or assets accessible thereunder.

Section 2.9 Hardware, Software and Operating System. Each Investor acknowledges and agrees that (a) such Investor is responsible for the installation, maintenance, and operation of such Investor's computer, browser and software, (b) Seller is not responsible for errors or failures resulting from any malfunction of such Investor's computer, browser or software, and (c) Seller is also not responsible for computer viruses or related problems associated with the use of an online system. The minimum hardware, software and operating system requirements necessary to use the DriverUp Website and to receive electronic communications relating to the transactions contemplated by these Basic Terms are available upon request.

Section 2.10 Privacy Policy. The measures taken by Seller to protect the privacy and confidentiality of information in Seller's possession about each Investor and PI Owner is set forth in Seller's Privacy Policy, which is posted from time to time on the DriverUp Website or otherwise made available. The Privacy Policy is incorporated by reference in these Basic Terms.

Section 2.11 Copyright, etc. Seller owns the copyright to all of the contents of the DriverUp Website and all original content contained in these Basic Terms, and all of Seller's rights in that respect are hereby reserved. In addition, "DriverUp" and the related logo are registered trademarks of Seller.

ARTICLE III PI PAYMENTS.

Section 3.1 Segregated Accounts. Seller shall establish one or more Segregated Accounts with such FDIC insured depository institutions as it shall select from time to time. Each Segregated Account may commingle funds to which multiple PI Owners are entitled, but no Segregated Account shall contain, or be commingled with, any funds belonging to Seller or any one or more of Seller's subsidiaries other than amounts that are due to Seller for Servicing Fees and other Expenses for services Seller provides under these Basic Terms and that are

payable from the funds deposited into such Segregated Account. Seller shall maintain records with respect to such Segregated Account that are sufficient to determine the amount of PI Payments on deposit therein at any time that belong to each PI Owner.

Section 3.2 Prompt Deposit of Catch-Up Payments. With reasonable promptness after the Effective Sale Date of a PI, Seller shall deposit in a Segregated Account, for the benefit of the purchaser of such PI, an amount equal to all PI Payments, if any, received on or before such Effective Sale Date in respect of the Underlying Contract, except to the extent permitted pursuant to **Section 5.6.** and except to the extent such PI Payments were taken into account in calculating the Purchase Price.

Section 3.3 Handling and Deposit of PI Payments Received. From and after the Effective Sale Date whenever Seller receives a PI Payment, Seller shall (a) accept and hold such PI Payment for the account and sole benefit of the PI Owner that has purchased the related PI and (b) except to the extent provided for by **Section 5.6,** from and after the Effective Sale Date, have no equitable or beneficial interest in such PI Payment, and such PI Payment shall for all purposes constitute the sole property of the PI Owner that has purchased such PI. Within the period specified by Seller (which shall not be longer than three Business Days after the later of the day on which such PI Payment is received or the completion of Seller's research to determine the correct application of such PI Payment), Seller shall, in accordance with and subject to the Standard of Care, transfer such PI Payment to the Segregated Account.

Section 3.4 Remission of Funds to PI Owners. On or before the tenth Business Day of each calendar month, Seller shall remit (free of any withholding, setoff, counterclaim, recoupment or deduction of any kind except as required by law or to the extent permitted under **Section 5.6)** to each PI Owner as shown on the Registry kept pursuant to **Article VI** as at 11:59 P.M. on the last Business Day of the preceding calendar month the PI Payments to which such PI Owner is entitled which were received by Seller during the preceding calendar month. Remissions of funds will be made through the ACH System (or in accordance with the other manner, if any, then specified by Seller) in accordance with the PI Owner's most recent "send-my-funds-as-follows instructions" to Seller as received prior to the 25th day of such calendar month.

Section 3.5 Reporting to PI Owners. Seller will, within a reasonable time after each monthly remission of funds, post on the DriverUp Website such current data about each PI Owner's PI's and payments relating thereto in accordance with Seller's reporting policies as in effect from time to time.

Section 3.6 Withholding Taxes. Any and all PI Payments by Seller shall be made without deduction or withholding for any taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any tax from any such PI Payment by Seller, then Seller shall be entitled to make such deduction or withholding. Each PI Owner will deliver to Seller an Internal Revenue Service Form W-9 and any other documentation prescribed by applicable law or reasonably requested by Seller to determine whether or not such PI Owner is subject to (i) withholding of any tax imposed by the United States of America or any other jurisdiction, whether domestic or foreign or (ii) backup withholding or information reporting

requirements. Seller may postpone remitting a PI Payment until such documentation has been furnished.

Section 3.7 Rights Not Acquired by PI Owners. PI Owners do not own and are not entitled to any Obligor Entitlements. Each PI Owner acknowledges the foregoing and authorizes Seller not to transfer any such funds into a Segregated Account, to withdraw any such funds which have, for any reason, made their way into a Segregated Account and to remit such funds at any time to Obligors.

ARTICLE IV REPRESENTATIONS AND WARRANTIES.

Section 4.1 Representations and Warranties of Seller. Seller represents as follows to each Investor that purchases a PI in accordance with the provisions hereof, as of the Effective Sale Date for such PI:

(a) Seller is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to enter into and perform its obligations hereunder.

(b) The transactions contemplated hereby are within Seller's entity powers and have been duly authorized by all requisite entity action on the part of Seller.

(c) As to Seller, the transactions contemplated hereby (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person, and (ii) will not violate any applicable law or regulation or the limited liability company agreement or other organizational documents of Seller or any order of any Governmental Authority.

(d) The obligations of Seller under the PI Confirmations and under the provisions of these Basic Terms that are applicable to such PI Confirmations constitute the legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(e) As to each Underlying Contract, Seller is, prior to the Effective Sale Date of the related PI, the sole legal and beneficial owner of and has good title to such Contract free and clear of any Security Interest.

(f) In determining to purchase each Underlying Contract related to a PI that Seller offers for sale hereunder, Seller has, in good faith, conducted a Contract origination in accordance with the Standard of Care.

(g) Seller will achieve perfection of the Security Interest in each passenger vehicle, light-duty truck or van relating to each Underlying Contract for each PI purchased by an

Investor within one hundred eighty (180) days after Seller Acquires the related Underlying Contract from the Dealer.

Section 4.2 Representations, Warranties and Acknowledgements of each Investor. Each Investor represents and warrants as follows to Seller (or acknowledges to Seller, as the case may be), as of the Effective Sale Date for each such PI:

(a) If such Investor is not a natural person:

(i) such Investor is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite power and authority to enter into and perform the transactions contemplated hereby relating to the PI's purchased by such Investor; and

(ii) such purchases (A) are within such Investor's entity powers and have been duly authorized by all requisite entity action on the part of such Investor, and (B) will not violate the organization documents of such Investor; and

(b) To the extent that such Investor is a natural person, such Investor has achieved the legal age to enter into binding contracts, has the legal capacity to enter into and perform the related transactions relating to the PI's purchased by such Investor and has taken all steps necessary to enter into and perform such transactions.

(c) The obligations of each PI Owner under each PI Confirmation issued to such Investor and under the provisions of these Basic Terms that are applicable to such Investor constitute the legal, valid and binding obligations of such Investor, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) As to such Investor, the transactions relating to the PI's purchased by such Investor (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person, (ii) will not violate any applicable law or regulation or any order of any Governmental Authority, and (iii) will not violate or result in a default under any agreement or other instrument binding upon such Investor or to which such Investor is subject.

(e) Without characterizing any PI as a "security" within the meaning of applicable securities laws, (i) such Investor is an "accredited investor" as defined by the SEC, and (ii) such Investor is not purchasing such PI's with a view towards the sale or distribution thereof in violation of the Securities Act; provided, however, that such Investor may resell the PI's if such resale is in compliance with Article VI.

(f) Such Investor acknowledges and agrees that the offering and sale of any PI have not been and shall not be registered under the Securities Act and are being made in reliance upon federal and state exemptions for transactions not involving a public offering and/or rules governing offers and sales made outside the United States. In particular, such Investor

acknowledges and agrees that (i) such Investor is a sophisticated Person with respect to the purchase of such PI's, (ii) no governmental or regulatory agency has passed upon, or will pass upon, any PI or has made, or will make, any finding or determination as to the fairness of any investment in in PI, (iii) such Investor is able to bear the economic risk associated with the purchase of such PI's for an indefinite period of time because, among other things, (A) no PI has been registered under the Securities Act and, therefore, no PI can be sold unless it is subsequently registered under the Securities Act or unless an exemption therefrom is available, (B) no PI has been registered under applicable state securities laws and, therefore, no PI can be sold unless it is subsequently registered under applicable state securities laws or unless an exemption therefrom is available and (C) there are other substantial restrictions on the transferability of each PI, (iv) there is no established market for the PI's and no market (public or otherwise) for the PI's is expected to develop in the foreseeable future, (v) such Investor (A) has no right to require that the PI's be registered under the Securities Act or the securities laws of any other jurisdiction and (B) is not expected to be able to avail itself of the provisions of Rule 144 promulgated under the Securities Act, (vi) such Investor has adequate information concerning such PI's to make an informed decision regarding the purchase of such PI's, (vii) such Investor has such knowledge and experience, and has made investments of a similar nature, so as to be aware of the risks and uncertainties inherent in the purchase of rights of the type contemplated in these Basic Terms, and (viii) such Investor has independently and without reliance upon Seller, and based on such information as such Investor has deemed appropriate, made its own analysis and decision to purchase such PI's, except that such Investor has relied upon Seller's express representations, warranties, covenants, and agreements in these Basic Terms. Such Investor further acknowledges that Seller has not given such Investor any investment advice, credit information (other than as posted on the DriverUp Website) or opinion on whether the purchase of any PI's is prudent.

(g) Such Investor has been advised and acknowledges and agrees that its investment in the PI's is illiquid and involves a high degree of risk. Such Investor has no need for liquidity with respect to the PI's, has the ability to bear the economic risk of its investment in the PI's and, at the present time and in the foreseeable future, can afford a complete loss of its investment in the PI's. Such Investor's overall commitment to investments which are not readily marketable is not disproportionate to such Investor's net worth, and its investment in the PI's will not cause such overall commitment to become excessive.

(h) Such Investor is acquiring PI's solely for investment for its own account and not for the benefit or account of any other person, and has no present agreement, understanding, intention or arrangement to sell, resell, assign, transfer or otherwise dispose of all or any part of the PI's to any other person or entity notwithstanding any financing arrangement entered into by such Investor to acquire the PI's.

(i) Such Investor's investment in the PI's will not be prohibited under Section 406 of the United States Employee Retirement Income Security Act of 1974, as amended, or constitute a "prohibited transaction" (as defined in Section 4975(c)(1) of the Internal Revenue Code) for which an exemption does not apply.

(j) Except for the information posted on the DriverUp Website in connection with the offering of PI's, such Investor will not rely on Seller to furnish or make available any documents or other information regarding the credit, financial condition or other affairs of any Obligor or Dealer under the Contracts that relate to the PI's purchased by such Investor.

(k) In formulating a decision to invest in the PI's, such Investor has not relied or acted on the basis of any representations purported to be given on behalf of Seller, and no person has been authorized by Seller to make any such representations.

(l) Such Investor acknowledges that (i) it is entitled to neither possession nor use of Purchaser-Excluded Information, (ii) it has determined to purchase PI's notwithstanding its lack of knowledge of the Purchaser-Excluded Information and (iii) Seller has no liability to such Investor and such Investor, to the maximum extent permitted by law, waives and releases any claims that such Investor might have against Seller, whether under applicable securities laws or otherwise, with respect to the nondisclosure of the Purchaser-Excluded Information in connection with such Investor's purchase of PI's. Without limiting the foregoing, each Investor that purchases one or more PI's acknowledges and agrees that Seller shall not disclose Purchaser-Excluded Information relating to such PI's whether or not such disclosure is prohibited under applicable law.

(m) The information furnished by each Investor to Seller in connection with the transactions contemplated by these Basic Terms is accurate and complete and may be relied upon by Seller.

(n) As to each PI purchased by an Investor hereunder, such Investor acknowledges that the holder-in-due-course rule promulgated by the Federal Trade Commission may subject such Investor to all claims and defenses (including setoff rights) that an Obligor on the related Underlying Contract could assert against the Dealer that originated such Underlying Contract.

(o) Such Investor is not subject to any United States sanctions administered by OFAC.

(p) Such Investor is not a Benefit Plan Investor.

Section 4.3 No Other Representations and Warranties. Except as expressly stated in these Basic Terms, neither Seller nor such Investor makes any representations or warranties, express or implied, with respect to the transactions relating to the PI's purchased by such Investor.

ARTICLE V SERVICING OF UNDERLYING CONTRACTS.

Section 5.1 Servicing.

(a) Each Investor that purchases a PI acknowledges and agrees that, following the Effective Sale Date for such purchase, Seller (or its designee, sub-servicer or custodian) shall

continue to be responsible for all aspects of the servicing, managing, collecting, enforcing and administering the Underlying Contract and all legal compliance duties relating thereto (collectively, “**Servicing**”), in each case and at all times applying the Standard of Care. Without limiting the foregoing, Seller may, without notice to or the consent of such Investor, but in accordance with the Standard of Care (i) exercise or refrain from exercising any of the rights or remedies Seller may have under the Underlying Contract, (ii) give or withhold Seller’s consent to any amendments or extensions of whatsoever nature to any of such Underlying Contract, (iii) execute and deliver any documents or instruments (including, without limitation, instruments of satisfaction and cancellation, or partial or full release or discharge) that are necessary or appropriate in connection with the Servicing of such Underlying Contract, (iv) amend or modify any Underlying Contract, (v) make or give any filings, reports, notices, applications, or registrations with or to, and to seek and obtain any authorizations, consents or approvals from, any Governmental Authority as may be necessary or advisable to enforce any rights or remedies under or in respect of any Underlying Contract or to comply with applicable laws, (vi) pursue or waive rights against Dealers in Seller’s discretion, and (vii) take any and all other actions that are necessary or appropriate in connection with the Servicing of such Underlying Contract. Seller shall also, in accordance with the Standard of Care, maintain all records relating to such Underlying Contract.

(b) Within a reasonable time after the first sales of PI’s under these Basic Terms, Seller shall use reasonable commercial efforts to enter into a backup and successor servicing agreement with an unaffiliated entity selected by Seller (the “**Backup Servicer**”). Pursuant to this agreement, the Backup Servicer will exercise the Servicing responsibilities of Seller with respect to the Underlying Contracts upon the occurrence of a Chapter 7 Proceeding relating to Seller or if Seller, in its discretion, otherwise requests the Backup Servicer to perform the Servicing. If the Backup Servicer commences to service the Underlying Contracts in accordance with the provisions of this **Section 5.1(b)**, each Investor and PI Owner acknowledges and agrees that the Backup Servicer will be entitled to a servicing fee, which may be in an amount different than amount of the Servicing Fee paid to Seller, and will succeed to all of the rights and responsibilities of Seller hereunder with respect to the Servicing of the Underlying Contracts. For the avoidance of doubt, Seller will be solely responsible for the payment of the Backup Servicer’s fees and expenses at all times prior to the assumption by the Backup Servicer of the Servicing for the Underlying Contracts. In the event the backup and successor servicing agreement with the Backup Servicer expires or is otherwise terminated, Seller will use reasonable commercial efforts to enter into a new agreement with another backup servicer to perform Seller’s Servicing responsibilities in the circumstances contemplated by this **Section 5.1(b)**.

(c) Seller shall have the option to, but is not required to, put Underlying Contracts in the possession of a third-party custodian but is obligated to keep such Underlying Contracts at all times in storage arrangements where they are identifiable as Underlying Contracts relating to PI’s.

Section 5.2 Sub-Servicing and Custodial Arrangements. Seller may enter into sub-servicing and custodial agreements for the performance by third parties of any of the Servicing described in **Section 5.1(a)**, or otherwise delegate or subcontract such Servicing, as it may

determine is necessary or appropriate, provided however that Seller shall at all times remain responsible for the performance of such duties and obligations.

Section 5.3 Independent Contractor. Except as otherwise expressly provided herein, Seller's obligations to Service each Underlying Contract shall be performed and provided by Seller as an independent contractor for the benefit of each relevant PI Owner, and none of the provisions of these Basic Terms or of any PI Confirmation shall be deemed to make, authorize or appoint Seller as the representative of any PI Owner. Nothing in these Basic Terms shall be construed or interpreted to make any PI Owner and Seller partners or joint venturers.

Section 5.4 Advisors, etc. In Servicing the Underlying Contracts or in otherwise performing its obligations under these Basic Terms, Seller (a) may rely on legal counsel, independent public accountants and other professional advisors (collectively "Advisors") selected and accepted in good faith by Seller, and Seller shall not be liable for any action taken or omitted to be taken in good faith by Seller in accordance with the advice of Advisors, (b) shall be entitled to rely on, and shall incur no liability by acting upon, any internet login, conversation, notice, consent, certificate, statement, order, or any document or other writing (including, without limitation, facsimile, electronic mail, or other telecommunication device) believed by Seller to be genuine and need not investigate any fact or matter stated in any document, and (c) shall have no obligation to take any action which Seller determines in good faith could violate applicable law, rule, regulation, order, or the Underlying Contracts or, in Seller's reasonable judgment, prejudice Seller's continuing relationship with any regulatory authority or damage Seller's reputation or, unless and until it shall have been provided adequate indemnity therefor, expose Seller to any material obligation, liability or expense. Unless otherwise specifically provided in these Basic Terms any demand, request, direction or notice from any PI Owner which is a legal entity will be sufficient if signed by an officer of such PI Owner.

Section 5.5 Exculpations of Seller. In Servicing each Underlying Contract, Seller will not be held to the standard of care of a fiduciary but to the Standard of Care in the Servicing of such Underlying Contract as provided for herein. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE BASIC TERMS OR IN ANY PI CONFIRMATION, SELLER SHALL IN NO EVENT BE LIABLE HEREUNDER OR UNDER ANY PI CONFIRMATION FOR ANY ERROR IN JUDGMENT OR FOR ANY ACTION TAKEN OR OMITTED TO BE TAKEN BY IT, INCLUDING SELLER'S SOLE OR CONCURRENT NEGLIGENCE OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER ACTIVE OR PASSIVE, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION, INCLUDING WITHOUT LIMITATION, ALL TYPES OF NEGLIGENT CONDUCT IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS OF SELLER OR BY REASON OF STRICT LIABILITY IMPOSED WITHOUT FAULT ON SELLER, PROVIDED THAT THE FOREGOING EXCULPATORY PROVISION SHALL NOT APPLY TO LOSSES THAT RESULT FROM SELLER'S BAD FAITH, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF ANY OF THE EXPRESS TERMS AND PROVISIONS OF THESE BASIC TERMS.** Seller may rely on any notice, consent, certificate, request or other written document or communication (including electronic communication) received by Seller from such Investor or

PI Owner or any employee or agent of such Investor or PI Owner and believed by Seller in good faith to be genuine.

Section 5.6 Servicing Fees; Expenses; Obligor Entitlements. As to each PI that has been sold to a PI Owner, Seller is entitled to deduct the full amount of any Servicing Fees and Expenses which Seller is owed and has not previously collected from (a) any payment received on or with respect to the Underlying Contract, before transferring funds to the Segregated Account or (b) any amounts on deposit in the Segregated Account. Seller may also deduct Obligor Entitlements from any payment received on or with respect to a related Underlying Contract, either before or after such amounts have been deposited into the Segregated Account. The “**Servicing Fee**” for any calendar month shall be the amount specified from time to time by Seller. The initial Servicing Fee shall be an amount equal to .00333 times the unpaid principal balance due on an Underlying Contract at the beginning of such month (such number being the result obtained when 4.0% is divided by 12), is due and payable, in advance, on such first day, and shall be charged at that rate for the entire month (whether the related PI is owned for the entire month or not) regardless of receipts or disbursements later in such month which alter such unpaid principal balance on the after such first day. The amount of the initial Servicing Fee is fixed for the life of any PI effective when it is purchased by an Investor, subject only to change if a Backup Servicer takes over Servicing. Seller reserves the right to change the Servicing Fee for newly issued PI's based upon market conditions, and Seller will provide an electronic notice of any such adjustment. Once such notice has been so posted, such adjustment shall thereafter apply only to the calculation of the Servicing Fee for PI's that are purchased on or after the date of such adjustment.

Section 5.7 Cleanup Call. If (a) Seller has, in accordance with the Standard of Care, completely charged-off an Underlying Contract and abandoned collection efforts with respect to such Underlying Contract, and (b) Seller has determined in good faith that the cost of continuing to service such Underlying Contract creates a burden for Seller (in its capacity as the servicer of the Underlying Contract) in light of the amount of the Servicing Fees to be paid to Seller with respect to such Underlying Contract, then, beginning two years after the original stated maturity date (or, if the stated maturity date has been extended, beginning two years after the last such extended maturity date) of such Underlying Contract, Seller shall have the option to repurchase the PI relating to such Underlying Contract from the PI Owner thereof for a purchase price equal to \$1.00. Upon Seller's electronic notice to such PI Owner that Seller is exercising such option and the payment by Seller to such PI Owner of such purchase price, such PI Owner shall automatically (and without further action) be deemed to have sold and transferred such PI to Seller.

ARTICLE VI REGISTRY OF PI OWNERS AND TRANSFERS.

Section 6.1 Registry of PI Owners Conclusive. Seller will maintain, on a current basis, an electronic database (the “**Registry**”) of PI Owners including their names and contact data, in each case as most recently provided by them. No Investor or PI Owner has any right to any access to the Registry or any information contained therein, except to request Seller to make corrections. Prior to effectuation of any registration of a transfer of any PI as provided for below,

Seller may deem and treat the Person in whose name any PI is registered in the Registry as the absolute owner of such PI for all purpose of entitlement to payments on such PI's and for all other purposes, and Seller shall not be affected by notice to the contrary or required to act on the basis of any such notice. Seller has no duty to annotate its records as to any restriction on transfer, other than those imposed by mandatory provisions of law.

Section 6.2 Transfer Limits and Procedures. As described in **Section 4.2(f)** above, the Securities Act imposes limits on the transferability of PI's. Procedures for applying for permission to transfer or pledge PI's are available upon request. If a PI Owner proposes to make a permitted transfer or pledge, such transfer or pledge will not be valid and Seller will have no duty to register the transfer or make payments to or otherwise recognize the transferee unless and until the transaction is presented to Seller for registration of transfer on Seller's books (including the Registry) and Seller receives, in writing, at such PI Owner's expense, all information Seller reasonably requests to assure Seller that no violation of law is involved in the transfer or pledge such PI Owner proposes. In connection therewith, Seller reserves the right to require signature guarantees or other reasonable evidence about the authenticity and legitimacy of the transfer or pledge. Seller further reserves the right to impose a reasonable fee for processing and recording a transfer or pledge. In addition, if circumstances require Seller to engage its own counsel to advise Seller about the transfer or pledge, Seller will condition recordation of the transfer or pledge on payment of the fees and disbursements Seller incurs in connection therewith. Such PI Owner will be obligated to pay the reasonable fees and disbursements of any counsel Seller engages in connection with the foregoing.

ARTICLE VII MISCELLANEOUS

Section 7.1 Notices. Except as provided below in **Section 7.13(c)** below, all notices and other communications relating from Seller to Investors and PI Owners shall be sufficient if posted in the Investor's or PI Owner's accounts as displayed on the DriverUp Website or transmitted by electronic mail directed to that email address provided by the Investor or PI Owner as at the 27th day of the immediately preceding calendar month. In the case of Seller, such notices and other communications shall be delivered as follows:

Sierra Auto Finance LLC
5005 Lyndon B. Johnson Freeway
Dallas, Texas 75244
Attention: Chief Financial Officer

Section 7.2 Amendments and Waivers of PI's/Basic Terms. Subject to the provisions of **Section 7.3**, the terms of a PI are established at the time Seller posts the PI Confirmation and automatically incorporate the provisions of these Basic Terms as displayed on the DriverUp Website or otherwise provided on the date of such posting, provided that (a) that terms of PI's and the Basic Terms may be amended unilaterally by Seller in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error and (b) no such terms may be amended, waived, modified or supplemented in any manner materially adverse to the PI Owner without the written consent of the affected PI Owner.

Section 7.3 Promulgations of Revised Basic Terms. Seller reserves the right to amend, waive, modify or supplement the Basic Terms as in effect at any time, with such amended, waived, modified or supplemented Basic Terms to be displayed on the DriverUp Website or otherwise furnished, provided that such amendment, waiver, modification or supplement shall apply retroactively to existing PI's only if such amendment, waiver, modification or supplement does not materially and adversely affect the rights of the PI Owners that own such existing PI's, in each case as determined by Seller in accordance with the Standard of Care. In addition, from time to time, Seller may agree with an Investor to waive, modify or supplement the application of any provision of the Basic Terms with respect to such Investor without notifying or obtaining the consent of any other Investor. Any such waiver, modification or supplement may be evidenced by a confidential "side letter" or other confidential document that governs the terms of the PI's purchased by the applicable Investor. Seller will not be required to display the terms of any such confidential side letter or document on the DriverUp Website or otherwise furnish or disclose the terms thereof to any other Investor.

Section 7.4 Further Assurances. Each of Seller and each Investor that purchases one or more PI's hereunder agree to execute and deliver such further documents and information as may be reasonably required in order to make effective the purposes of these Basic Terms and of the PI Confirmations.

Section 7.5 Confidentiality. Each Investor agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its affiliates, directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons and entities to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, or (d) in connection with any suit, action or proceeding relating to these Basic Terms or the transactions contemplated hereby. As used herein, the term "**Information**" means (i) these Basic Terms, (ii) the Confidential Information Memorandum relating to the DriverUp program, and (iii) information posted on the DriverUp Website and other information relating to the DriverUp program except to the extent the same is publicly available other than as a result of a breach of the provisions of this Section.

Section 7.6 Successors and Assigns.

(a) Of Seller. The provisions of these Basic Terms and of the PI Confirmations shall be binding upon and inure to the benefit of Seller and its successors, delegees and assigns. In this connection, each Investor and PI Owner acknowledges and agrees that Seller may at any time convert from being a limited liability company to being a corporation. Seller shall not sell or lease (a) Seller's properties or assets substantially as an entirety, (b) Seller's servicing operations as an entirety, or (c) Seller's Contract origination business substantially as an entirety, unless, in each case, the surviving or acquiring entity expressly assumes Seller's obligations under these Basic Terms and all outstanding PI's in writing. The foregoing shall not impose any restrictions on Seller's merger or consolidation with any other Person.

(b) Of an Investor. The same restrictions that apply to sales or other dispositions of PI's apply to any effort by any PI Owner to transfer or dispose of all or any part of its account with Seller, *i.e.*, if the effect of any effort would be to transfer ownership, record or beneficial, or entitlement to the economics of any one or more PI's, then Seller will be entitled to treat such effort as though it were an effort to transfer the PI's themselves. Accordingly, no one can be a valid assignee of rights of an Investor under its account with Seller unless the same procedures applicable to the PI's contained in such account are complied with, as though the effort was specifically an effort to transfer PI's rather than an effort to assign account rights.

Section 7.7 RESTRICTIONS ON TRANSFER. THE PI'S ARE GOVERNED BY AND TRANSFERABLE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THESE BASIC TERMS AND THE APPLICABLE PI CONFIRMATIONS. THE PI'S HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR UNDER APPLICABLE STATE SECURITIES LAWS, AND NO PI'S MAY BE SOLD, OFFERED, ASSIGNED, DISTRIBUTED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING ANY SUCH TRANSACTION OR (B) THERE IS AN EXEMPTION FROM SUCH ACT AND FROM APPLICABLE STATE SECURITIES LAWS AVAILABLE FOR THE PI'S.

Section 7.8 No Third Party Beneficiaries. These Basic Terms and each PI Confirmation are solely for the benefit of Seller, Investors and PI Owners. No other Person shall have any rights, claims, remedies or privileges hereunder or under any PI Confirmation for any reason whatsoever. There are no third party beneficiaries.

Section 7.9 Entire Agreement. As to each purchase by an Investor of any PI, these Basic Terms and the PI Confirmation relating to such PI shall constitute the entire contract between Seller and such Investor or PI Owner relating to the purchase of such PI and shall supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. THESE BASIC TERMS AND SUCH PI CONFIRMATION REPRESENT THE FINAL AGREEMENT BETWEEN SELLER AND SUCH INVESTOR OR PI OWNER AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN SELLER AND SUCH INVESTOR OR PI OWNER.

Section 7.10 Severability. Any provision of these Basic Terms or any PI Confirmation that is held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 7.11 No Waiver, etc. No failure on the part of Seller, any Investor or any PI Owner to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege, or any abandonment or discontinuance of steps to enforce such right, power or privilege, hereunder or under any PI Confirmation shall operate as a waiver thereof, nor shall

any single or partial exercise of any right, power or privilege hereunder or under any PI Confirmation preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of Seller and each Investor or PI Owner hereunder or under any PI Confirmation are cumulative and are not exclusive of any rights or remedies that they would otherwise have.

Section 7.12 Termination. Subject to the provisions of **Section 5.6** hereof, as to each sale of a PI hereunder, the provisions of these Basic Terms and the provisions of the related PI Confirmation shall terminate when Seller has received all PI Payments in respect of the Underlying Contract relating to such PI and has, to the extent required hereunder, distributed the same to the Investor that purchased such PI. The provisions of **Section 5.6** shall survive and remain in full force and effect regardless of the termination of these Basic Terms or any such related PI Confirmation or any provision hereof or thereof.

Section 7.13 Governing Law; Submission to Jurisdiction; Service of Process.

(a) THESE BASIC TERMS AND EACH PI CONFIRMATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THESE BASIC TERMS, ANY PI CONFIRMATION OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY MUST BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF TEXAS, IN EITHER CASE LOCATED IN DALLAS COUNTY, TEXAS, AND EACH OF SELLER, EACH INVESTOR AND EACH PI OWNER HEREBY ACCEPTS FOR ITSELF AND (TO THE EXTENT PERMITTED BY LAW) IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH OF SELLER, EACH INVESTOR, AND EACH PI OWNER HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. THIS SUBMISSION TO JURISDICTION IS EXCLUSIVE AND PRECLUDES SELLER, ANY INVESTOR OR ANY PI OWNER FROM BRINGING ANY SUCH LEGAL ACTION OR PROCEEDING IN ANY OTHER COURT.

(c) TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF SELLER, EACH INVESTOR AND EACH PI OWNER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT THE ADDRESS SPECIFIED IN **SECTION 7.1**, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTWITHSTANDING THE FOREGOING, NOTHING HEREIN SHALL AFFECT THE RIGHT OF SELLER, ANY INVESTOR OR ANY PI OWNER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

7.13 Waiver of Trial by Jury, etc. SELLER, EACH INVESTOR, AND EACH PI OWNER (a) IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THESE BASIC TERMS, ANY PI CONFIRMATION, OR TRANSACTION CONTEMPLATED HEREBY OR THEREBY AND FOR ANY COUNTERCLAIM RELATED THERETO; (b) IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT SELLER, SUCH INVESTOR OR SUCH PI OWNER MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES; (c) CERTIFIES THAT NONE OF SELLER, SUCH INVESTOR OR SUCH PI OWNER OR ANY REPRESENTATIVE OR AGENT OR COUNSEL FOR SELLER, SUCH INVESTOR OR SUCH PI OWNER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, OR IMPLIED THAT SELLER, SUCH INVESTOR OR SUCH PI OWNER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS, AND (d) ACKNOWLEDGES THAT EACH OF SELLER, SUCH INVESTOR AND SUCH PI OWNER HAS BEEN INDUCED TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS SECTION 7.13.