

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report: **November 2, 2018**
(Date of earliest event reported)

SHARING SERVICES, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation)

333-205310
(Commission file number)

30-0869786
(I.R.S. Employer
Identification Number)

1700 Coit Road, Suite 100, Plano, Texas 75075
(Address of principal executive offices)

(714) 203-6717
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

The information contained in Item 2.03 below is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of the Registrant.

On November 2, 2018, the Company entered into a financing agreement with Syndimate LLC (“Syndimate”) pursuant to which the Company agreed to sell to Syndimate certain future trade receipts in the aggregate amount of \$330,000. Net proceeds from this transaction were \$239,000 and were net of an initial financing fee of \$11,000 and applicable financing costs, calculated at an implied discount rate of 32% per annum. Under the terms of the agreement, borrowings are payable in equal daily installments of approximately \$2,063 over a term of approximately five and one-half months.

On November 27, 2018, Sharing Services, Inc. (the “Company”) entered into a financing agreement with Libertas Funding LLC (“Libertas”) pursuant to which the Company agreed to sell to Libertas certain future trade receipts in the aggregate amount of \$635,000. Net proceeds from this transaction were \$490,000 and were net of an initial financing fee of \$10,000 and applicable financing costs, calculated at an implied discount rate of 27% per annum. Under the terms of the agreement, borrowings are payable in equal daily installments to Libertas of approximately \$4,320, subject to change at the Sharing Services, Inc.’s discretion, over a term of approximately five months.

On November 30, 2018, Sharing Services, Inc. (the “Company”) entered into a financing agreement with eMerchant Advance LLC (“eMerchant”) pursuant to which the Company agreed to sell to eMerchant certain future trade receipts in the aggregate amount of \$635,000. Net proceeds from this transaction were \$485,000 and were net of an initial financing fee of \$15,000 and applicable financing costs, calculated at an implied discount rate of 27% per annum. Under the terms of the agreement, borrowings are payable in equal daily installments to eMerchant of approximately \$4,320, subject to change at the Sharing Services, Inc.’s discretion, over a term of approximately five months.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit	Location
10.1	Receipts Purchase and Sale Agreement dated November 2, 2018 by and between Sharing Services, Inc. and Syndimate LLC.	Provided herewith
10.2	Agreement of Sale of Future Receipts dated November 27, 2018 by and between Sharing Services, Inc. and Libertas Funding LLC.	Provided herewith
10.3	Agreement for the Purchase and Sale of Future Receipts dated November 30, 2018 by and between Sharing Services, Inc. and eMerchant Advance LLC.	Provided herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SHARING SERVICES, INC.

December 13, 2018

By: /s/ John Thatch
Name: John Thatch
Title: President, Chief Executive Officer and Director

To the extent set forth herein, each of the parties is obligated upon his, her or its execution of the Agreement to all terms of the Agreement, including the Additional Terms set forth below. Each of above-signed Merchant and Owner(s) represents that he or she is authorized to sign this Agreement for Merchant, legally binding said Merchant to deliver the specified percentage of daily receipts and that the information provided herein and in all of PURCHASER documents, forms and recorded interviews is true, accurate and complete in all respects. If any such information is false or misleading, Merchant shall be deemed in material breach of all agreements between Merchant and PURCHASER and PURCHASER shall be entitled to all remedies available under law. Merchant and each of the above-signed Owners authorizes PURCHASER, its agents and representatives and any credit reporting agency engaged by PURCHASER, to (i) investigate any references given or any other statements or data obtained from or about Merchant or any of its Owners for the purpose of this Agreement, and (ii) obtain credit report at any time now or for so long as Merchant and/or Owners(s) continue to have any obligation owed to PURCHASER.

ANY MISREPRESENTATION MADE BY MERCHANT OR OWNER IN CONNECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL FRAUDULENT INDUCEMENT TO OBTAIN FINANCING.

MERCHANT AGREEMENT TERMS AND CONDITIONS

- 1. TERMS OF ENROLLMENT IN PROGRAM**
- 1.1 Merchant Deposit Agreement.** Merchant shall execute an agreement (the "Merchant Deposit Agreement") acceptable to PURCHASER, with a Bank acceptable to PURCHASER, to obtain electronic fund transfer services. Merchant shall provide PURCHASER and/or its authorized agent with all of the information, authorizations necessary for verifying Merchant's receivables, receipts and deposits into the Account. Merchant shall authorize PURCHASER and/or its agent to deduct the amounts owed to PURCHASER for the Receipts as specified herein from settlement amounts which would otherwise be due to Merchant by permitting PURCHASER to withdraw the Specific Daily Amount credited against the Specified Percentages by ACH debit of the Merchant Account. The authorization shall be irrevocable without the written consent of PURCHASER.
- 1.2 Term of Agreement.** This Agreement shall have an indefinite term that shall last until all the Merchant's obligations to PURCHASER are fully satisfied. This shall include but not be limited to any renewals, outstanding fees or costs.
- 1.3 Future Purchases.** PURCHASER reserves the right to rescind the offer to make any purchases hereunder, in its sole discretion.
- 1.4 Financial Condition.** Merchant and Guarantor(s) authorize PURCHASER and its agents to investigate their financial responsibility and history, and will provide to PURCHASER any bank or financial statements, tax returns, etc., as PURCHASER deems necessary prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed as acceptable for release of financial information. PURCHASER is authorized to update such information and financial profiles from time to time as it deems appropriate.
- 1.5 Transactional History.** Merchant authorizes its bank to provide PURCHASER with Merchant's banking or processing history to determine qualification or continuation in this program.
- 1.6 Indemnification.** Merchant and Guarantor(s) jointly and severally indemnify and hold harmless Processor/Bank, its officers, directors and shareholders against all losses, damages, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Processor/Bank resulting from (a) claims asserted by PURCHASER for monies owed to PURCHASER from Merchant and (b) actions taken by Processor/Bank in reliance upon information or instructions provided by PURCHASER.
- 1.7 No Liability.** In no event will PURCHASER (or any of the Purchasers) be liable for any claims asserted by Merchant under any legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is waived by Merchant and Guarantor(s).
- 1.8 Reliance on Terms.** Section 1.1, 1.7, 1.8, and 2.5 of this Agreement are agreed to for the benefit of Merchant, PURCHASER and Processor, and notwithstanding the fact that Processor is not a party of this Agreement, Processor may rely upon their terms and raise them as a defense in any action.
- 1.9 Sale of Receipts.** Merchant and PURCHASER agree that the Purchase Price under this Agreement is in exchange for the Purchased Amount and that such Purchase Price is not intended to be, nor shall it be construed as a loan from PURCHASER to Merchant. Merchant agrees that the Purchase Price is in exchange for the sale of future Receipts pursuant to this Agreement equals the fair market value of such Receipts. PURCHASER has purchased and shall own all the Receipts described in this Agreement up to the full Purchased Amount as the Receipts are created. Receipts delivered to PURCHASER in respect to the full amount of the Receipts shall be conditioned upon Merchant's sale of products and services and the payment therefore by Merchant's customers in the manner provided in Section 1.1. In no event shall the aggregate of all amounts be deemed as interest hereunder and charged or collected hereunder exceed the highest rate permissible by law. In the event that a court determines that this agreement is a loan and that PURCHASER has charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by applicable law and PURCHASER shall promptly refund to Merchant any interest received by PURCHASER in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that PURCHASER not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be delivered by Merchant under applicable law.
- 1.10 Power of Attorney** Merchant irrevocably appoints PURCHASER as its agent and attorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to PURCHASER from Processor/Bank, or in the case of a violation by Merchant of Section 1.12 or the occurrence of an Event of Default under Section 4 hereof, from Merchant, under this Agreement, including without limitation (i) to obtain and adjust insurance; (ii) to collect monies due or to become due under or in respect of any of the Collateral; (iii) to receive, endorse and collect any checks, notes, drafts, instruments, documents or chattel paper in connection with clause (i) or clause (ii) above; (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to PURCHASER; and (v) to file any claims or take any action or institute any proceeding which PURCHASER may deem necessary for the collection of any of the undelivered Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to delivery of the Purchased Amount.
- 1.11 Protections Against Default.** The following Protections 1 through 4 may be invoked by PURCHASER, immediately and without notice to Merchant in the event (a) Merchant changes its arrangements with Processor/Bank in any way that is adverse to PURCHASER; (b) Merchant changes the Account through which the Receipts are settled, or permits any event to occur that could cause diversion of any of Merchant's transactions to another account; (c) Merchant transfers, moves, sells, disposes, transfers or otherwise conveys its business or assets without (i) the express prior written consent of PURCHASER, and (ii) the written agreement of any purchaser or transferee to the assumption of all of Merchant's obligations under this Agreement pursuant to documentation satisfactory to PURCHASER; or (d) Merchant takes any action, fails to take any action, or offers any incentive—economic or otherwise—the result of which will be to induce any customer or customers to pay for Merchant's services with any means other than checks or payments that are settled through Processor. These protections are in addition to any other remedies available to PURCHASER at law, in equity or otherwise pursuant to this Agreement.
1. Protection 1. PURCHASER may enforce its security interest in the Collateral identified in Article III hereof.
 2. Protection 2. PURCHASER may proceed to protect and enforce its rights and remedies by lawsuit. In any such lawsuit, in which PURCHASER shall recover judgment against Merchant, Merchant shall be liable for all of PURCHASER's costs of lawsuit, including but not limited to all reasonable attorneys' fees and court costs.
 3. Protection 3. Merchant shall, upon execution of this Agreement, deliver to PURCHASER an executed assignment of lease of Merchant's premises in favor of PURCHASER.

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4. Protection 4. PURCHASER may debit Merchant's depository accounts wherever situated by means of ACH debit or facsimile signature on a computer-generated

4. Protection 4. PURCHASER may debit Merchant's depository accounts wherever situated by means of ACH debit or facsimile signature on a computer-generated check drawn on Merchant's bank account or otherwise.

- 1.12 Protection of Information.** Merchant and each person signing this Agreement on behalf of Merchant and/or as Owner, in respect of himself or herself personally, authorizes PURCHASER to disclose information concerning Merchant's and each Owner's credit standing (including credit bureau reports that PURCHASER obtains) and business conduct only to agents, affiliates, subsidiaries, and credit reporting bureaus. Merchant and each Owner hereby waives to the maximum extent permitted by law any claim for damages against PURCHASER or any of its affiliates and the Purchasers relating to any(i) investigation undertaken by or on behalf of PURCHASER as permitted by this Agreement or (ii) disclosure of information as permitted by this Agreement.
- 1.13 Confidentiality.** Merchant understands and agrees that the terms and conditions of the products and services offered by PURCHASER, including this Agreement and any other PURCHASER documentations (collectively, "Confidential Information") are proprietary and confidential information of PURCHASER. Accordingly unless disclosure is required by law or court order, Merchant shall not disclose Confidential Information of PURCHASER to any person other than an attorney, accountant, financial advisor or employee of Merchant who needs to know such information for the purpose of advising Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant and first agrees in writing to be bound by the terms of this Section 1.13.
- 1.14 Publicity.** Merchant and each Owner authorizes PURCHASER to use its, his or her name in a listing of clients and in advertising and marketing materials with their express written consent.
- 1.15 D/B/A's.** Merchant hereby acknowledges and agrees that PURCHASER may be using "doing business as" or "d/b/a" names in connection with various matters relating to the transaction between PURCHASER and Merchant, including the filing of UCC-1 financing statements and other notices or filings.
2. **REPRESENTATIONS, WARRANTIES AND COVENANTS** Merchant represents, warrants, and covenants that as of this date and during the term of this Agreement:
- 2.1 Financial Condition and Financial Information.** Its bank and financial statements, copies of which have been furnished to PURCHASER, and future statements which will be furnished hereafter at the discretion of PURCHASER, fairly represent the financial condition of Merchant at such dates, and since those dates there has been no material changes, financial or otherwise, in such condition, operation or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise PURCHASER of any material change in its financial condition, operation or ownership. PURCHASER may request financial statements at any time during the performance of this Agreement and the Merchant shall provide them to PURCHASER within 5 business days. Merchant's failure to do so is a material breach of this Agreement.
- 2.2 Governmental Approvals.** Merchant is in compliance and shall comply with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.
- 2.3 Authorization.** Merchant, and the person(s) signing this Agreement on behalf of Merchant, have full power and authority to incur and perform the obligations under this Agreement, all of which have been duly authorized.
- 2.4 Insurance.** Merchant will maintain business-interruption insurance naming PURCHASER as loss payee and additional insured in amounts and against risks as are satisfactory to PURCHASER and shall provide PURCHASER proof of such insurance upon request.
- 2.5 Intentionally omitted.**
- 2.6 Change of Name or Location.** Merchant will not conduct Merchant's businesses under any name other than as disclosed to the Processor and PURCHASER or change any of its places of business.
- 2.7 Daily Batch Out.** Merchant will batch out Receipts with the Processor on a daily basis.
- 2.8 Estoppel Certificate.** Merchant will at any time, and from time to time, upon at least one (1) day's prior notice from PURCHASER to Merchant, execute, acknowledge and deliver to PURCHASER and/or to any other person, person firm or corporation specified by PURCHASER, a statement certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and stating the dates which the Purchased Amount or any portion thereof has been delivered.
- 2.9 No Bankruptcy or Insolvency.** As of the date of this Agreement, Merchant represents that it is not insolvent and does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code, or any other similar bankruptcy or insolvency statute, and there has been no involuntary petition brought or pending against Merchant. Merchant further warrants that it does not anticipate filing any such bankruptcy petition and it does not anticipate that an involuntary petition will be filed against it.
- 2.10 Additional Financing.** Merchant shall not enter into any arrangement, agreement or commitment for any additional financing, whether in the form of a purchase of receivables or a loan to the business with any party other than PURCHASER without PURCHASER's written permission.
- 2.11 Unencumbered Receipts.** Merchant has good, complete and marketable title to all Receipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or interests that may be inconsistent with the transactions contemplated with, or adverse to the interests of PURCHASER.
- 2.12 Business Purpose.** Merchant is a valid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and Merchant is entering into this Agreement for business purposes and not as a consumer for personal, family or household purposes.
- 2.13 Default Under Other Contracts.** Merchant's execution of and/or performance under this Agreement will not cause or create an event of default by Merchant under any contract with another person or entity.
- 2.14 Conduct of Business.** Merchant shall conduct its business consistent with past practice, Merchant has no present intention to close or cease operating its business, in whole or part, temporarily or permanently.
- 2.15 Merchant Contractual Covenants.** Merchant agrees to not grant or permit any Lien upon any of its accounts receivable, including future Receipts, for the benefit of any person or entity other than PURCHASER and to maintain a minimum balance in the designated Account to the extent required as provided in Section 1.1 hereof. PURCHASER, Merchant, and Principal(s) acknowledge and agree that Merchant's filing of bankruptcy, going or out of business, in and of itself, does not constitute a breach of the Merchant Contractual Covenants.
- 2.16 Sale of Future Receivables.** Merchant is selling a portion of a future revenue stream to PURCHASER at a discount, not borrowing money from PURCHASER. Merchant is required to allow PURCHASER to receive the revenue stream it purchased by complying with the Merchant Contractual Covenants and this Agreement, but Merchant otherwise has no obligation to make any payments to PURCHASER. There is no interest rate or payment schedule and no time period during which the Specified Amount must be collected by PURCHASER. Thus, if future Receipts are remitted more slowly than PURCHASER may have anticipated or projected because business Merchant's business has slowed down, or if the full Receipts Purchased Amount is never remitted because Merchant's business went bankrupt or otherwise ceased operations in the ordinary course of business, and Merchant has not breached one or more of the provisions in sections 1.11 and 3.1, Merchant would not owe anything to PURCHASER and would not be in breach of or default under this Agreement. PURCHASER is buying the Receipts Purchased Amount knowing the risks that PURCHASER's business may slow down or fall, and PURCHASER assumes these risks based on Merchant's agreement to the provisions in sections 1.11 and 3.1, which are designed to give PURCHASER a reasonable and fair opportunity to receive the benefit of its bargain. By the Agreement, Merchant transfers to PURCHASER full and complete ownership of the Receipts Purchased Amount and Merchant retains no legal or equitable interest therein.

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2.1 Monitoring, Recording and Solicitations.

- (a) Authorization to contact Merchant by phone. Merchant and each principal authorize PURCHASER, its affiliates, agents and independent contractors to contact merchant and each principal at any telephone number merchant or any principal provides to PURCHASER or from which Merchant or any principal places a call to PURCHASER, or any telephone number where PURCHASER believes it may reach Merchant or any principal, using any means of communication, including, but not limited to, calls or text messages to mobile cellular, wireless or similar devices and calls or text messages using an automated telephone dialing system and/or artificial voices or prerecorded messages, even if Merchant or a principal incurs charges for receiving such communications.
- (b) Authorization to contact Merchant by other means. Merchant and each principal also agree that PURCHASER, its affiliates, agents and independent contractors may use any other medium, as permitted by law and including, but not limited to, mail, e-mail and facsimile, to contact merchant and each principal.
- (c) Rights to opt out or make changes. Merchant and each principal are not required to agree to sections 3.7(a) or 3.7(b) in order to enter into this agreement. If Merchant or any principal wishes to opt out of section 3.7(a) and/or 3.7(b), or if Merchant or any principal wants to change how PURCHASER contacts them, including with respect to any telephone number that PURCHASER might use, please call PURCHASER at (client info) (and select customer service from the menu prompts) or write to PURCHASER at the address set forth in section 4.2
- (d) Authorization to record calls. Merchant and each principal agree that PURCHASER, its affiliates, agents and independent contractors may listen to or record telephone calls between merchant or any principal and PURCHASER's representatives without additional notice to merchant or any principal.

3. EVENTS OF DEFAULT AND REMEDIES

- 3.1 Events of Default.** The occurrence of any of the following events shall constitute an "Event of Default" hereunder: (a) Merchant shall violate any term or covenant in this Agreement; (b) Any representation or warranty by Merchant in this Agreement shall prove to have been incorrect, false or misleading in any material respect when made; (c) The sending of notice of termination by Guarantor; (d) Merchant shall sell or move its business without notice to Purchaser; (e) Merchant shall transfer or sell all or substantially all of its assets without notice to Purchaser; (f) Merchant shall make or send notice of any intended bulk sale or transfer by Merchant; (g) Merchant shall use multiple depository accounts without the prior written consent of PURCHASER; (h) Merchant shall change its depositing account without the prior written consent of PURCHASER; or (i) Merchant shall default under any of the terms, covenants and conditions of any other agreement with PURCHASER.
- 3.2 Remedies.** In case any Event of Default occurs and is not waived pursuant to Section 4.4 hereof, PURCHASER on its own and on behalf of the PURCHASERS may proceed to protect and enforce its rights or remedies by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein, or to enforce the discharge of Merchant's obligations hereunder (including the Personal Guarantee) or any other legal or equitable right or remedy. All rights, powers and remedies of PURCHASER in connection with this Agreement may be exercised at any time by PURCHASER after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
- 3.3 Costs.** Merchant shall pay to PURCHASER all reasonable costs associated with (a) a breach by Merchant of this Agreement and the enforcement thereof, and (b) the enforcement of PURCHASER's remedies set forth in Section 3.2 above, including but not limited to court costs and attorneys' fees.
- 3.4 Required Notifications.** Merchant is required to give PURCHASER written notice within 24 hours of any filing under Title 11 of the United States Code. Merchant is required to give PURCHASER seven days' written notice prior to the closing of any sale of all or substantially all of the Merchant's assets or stock.

4. MISCELLANEOUS

- 4.1 Modifications; Agreements.** No modification, amendment, waiver or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by PURCHASER.
- 4.2 Assignment.** Merchant acknowledges and understands that PURCHASER is acting on its own behalf and as the administrator and lead investor for a group of independent participants a list of which can be provided to Merchant after funding and upon written notice to PURCHASER. PURCHASER may assign, transfer or sell its rights to receive the Purchased Amount or delegate its duties hereunder, either in whole or in part.
- 4.3 Notices.** All notices, requests, consent, demands and other communications hereunder shall be delivered by U.S. Regular Mail, return receipt requested, to the respective parties to this Agreement at the addresses set forth in this Agreement and shall become effective only upon receipt.
- 4.4 Waiver Remedies.** No failure on the part of PURCHASER to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.
- 4.5 Binding Effect; Governing Law, Venue and Jurisdiction.** This Agreement shall be binding upon and inure to the benefit of Merchant, PURCHASER (and it's Participants) and their respective successors and assigns, PURCHASER's Participants shall be third party beneficiaries of all such agreements, except that Merchant shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of PURCHASER which consent may be withheld in PURCHASER's sole discretion. PURCHASER reserves the rights to assign this Agreement with or without prior written notice to Merchant. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regards to any applicable principals of conflicts of law. Any suit, action or proceeding arising hereunder, or the interpretation, performance or breach hereof, shall, if PURCHASER so elects, be instituted in any court sitting in New York, (the "Acceptable Forums"). Merchant agrees that the Acceptable Forums are convenient to it, and submits to the jurisdiction of the Acceptable Forums and waives any and all objections to jurisdiction or venue. Should such proceeding be initiated in any other forum, Merchant waives any right to oppose any motion or application made by PURCHASER to transfer such proceeding to an Acceptable Forum.
- 4.6 Survival of Representation, etc.** All representations, warranties and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been satisfied in full and this Agreement shall have terminated.
- 4.7 Severability.** In case any of the provisions in this Agreement is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein shall not in any way be affected or impaired.
- 4.8 Entire Agreement.** Any provision hereof prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions hereof. This Agreement and Security Agreement hereto embody the entire agreement between Merchant and PURCHASER and supersede all prior agreements and understandings relating to the subject matter hereof.
- 4.9 JURY TRIAL WAIVER. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART OR THE ENFORCEMENT HEREOF. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.**

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- 4.10. CLASS ACTION WAIVER.** THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST THE OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW AGAINST PUBLIC POLICY. TO THE EXTENT EITHER PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES HEREBY AGREE THAT: (1) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOT WITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.
- 4.11. Facsimile Acceptance.** Facsimile signatures shall be deemed acceptable for all purposes.
- 4.12. ARBITRATION AND CLASS ACTION WAIVER.** PURCHASER or Merchant each may elect to resolve any and all claims and disputes relating in any way to this Agreement or their dealings with one another ("Claims"), except for Claims concerning the validity, scope or enforceability of this Arbitration Agreement, through BINDING INDIVIDUAL ARBITRATION. This Arbitration Agreement is made with respect to transactions involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA"), and not by state law.
- 4.13. Individual Arbitration.** If either PURCHASER or Merchant elects to resolve a dispute by arbitration, this means that neither Merchant nor PURCHASER will be able to have the dispute settled by a court or jury trial or to participate in a class action or class arbitration. Other rights that Merchant and PURCHASER would have in court will not be available or will be more limited in arbitration, including the right to appeal. **MERCHANT AND PURCHASER BOTH UNDERSTAND AND AGREE THAT BY ALLOWING EACH OTHER TO ELECT TO RESOLVE ANY DISPUTE THROUGH INDIVIDUAL ARBITRATION, THEY ARE EACH WAIVING THE RIGHT TO A JURY TRIAL OR A TRIAL BEFORE A JUDGE IN A PUBLIC COURT. IF EITHER PURCHASER OR MERCHANT ELECTS TO RESOLVE A DISPUTE BY ARBITRATION, THAT DISPUTE SHALL BE ARBITRATED ON AN INDIVIDUAL BASIS. NEITHER PURCHASER NOR MERCHANT MAY BRING A CLAIM UNDER THIS PROVISION AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE CAPACITY. THE ARBITRATOR(S) MAY NOT CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS (except Claims by or against Merchant and Principal(s) with respect to a single Agreement or series of agreements involving the same parties) AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING.**
- 4.14. Arbitration Rules.** Arbitration of any dispute under this Arbitration Agreement shall be administered by the American Arbitration Association ("AAA") pursuant to the applicable rules of AAA in effect at the time the arbitration is initiated. Merchant may contact AAA to obtain information about arbitration, arbitration procedures and fees by calling 800-778-7879 or visiting www.adr.org. If AAA is unable or unwilling to administer the arbitration of a dispute, then a dispute may be referred to any other arbitration organization mutually agreed upon in writing by PURCHASER and Merchant or to an arbitration organization or arbitrator appointed pursuant to section 5 of the FAA. Arbitrations between PURCHASER and Merchant shall be conducted before a single arbitrator who shall be a retired judge or an attorney with at least 15 years of active practice. The arbitration shall take place in the federal judicial district in which Merchant's physical address is located, unless otherwise agreed by PURCHASER and Merchant in writing. The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statutes of limitations and shall be authorized to award any relief that would have been available in court, provided that the arbitrator's authority to resolve claims and make awards is limited to PURCHASER and Merchant alone except as otherwise specifically stated herein. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration. The decision by the arbitrator shall be final and binding. PURCHASER and Merchant agree that the Arbitration Agreement extends to any other parties involved in any Claims, including but not limited to Principal(s) and PURCHASER's employees, affiliated companies and vendors. In the event of any conflict between this Arbitration Agreement and the AAA arbitration rules or the rules of any other arbitration organization or arbitrator, this Arbitration Agreement shall govern.
- 4.15. Arbitration Fees and Costs.** If PURCHASER initiates a dispute and either PURCHASER or Merchant elects arbitration of that dispute, or if Merchant initiates it, PURCHASER will be responsible for paying all of the arbitration fees. If Merchant initiates a dispute, but does not elect to arbitrate that dispute, and PURCHASER elects to arbitrate that dispute, Merchant will be responsible for paying PURCHASER's share of the arbitration fees up to the amount of any filing fees Merchant would have incurred. If Merchant had brought a claim in the state or federal court closest to Merchant's physical address set forth above, and PURCHASER will pay the remainder of the fees.
- 4.16. Exception.** Notwithstanding any other provision of this Agreement, Merchant and PURCHASER may seek relief in a small claims court for Claims within the jurisdiction of that court. In addition, Merchant and PURCHASER agree that this Arbitration Agreement does not stop Merchant or PURCHASER from exercising any lawful rights to seek provisional remedies or self-help. Merchant and PURCHASER agree that each of them may seek provisional remedies in court or self-help remedies out of court without waiving the right to arbitrate, and the exercise of self-help remedies is not exempt from legal challenge in arbitration or otherwise. Notwithstanding any other provision of this Agreement, if the foregoing prohibition against consolidated class and/or representative arbitration is determined to be invalid or unenforceable, then this entire Arbitration Agreement shall not apply. If any portion of this Arbitration Agreement other than the prohibition or consolidated, class and representative arbitration is deemed invalid or unenforceable, it shall not invalidate the remaining portions of this Arbitration Agreement.
- 4.17. Arbitration Agreement is Optional. MERCHANT HAS THE RIGHT TO REJECT THIS ARBITRATION AGREEMENT, BUT MUST EXERCISE THIS RIGHT PROMPTLY.** If Merchant does not wish to be bound by this agreement to arbitrate, Merchant must notify PURCHASER in writing within sixty (60) days after the date of this Agreement. Merchant must send its request to: Syndimate 5455 Wilshire Blvd STE 950 Los Angeles, CA 90036. The request must include Merchant's full name, address, account number, and the statement "I reject the Arbitration Agreement contained in my Receipts Purchase and Sale Agreement with PURCHASER." If Merchant exercises its right to reject arbitration, the other terms of this Agreement shall remain in full force and effect as if Merchant had not rejected arbitration.
- 4.18. Cure Provision.** Merchant and PURCHASER intend for both of them to have the right to arbitrate disputes on an individual basis as set forth above. In the event that a court finds any reason to invalidate or refuse to enforce this Arbitration Agreement, the party aggrieved by that decision shall have the right to take unilateral action to eliminate the basis for the court's decision, such as by waiving any right or remedy it has under this Agreement or agreeing to additional fee or cost shifting. This cureright may be exercised during briefing of a motion to compel arbitration, during oral argument, or in a renewed motion to compel arbitration. If a renewed motion is filed, Merchant and PURCHASER agree that the exercises of cure rights hereunder shall constitute new facts permitting such a renewed motion.

INITIAL: _

SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name: Sharing Services Inc D/B/A:
Sharing Services Inc

Physical Address: 1700 Coit Rd, Suite 100 City: Plano State: TX Zip: 75075
Federal ID#: 30-0869786

SECURITY AGREEMENT

Security Interest . To secure Merchant's performance obligations to PURCHASER, as the lead purchaser for itself and its affiliates or the PURCHASERS, a list of which may be provided to the Merchant upon written notice after the funding of the purchase closes under the Receipts Purchase and Sale Agreement, Merchant hereby grants to PURCHASER a security interest in (a) all accounts, chattel paper, documents, equipment, general intangibles, instruments, and inventory, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by Merchant; and (b) all proceeds, as that term is defined in Article 9 of the UCC (a and b collectively, the "Collateral").

Cross-Collateral . To secure Merchant's performance obligations to PURCHASER under this Security Agreement and Guaranty (the "Agreement"), Merchant hereby grants PURCHASER, for itself and its participants, a security interest in (the "Additional Collateral"). Guarantor understands that PURCHASER will have a security interest in the aforesaid Additional Collateral upon execution of this Agreement.

Merchant and Guarantor each acknowledge and agree that any security interest granted to PURCHASER under any other agreement between Merchant or Guarantor and PURCHASER (the "Cross-Collateral") will secure the obligations hereunder and under the Receipts Purchase and Sale Agreement.

Merchant and Guarantor each agrees to execute any documents or take any action in connection with this Agreement as PURCHASER deems necessary to perfect or maintain PURCHASER's first priority security interest in the Collateral, the Additional Collateral and the Cross-Collateral, including the execution of any account control agreements. Merchant and Guarantor each hereby authorizes PURCHASER to file any financing statements deemed necessary by PURCHASER to perfect or maintain PURCHASER's security interest, which financing statement may contain notification that Merchant and Guarantor have granted a negative pledge to PURCHASER with respect to the Collateral, the Additional Collateral and the Cross-Collateral, and that any subsequent lienor may be tortiously interfering with PURCHASER's rights. Merchant and Guarantor shall be liable for and PURCHASER may charge and collect all costs and expenses, including but not limited to attorney's fees, which may be incurred by PURCHASER in protecting, preserving and enforcing PURCHASER's security interest and rights.

Negative Pledge. Merchant and Guarantor each agrees not to create, incur, assume, or permit to exist, directly or indirectly, any lien on or with respect to any of the Collateral, the Additional Collateral or the Cross-Collateral, as applicable.

Consent to Enter Premises and Assign Lease . PURCHASER shall have the right to cure Merchant's default in the payment of rent on the following terms. In the event Merchant is served with papers in an action against Merchant for nonpayment of rent or for summary eviction, PURCHASER may execute its rights and remedies under the Assignment of Lease. Merchant also agrees that PURCHASER may enter into an agreement with Merchant's landlord giving PURCHASER the right: (a) to enter Merchant's premises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (b) to assign Merchant's lease to another qualified Merchant capable of operating a business comparable to Merchant's at such premises.

Remedies . Upon any Event of Default, PURCHASER may pursue any remedy available at law (including those available under the provisions of the UCC), or in equity to collect, enforce, or satisfy any obligations then owing, whether by acceleration or otherwise.

GUARANTY

Personal Guaranty of Performance . The undersigned Guarantor(s) hereby guarantees to PURCHASER, Merchant's performance of all of the representations, warranties, covenants made by Merchant in this Agreement and the Receipts Purchase and Sale Agreement, as each agreement may be renewed, amended, extended or otherwise modified (the "Guaranteed Obligations"). Guarantor's obligations are due (i) at the time of any breach by Merchant of any representation, warranty, or covenant made by Merchant in this Agreement and the Receipts Purchase and Sale Agreement.

Guarantor Waivers . In the event that Merchant fails to perform any of its obligation when due under the Receipts Purchase and Sale Agreement, PURCHASER may enforce its rights under this Agreement without first seeking to compel delivery from Merchant, any other guarantor, of any Collateral, Additional Collateral or CrossCollateral PURCHASER may hold pursuant to this Agreement or any other guaranty.

Guarantor Acknowledgement. Guarantor acknowledges that: (i) He/She understands the seriousness of the provisions of this Agreement; (ii) He/She has had a full opportunity to consult with counsel of his/her choice; and (iii) He/She has consulted with counsel of his or her choice or has decided not to avail himself/herself of that opportunity.

INITIAL: , _

Joint and Several Liability . The obligations hereunder of the persons or entities constituting Guarantor under this Agreement are joint and several.

THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "RECEIPTS PURCHASE AND SALE AGREEMENT", INCLUDING THE "TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS SECURITY AGREEMENT AND GUARANTY. CAPITALIZED TERMS NOT DEFINED IN THIS SECURITY AGREEMENT AND GUARANTY, SHALL HAVE THE MEANING SET FORTH IN THE RECEIPTS PURCHASE AND SALE AGREEMENT, INCLUDING THE TERMS AND CONDITIONS.

MERCHANTS AND OWNERS/GUARANTORS ACKNOWLEDGE THAT THIS WRITING REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO. IT IS UNDERSTOOD THAT ANY REPRESENTATIONS OR ALLEGED PROMISES BY INDEPENDENT BROKERS OR AGENTS OF ANY PARTY IF NOT INCLUDED IN THIS WRITTEN AGREEMENT ARE CONSIDERED NULL AND VOID. ANY MODIFICATION OR OTHER ALTERATION TO THE AGREEMENT MUST BE IN WRITING AND EXECUTED BY THE PARTIES TO THIS CONTRACT.

MERCHANT #1

By: Jordan Brock
(Print name and Title)
SS# _____ Drivers License Number: _____

Jordan Brock
(Signature)

MERCHANT #2

By: _____
(Print name and Title)
SS# _____ Drivers License Number: _____

(Signature)

OWNER/GUARANTOR #1

By: Jordan Brock
(Print name and Title)
SS# _____ Drivers License Number: _____

Jordan Brock
(Signature)

OWNER/GUARANTOR #2

By: _____
(Print name and Title)
SS# _____ Drivers License Number: _____

(Signature)

AUTHORIZED SERVICING AGENT – Syndimate

Syndimate provides administrative, bookkeeping, reporting and support services for Syndimate and the Merchant. Syndimate may at its sole discretion participate in this financing by providing a small portion of the funds for this transaction directly to Syndimate. Syndimate is not a credit card processor, or in the business of processing credit cards. Merchant hereby acknowledges that in no event will Syndimate be liable for any claims made against the Syndimate or the Processor under any legal theory for lost profits, lost revenues, lost business opportunity, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is waived by the Merchant and Owner/Guarantor.

MERCHANT

By: Jordan Brock
(Print name and Title)

(Print name and Title)

Jordan Brock
(Signature)

(Signature)





CUSTOMER AUTHORIZATION AGREEMENT FOR PREAUTHORIZED © ACH CREDITS & DEBITS

COMPANY
NAME Syndimate

COMPANY
ID NUMBER _____

I (we) hereby authorize the Company named above (the "COMPANY"), to initiate debit and credit entries to my (our) [] Checking [] Savings account (select one) indicated below and the depository named below, hereinafter "DEPOSITORY", to debit or credit the same to such account. I further authorize the Company to debit said account for such amount allowed by law in the event a debit entry is rejected by the Depository.

DEPOSITORY NAME _____

ROUTING/ABA NO. _____ ACCOUNT NO. _____

Please Check Those That Apply
:

- This is a Bank Account of a Natural Person
- This Account is Used for Commercial/Business Transactions

ATTACH A COPY OF A VOIDED CHECK FOR THE INDICATED ACCOUNT

This authority is to remain in full force and effect until COMPANY has received written notification of its termination in such time, but no less than 3 business days before any Receipts are due to be delivered, and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

CLIENT NAME (Business or Personal as Appropriate)
Sharing Services Inc

Date:
11/02/2018

SIGNATURE(S) _____

PRINT NAME(S) Jordan Brock

PHONE # (800) 518-0284

A COPY OF THIS AGREEMENT MUST BE GIVEN TO THE CUSTOMER(S) WHO SIGNED

NOTE: ALL WRITTEN DEBIT AND CREDIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



Libertas Funding LLC
382 Greenwich Avenue Suite 2 Second Floor Greenwich CT 06830

AGREEMENT OF SALE OF FUTURE RECEIPTS

This **AGREEMENT OF SALE OF FUTURE RECEIVABLES** (this "Agreement") dated as of 11/27/2018, is made by and between Libertas Funding LLC, a Connecticut limited liability company as purchaser ("Purchaser"), the merchant whose name, address and other pertinent information is set forth below, as seller ("Merchant"), and the officer(s) of the Merchant whose name, address and other pertinent information are set forth below ("Officer").

Merchant Information

Merchant Legal Name: SHARING SERVICES, INC., Four Oceans Holdings, Inc, Elepreneur, LLC, Elevacity Global LLC, Elenergy, LLC, Imagine University, LLC, Legacy Direct Global, LLC, Total Travel Media, Inc	DBA Name: Elepreneurs - Elevacity
Entity Type: CORPORATION	FEIN: 300869786
State Of Incorp: TX	Bank Name:
Address: 1700 COIT ROAD , PLANO, TX, 75075	Phone: 4693049400

OFFICER INFORMATION (referred to individually or collectively as the("Officer"))

Name of Officer : John Thatch	Cell Phone: 7274243377	Social Security # : 275486081
Home Address : 3001 Countryside Blvd CLEARWATER FL 33761	City/State : CLEARWATER / FL	Zip Code : 33761
Ownership % : 1	Email : jt@shrvinc.com	

Name of Officer 2 : Frank Walters	Cell Phone: 9723338112	Social Security # : 350387241
Home Address : 11109 New Orleans Dr FRISCO TX 75035	City/State : FRISCO / TX	Zip Code : 75035
Ownership % : 1	Email : al@shrvinc.com	

Background

WHEREAS, Merchant is an entity engaged in the business that it currently conducts and is willing to sell to Purchaser a certain portion of Merchant's future receivables (such portion, the "Sold Future Receipts"); and

WHEREAS, Purchaser is an entity engaged in the business of purchasing future receivables and is willing to purchase from Merchant the Sold Future Receipts; and

WHEREAS, Officer is an individual who, as an officer of Merchant, will derive substantial benefit from Merchant selling the Sold Future Receipts to Purchaser and who is willing to guaranty to Purchaser Merchant's performance in accordance with the provisions of this Agreement

NOW, THEREFORE, for good and valuable consideration, the mutual receipt of which and sufficiency is hereby acknowledged, the parties to this Agreement agree to the foregoing and as follows.

KEY BUSINESS TERMS AND DEFINITIONS:

Sold Amount of Future Receipts	\$635,000.00	The dollar value of the Sold Future Receipts that Merchant agrees to sell to Purchaser.
Purchase Price	\$500,000.00	The total amount that Purchaser agrees to pay for the Sold Amount of Future Receipts.
Future Receipts	\$3,870,980.67	All sums due to Merchant by its customers/clients/vendees as payment for the Merchant's sale of goods and services in the ordinary course of Merchant's business from and after the date when the Purchase Price is paid to Merchant irrespectively of how such sums is paid over and delivered to Merchant (in the form of cash, check, credit, credit card charge, debit card payment, ACH or any other form of funds transfer or payment.)
Direct Payments to Third Parties/Renewals	\$0.00	Paid to Other Funders.
Total Amount Sent to Merchant	\$490,000.00	Net of Discount and Direct Payments to 3rd Parties:



Specified Percentage	20%	An agreed upon percentage of the Daily daily Future Receipts that Merchant shall deliver to Purchaser until the entire Sold Amount of Future Receipts is delivered to Purchaser in accordance with this Agreement.
Discount Factor	1.27	The risk adjustment to the Amount Sold that determines the Futures Receivables Discount
daily Delivery	\$4,319.73	A dollar amount that Merchant and Purchaser agree to be a good faith approximation of the Specified Percentage of daily Future Receipts as of the date of this Agreement, based upon the information provided by Merchant to Purchaser concerning Merchant's most recent accounts receivables.
Due Diligence & Processing Fee	\$10,000.00	The amount Purchaser will withhold from the Purchase Price which represents the due diligence and costs of the Purchaser in performing its analysis for this agreement.
Early Delivery Discount	None	Discount Paid to Merchant for delivering Future Receivables Early
Estimated Term of this Agreement	7 Month(s)	The estimated Term of this Agreement is the period commencing on the date when the Purchase Price is paid to Merchant (the " Commencement Date.") and expiring on the date when the Sold Amount of Future Receipts is delivered to Purchaser in full.
Business Day		Monday through Friday during the Term of this Agreement except the days when the banking institutions in the state where the Merchant's business is located are closed for holidays and do not process ACH transfers.

Note: The bold type terms in the tables above and below shall constitute defined terms with respect to this Agreement. PLEASE NOTE THAT THE PURCHASER WILL NOT REMIT MORE THAN THE EXPECTED DAILY REMITTANCE PER DAY WITHOUT THE CONSENT OF THE MERCHANT.

I. SALE OF FUTURE RECEIPTS; PAYMENT OF PURCHASE PRICE :

1. Sale of Future Receipts. Merchant hereby sells, assigns, transfers and conveys (hereinafter, the " Sale ") unto Purchaser all of Merchant's right, title and interest in to the Specified Percentage of the Future Receipts until the Sold Amount of Future Receipts is delivered by Merchant to Purchaser; to have and hold the same unto Purchaser, its successors and assigns, forever. This Sale of the Sold Future Receipts is made without express or implied warranty to Purchaser of collectability of the Sold Future Receipts by Purchaser and without recourse against Merchant except as specifically set forth in this Agreement. By virtue of this Agreement, Merchant transfers to Purchaser full and complete ownership of the Sold Future Receipts and Merchant retains no legal or equitable interest therein.

2. Payment of Purchase Price.

- a. In consideration of the transfer by Merchant to Purchaser of the Sold Future Receipts, Purchaser agrees to pay to Merchant the Purchase Price; subject to the immediately following subsection (b) and the satisfactory completion of Purchaser's due diligence (in its discretion), the Purchase Price shall be turned over and delivered to Merchant immediately after the date of this Agreement.
- b. In the event as of the date when Purchaser shall deliver to Merchant the Purchase Price, Merchant shall have owed to Purchaser a certain amount of debt unrelated to his Agreement or certain sums pursuant to this Agreement including without limitation any and all origination fees. (the sum of all such prior obligations of Merchant to Purchaser, the " Prior Debt ") Merchant hereby grants Purchaser the right to withhold from the Purchase Price to be delivered to Merchant pursuant to subparagraph (a) above, the amount of the Prior Debt in full satisfaction thereof. Furthermore, Merchant agrees that delivery to the Merchant of the Purchase Price reduced by the amount of the Prior Debt shall not be deemed to be Purchaser's breach of its obligations under this Agreement and such reduction shall not in any way or form shall modify or reduce Merchant's obligations under this Agreement.
- c. In the event the amount of the Purchase Price is reduced by the amount of Prior Debt, any and all references in this Agreement to the Purchase Price shall mean "the Purchase Price as reduced by the Prior Debt, if any."

II. DELIVERY OF SOLD AMOUNT OF FUTURE RECEIPTS :

3. Daily Deliveries. The Sold Amount of Future Receipts shall be delivered to Purchaser in equal amounts of Daily Delivery. The Daily Deliveries shall be made on each on each and every Business Day commencing on the Commencement Date. The amount of the Daily Delivery is subject to Merchant's right for adjustment and/or reconciliation set forth in this Agreement. The last Daily Delivery shall be made when the Sold Amount of Future Receipts and other amounts due to Purchaser under this Agreement (if any) are delivered to Purchaser in full.

4. Method of Delivery of Sold Amount of Future Receipts. Purchaser shall have the right, at its sole and absolute discretion, to choose among the following three methods of delivery of the Daily Delivery to Purchaser:

- a. Directly from the Merchant's Approved Bank Account (as such term is defined below) by daily debiting the amount of Daily Delivery via ACH debit (" Direct Debit "); or
- b. From the Merchant's Approved Credit Card Processor (as such term is defined below) by instructing such Approved Credit Card Processor to remit daily the amount of Daily Delivery to Purchaser (" Credit Card Split "); or
- c. From a special bank account established jointly by Purchaser and Merchant whereby all Future Receipts shall be deposited into

such bank account during the term of this Agreement in accordance with a lockbox arrangement among Merchant, Purchaser and a banking institution chosen by Purchaser and Purchaser daily debiting the amount of Daily Delivery from such bank account (the "Lockbox Arrangement").

At any time during the term of this Agreement, Purchaser may change the method by which it will accept the Daily Delivery by providing Merchant with written instructions of a new method of delivery of Daily Delivery to Purchaser.

5. Approved Bank Account and Credit Card Processor. During the term of this Agreement, Merchant shall: (i) deposit all Future Receipts into one (and only one) bank account which bank account shall be preapproved by Purchaser (the "Approved Bank Account"), (ii) use one (and only one) credit card processor which processor shall be preapproved by Purchaser (the "Approved Credit Card Processor") and (iii) deposit all credit card receipts into the Approved Bank Account. In the event the Approved Bank Account or Approved Credit Card Processor shall become unavailable or shall cease providing services to Merchant during the term of this Agreement, prior to the first date of such unavailability or cessation of services, Merchant shall arrange for another Approved Bank Account or Approved Credit Card Processor, as the case may be.

6. Authorization of Direct Debit, Credit Card Split and Lockbox Arrangement.

- a. Merchant hereby authorizes Purchaser to initiate Direct Debit by way of electronic checks or ACH debits from the Approved Bank Account in the amount of Daily Delivery each Business Day until Purchaser receive the full Sold Amount of Future Receipts; Merchant shall provide Purchaser with all access code(s) for the Approved Bank Account.
- b. Merchant hereby authorizes Purchaser to initiate Credit Card Split by making the necessary arrangement with the Approved Credit Card Processor for remittance of the Daily Delivery each Business Day until the Purchaser receives the full Sold Amount of Future Receipts; Merchant shall provide Purchaser with all access code(s) for the Approved Credit Card Processor.
- c. Merchant hereby authorizes Purchaser to initiate a Lockbox Arrangement and to instruct Merchant's Approved Credit Card Processor and Merchant's invoiced customers/clients/vendees to deposit all sums due to Merchant from each of those parties directly to the special bank account established in accordance with the Lockbox Arrangement; If required, Merchant shall enter into a lockbox agreement with Purchaser and the banking institution chosen by Purchaser for the purpose of establishing such bank account.

7. Third Party Appointment and Authorization. By signing below, Merchant acknowledges that the Purchaser may, at any time, at Purchaser's sole discretion, and without prior notice, appoint a third party, including but not limited to its wholly owned subsidiaries, including, without limitation, Kinetic Direct Funding, LLC. (herein referred to as the "Servicing Agent") to perform any, or all, of the actions authorized by the ACH Authorization and the Agreement. Merchant further agrees and acknowledges that Servicing Agent shall have all of the same rights, responsibilities, and authorizations granted to Purchaser by the ACH Authorization and the Agreement. For purposes of clarity, any Servicing Agent may perform any and all activities to service the Agreement, including the collection of Funds Arising from Future Receipts (as set forth above), as if it was the Purchaser.

8. Fees Associated with Debiting Approved Bank Account. It shall be Merchant's exclusive responsibility to pay to its banking institution and/or Purchaser's banking institution directly (or to compensate Purchaser, in case it is charged) all fees, charges and expenses incurred by either Merchant or Purchaser due to rejected electronic checks or ACH debit attempts, overdrafts or rejections by Merchant's banking institution of the transactions contemplated by this Agreement.

9. Read Only Access to the Approved Bank and Credit Card Accounts. Merchant hereby agrees that during the term of this Agreement Purchaser shall have the right to perform ongoing read only electronic monitoring of transactions occurring in the Approved Bank Account and Merchant's account with the Approved Credit Card Processor (the "Approved Credit Card Account"). Merchant agrees to provide Purchaser all required online access codes for the Approved Bank Account and the Approved Credit Card Account. If Purchaser's electronic (online) access to Merchant's Approved Bank Account or the Approved Credit Card Account is disabled for any reason, Merchant shall immediately and diligently undertake all steps required from it to restore Purchaser's access to both Approved Bank Account and Approved Credit Card Account. Merchant's failure to comply with the provisions of this Section 8 shall constitute Merchant's material breach of its obligations under this Agreement.

1. MERCHANT'S RIGHT FOR RECONCILIATION AND ADJUSTMENT :

3. Merchant's Right for Reconciliation of Daily Deliveries.

- a. If any time during the term of this Agreement Merchant will experience sporadic increase or decrease in its daily receipts, Merchant shall have the right, at its sole and absolute discretion, but subject to the provisions of Section 10 below, to request retroactive reconciliation of the Merchant's actual daily receipts for one full calendar month immediately preceding the day when such request for reconciliation is received by Purchaser (each such calendar month, a "Reconciliation Month").

- b. Such reconciliation (the "Reconciliation") of Merchant's daily receipts for a Reconciliation Month shall be performed by Purchaser within five (5) Business Days following its receipt of the Merchant's request for reconciliation by either crediting or debiting the difference back to or from the Approved Bank Account so that the total amount debited by Purchaser from the Approved Bank Account during the Reconciliation Month at issue equal the Specific Percentage of the Future Receipts that Merchant collected during the Reconciliation Month at issue.
- c. The parties acknowledge and agree that one or more Reconciliation procedures performed by Purchaser may reduce the actual Daily Delivery amount during the Reconciliation Month in comparison to the one set forth in preamble of this Agreement, and, as the result of such reduction, the term of this Agreement during which Purchaser will be debiting the Approved Bank Account may extend substantially.

4. Request for Reconciliation Procedure.

- a. It shall be Merchant's sole responsibility and the right hereunder to initiate Reconciliation of Merchant's actual receipts during any Reconciliation Month by sending a request for reconciliation to Purchaser.
- b. Any such request for Reconciliation of the Merchant's daily receipts for a specific Reconciliation Month shall be in writing, shall include a copy of Merchant's bank statement and a credit card processing statement for the Reconciliation Month at issue, and shall be received by Purchaser via email customer.service@libertasfunding.com within five (5) Business Days after the last day of the Reconciliation Month at issue (time being of the essence as to the last day of the period during which such demand for reconciliation shall be received by Purchaser).
- c. Purchaser's receipt of Merchant's request for Reconciliation after the expiration of the Five-Business-Day period following the last day of the Reconciliation Month for which such reconciliation is requested nullifies and makes obsolete Merchant's request for Reconciliation for that specific Reconciliation Month.
- d. Merchant shall have the right to request Reconciliation as many times during the term of this Agreement as it deems proper, and Purchaser shall comply with such request, provided that:
 - i. Each such request is made in accordance with the terms of this Section 10.
 - ii. If a request for Reconciliation is made after the expiration of the term of this Agreement and, as the result of such Reconciliation, the total amount actually debited by Purchaser from the Approved Bank Account will become less than the Sold Amount of Future Receipts, then and in such event the term of this Agreement shall automatically be extended until the time when the total amount actually debited from Approved Bank Account pursuant to this Agreement shall become equal to the Sold Amount of Future Receipts.
 - iii. In the event after the last day of the term of this Agreement Merchant will determine in good faith that the actual amount debited by Purchaser from the Approved Bank Account pursuant to this Agreement is greater than the Sold Amount of Future Receipts, then and in such event Merchant shall have the right to request final Reconciliation within five (5) Business Days following the expiration date of the term of this Agreement (time being of the essence) and Purchaser shall honor such request within five (5) Business Days following the day of its receipt of such request. It shall be noted that if Purchaser receives funds that it is not entitled to, then the Purchaser shall be required to return those funds to the Merchant without request by the Merchant for reconciliation as set forth above.
- e. Nothing set forth in Sections 9 or 10 of this Agreement shall be deemed to provide Merchant with the right to interfere with Purchaser's right and ability to debit the Approved Bank Account while the request for Reconciliation of Merchant's receipts is pending or until the Sold Amount of Future Receipts is delivered to Purchaser in full.

5. Adjustment of Daily Delivery.

- a. If any time during the term of this Agreement Merchant will experience steady increase or decrease in its daily receipts, Merchant shall have the right, at its sole and absolute discretion, but subject to the provisions of Section 12 below, to request modification ("Adjustment") of the amount of the Daily Delivery that Merchant is obligated to deliver daily to Purchaser in accordance with the provisions of Section 3 above. Such Adjustment shall become effective as of the date it is granted and the new adjusted amount of the Daily Delivery (the "Adjusted Daily Delivery") shall replace and supersede the amount of the Daily Delivery set forth in the preamble of this Agreement.
- b. The Adjustment of the Daily Delivery shall be performed by Purchaser within five (5) Business Days following its receipt of the Merchant's request for Adjustment by modifying daily amounts that shall be debited from the Approved Bank Account until the Sold Amount of Future Receipts is delivered in full. Notwithstanding anything to the contrary set forth in Sections 11 and 12 hereof, no Adjustment shall take place until and unless Reconciliation for at least one (1) Reconciliation Month takes place resulting in reduction of the total amount debited from Merchant's Approved Bank Account during the Reconciliation Month by at least 20% in comparison to the amount that would have been debited during that month without Reconciliation.
- c. The parties acknowledge and agree that one or more Adjustments performed pursuant to this Agreement may substantially extend the term of this Agreement and the period during which Purchaser will be debiting the Approved Bank Account.

6. Request for Adjustment Procedure.

- a. It shall be Merchant's sole responsibility and the right to initiate the Adjustment by sending a request for Adjustment to Purchaser.
- b. A request for Adjustment (an "Adjustment Request") shall be in writing, shall include copies of: (i) Merchant's three (3) consecutive bank statements of the Approved Bank Account and credit card processing statements immediately preceding the date of Purchaser's receipt of the Adjustment Request, and (ii) Merchant's bank statements and credit card processing statements previously provided by Merchant to Purchaser based upon which statements the amount of Daily Delivery set forth in preamble to this Agreement (or the then current Adjusted Daily Delivery, as the case may be) was determined, and shall be received by Purchaser by email at customer.service@libertasfunding.com within five (5) Business Days after the date that is the later of the last day of the latest bank statement enclosed with the Adjustment Request and the last date of the latest card processing statement enclosed with the Adjustment Request (time being of the essence as to the last day of the period during which an Adjustment Request shall be received by Purchaser).
- c. Purchaser's receipt of a Merchant's Adjustment Request after the expiration of the above referenced Five-Business-Day period nullifies and makes obsolete such Adjustment Request.
- d. Merchant shall have the right to request Adjustment of the Daily Delivery (or Adjusted Daily Delivery, as the case may be) as many times during the term of this Agreement as it seems proper, and Purchaser shall comply with such request, provided that:
 - i. Each such request for Adjustment is made in accordance with the terms of this Section 12.
 - ii. A request for Adjustment shall not be made after the expiration of the term of this Agreement.
- e. Nothing set forth in Sections 11 or 12 of this Agreement shall be deemed to provide Merchant with the right to interfere with Purchaser's right and ability to debit the Approved Bank Account while the request for Adjustment is pending or until the Sold Amount of Future Receipts is delivered to Purchaser in full.

1. RISK SHARING ACKNOWLEDGMENTS AND AGREEMENTS:

3. Both Merchant and Purchaser Acknowledge and Agree that:

- a. The Sold Amount of Future Receipts represents a portion of Merchant's Future Receipts.
- b. This Agreement consummates the sale of the Sold Amount of Future Receipts at a discount, not borrowing funds by Merchant from Purchaser. Purchaser does not charge Merchant and will not collect from Merchant any interest on the monies spent on the purchase of the Sold Amount of Future Receipts. The period of time that it will take Purchaser to collect the Sold Amount of Future Receipts is not fixed, is unknown to both parties as of the date of this Agreement and will depend on how well or not well Merchant's business will be performing following the date hereof. As an extreme example, in the event Merchant's business ceases to exist after Purchaser's payment of the Purchase Price and purchase of the Sold Amount of Future Receipts for reason outside Merchant's control, Purchaser may never recover any moneys spent on such purchase without recourse.
- c. The amount of the Daily Delivery set forth in preamble to this Agreement is calculated based upon the information concerning an average amount of daily receipts collected by Merchant's business immediately prior to the date of this Agreement which information was provided by Merchant to Purchaser.
- d. The amounts of Merchant's future daily receipts may increase or decrease over time.
- e. If, based upon the Reconciliation and/or the Adjustment procedures described above, it will be determined that the actual daily amounts of the Specified Percentage of the Future Receipts get reduced in comparison to the amount of the Daily Delivery as of the date of this Agreement set forth in the preamble of this Agreement, and in comparison to the amount that both Merchant and Purchaser may have anticipated or projected because Merchant's business has slowed down, or if the full Sold Amount of Future Receipts is not remitted because Merchant's business went bankrupt or otherwise ceased operations in the ordinary course of business (but not due to Merchant's willful mishandling of its business), and Merchant shall have not breached this Agreement, Merchant would not owe anything to Purchaser and would not be in breach of or in default under this Agreement.

4. Purchaser's Risk Acknowledgments. Purchaser agrees to purchase the Sold Amount of Future Receipts knowing the risks that Merchant's business may slow down or fail, and Purchaser hereby assumes these risks based exclusively upon the information provided to it by Merchant and related to the business operations of Merchant's business prior to the date hereof and upon Merchant's representations, warranties and covenants contained in this Agreement that are designed to give Purchaser a reasonable and fair opportunity to receive the benefit of its bargain. Furthermore, Purchaser hereby acknowledges and agrees that Merchant shall be excused from performing its obligations under this Agreement in the event Merchant's business ceases its operations exclusively due to the following reasons (collectively, the "Valid Excuses");

- i. adverse business conditions that occurred for reasons outside Merchant's control and not due to Merchant's willful or negligent mishandling of its business;

- ii. loss of the premises where Merchant's business operates (but not due to Merchant's violation of its obligations to its landlord);
- iii. bankruptcy of Merchant;
- iv. natural disasters or similar occurrences beyond Merchant's control.

3. Not a Loan. Merchant and Purchaser agree that the Purchase Price is paid to Merchant in consideration for the ownership of the Sold Amount of Future Receipts and that payment of the Purchase Price by Purchaser is not intended to be, nor shall it be construed as, a loan from Purchaser to Merchant that requires absolute and unconditional repayment on a maturity date, and Officer waives any claims or defenses of usury in any action arising out of this Agreement. To the contrary, Purchaser's ability to receive the Sold Amount of Future Receipts pursuant to this Agreement, and the date when the Sold Amount of Future Receipts is delivered to Purchaser in full (if ever) are subject to and conditioned upon performance of Merchant's business.

1. MERCHANT'S OBLIGATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS :

3. Merchant represents, warrants and covenants that the following statements are valid, true and correct as of the date of this Agreement and unless expressly stated otherwise shall remain valid, true and correct during the term of this Agreement:

- a. Use of Purchase Price.** Merchant hereby acknowledges that it fully understands that: (i) Purchaser's ability to receive the Sold Amount of Future Receipts is contingent upon Merchant's continued operation of its business and successful generation of the Future Receipts until the Sold Amount of Future Receipts is delivered to Purchaser in full; (ii) that in the event of decreased efficiency or total failure of Merchant's business Purchaser's receipt of the full or any portion of the Sold Amount of Future Receipts may be delayed indefinitely. Based upon the forgoing, Merchant agrees to use the Purchase Price exclusively for the benefit and advancement of Merchant's business operations and for no other purpose.
- b. Merchant Shall Not.** During the term of this Agreement, without first obtaining Purchaser's consent, Merchant shall not:
 - i. Change or close the Approved Bank Account or change or terminate the Approved Processor.
 - ii. Open and deposit Future Receipts into a bank account different from the Approved Bank Account.
 - iii. Add a credit card processor in addition to the Approved Processor.
 - iv. Sell Merchant's business (as an entity or its assets) to a third party.
 - v. Disconnect Purchaser's bank monitoring software.
 - vi. Sell Future Receipts to a third party.
 - vii. Breach, or deviate from strict performance of, any and all other obligations of Merchant under this Agreement.
- c. Financial Condition and Financial Information.** Merchant's bank and financial statements, copies of which have been furnished to Purchaser, and future statements which may be furnished hereafter pursuant to this Agreement or upon Purchaser's request, fairly represent the financial condition of Merchant as of the dates such statements are issued, and prior to execution of the Agreement there have been no material adverse changes, financial or otherwise, in such condition, operation or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise Purchaser of any material adverse change in its financial condition, operation or ownership. Purchaser may request statements at any time during the term of this Agreement and Merchant shall provide them to Purchaser within Five (5) Business Days. Merchant's failure to do so is a material breach of this Agreement.
- d. Governmental Approvals.** Merchant is in compliance and, during the term of this Agreement, shall be in compliance with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.
- e. Good Standing.** Merchant is a corporation/limited liability company/limited partnership/other type of entity that is in good standing and duly incorporated or otherwise organized and validly existing under the laws of its jurisdiction of incorporation or organization and has full power and authority necessary to carry its business as it is now being conducted.
- f. Authorization.** Merchant has all requisite power to execute, deliver and perform this Agreement and consummate the transactions contemplated hereunder; entering into this Agreement will not result in breach or violation of, or default under, any agreement or instrument by which Merchant is bound or any statute, rule, regulation, order or other law to which Merchant is subject, nor require the obtaining of any consent, approval, permit or license from any governmental authority having jurisdiction over Merchant. All organizational and other proceedings required to be taken by Merchant to authorize the execution, delivery and performance of this Agreement have been taken. The person signing this Agreement on behalf of Merchant has full power and authority to bind Merchant to perform its obligations under this Agreement.
- g. Accounting Records and Tax Returns.** Merchant will treat receipt of the Purchase Price and delivery of the Sold Future Receipts in a manner evidencing sale of its future receipts in its accounting records and tax returns and further agrees that Purchaser is entitled to audit Merchant's accounting records upon reasonable Notice in order to verify compliance. Merchant hereby waives any rights of privacy, confidentiality or taxpayer privilege in any litigation or arbitration arising out of this Agreement in which Merchant asserts that this transaction is anything other than a sale of future receipts.
- h. Taxes; Workers Compensation Insurance.** Merchant will promptly pay, when due, all taxes, including without limitation,

income, employment, sales and use taxes, imposed upon Merchant's business by law, and will maintain workers compensation insurance required by applicable governmental authorities.

- i. **Business Insurance.** Merchant will maintain general liability and business-interruption insurance naming Purchaser as loss payee and additional insured in the amounts and against risks as are satisfactory to Purchaser and shall provide Purchaser proof of such insurance upon request.
- i. **Electronic Check Processing Agreement.** Merchant shall not change its processor, add terminals, change its financial institution or bank account(s) or take any other action that could have any adverse effect upon Merchant's obligations or impede Purchaser's rights under this Agreement, without Purchaser's prior written consent.
- k. **No Diversion of Future Receipts.** Merchant shall not allow any event to occur that would cause a diversion of any portion of Merchant's Future Receipts from the Approved Bank Account without first obtaining Purchaser's approval of such diversion.
- l. **Change of Name or Location.** Merchant shall not conduct Merchant's businesses under any name other than as disclosed to the Processor and Purchaser and will not change any of its places of business without first obtaining Purchaser's written consent.
- m. **Prohibited Business Transactions:** Merchant shall not: (i) transfer or sell all or substantially all of its assets without first obtaining Purchaser's consent; or (ii) make or send notice of its intended bulk sale or transfer.
- n. **No Closing of Business.** Merchant will not sell, dispose, transfer or otherwise convey all or substantially all of its business or assets without first: (i) obtaining the express written consent of Purchaser, and (ii) providing Purchaser with a written agreement of a purchaser or transferee of Merchant's business or assets assuming all of Merchant's obligations under this Agreement pursuant to documentation satisfactory to Purchaser. Merchant represents that it has no current plans to close its business either temporarily (for renovations, repairs or any other purpose), or permanently. Merchant agrees that until Purchaser shall have received all of the Sold Amount of Future Receipts, Merchant will not voluntarily close its business on a permanent or temporarily basis for renovations, repairs, or any other purposes. Notwithstanding the foregoing, Merchant shall have the right to close its business temporarily if such closing is necessitated by a requirement to conduct renovations or repairs imposed upon Merchant's business by legal authorities having jurisdiction over Merchant's business (such as from a health department or fire department) or if such closing is necessitated by circumstances outside Merchant's reasonable control. Prior to any such temporary closure of its business, Merchant shall provide Purchaser ten (10) Business Days advance notice.
- o. **No Pending Bankruptcy.** As of the date of Merchant's execution of this Agreement, Merchant is not insolvent, has not filed, and does not contemplate filing, any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary bankruptcy petition brought or pending against Merchant. Merchant represents that it has not consulted with a bankruptcy attorney on the issue of filing bankruptcy within six months immediately preceding the date of this Agreement.
- p. **Estoppel Certificate.** Merchant will at any time, and from time to time, upon at least one (1) day's prior notice from Purchaser to Merchant, execute, acknowledge and deliver to Purchaser and/or to any other person or entity specified by Purchaser in its notice, a statement certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modification(s) and stating the date(s) on which the Sold Amount of Future Receipts or any portion thereof has been delivered.
- q. **Working Capital Funding.** Merchant shall not further encumber the Future Receipts, without first obtaining written consent of Purchaser.
- r. **Unencumbered Future Receipts.** Merchant has and will continue to have good, complete and marketable title to all Future Receipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or interests other than by virtue of or entering into this Agreement.
- s. **Business Purpose.** Merchant is entering into this Agreement solely for business purposes and not as a consumer for personal, family or household purposes.
- t. **No Default Under Contracts with Third Parties.** Merchant's execution of and/or performance of its obligations under this Agreement will not cause or create an event of default by Merchant under any contract, which Merchant is or may become a party to.
- u. **Right of Access.** In order to ensure Merchant's compliance with the terms of this Agreement, Merchant hereby grants Purchaser the right to enter, without notice, the premises of Merchant's business for the purpose of inspecting and checking Seller's transaction processing terminals to ensure the terminals are properly programmed to submit and or batch Merchant's daily receipts to the Processor and to ensure that Merchant has not violated any other provision of this Agreement. Furthermore, Merchant hereby grants Purchaser and its employees and consultants access to Merchant's employees and records and all other items of property located at the Merchant's place of business during the term of this Agreement. Merchant hereby agrees to provide Purchaser, upon request, all and any information concerning Merchant's business operations, banking relationships, names and contact information of Merchant's suppliers, vendors and landlord(s), to allow Purchaser to interview any of those parties.
- v. **Phone Recordings and Contact.** Merchant agrees that any call between Merchant and Purchaser and its officer, managers, employees and agents may be recorded and/or monitored. Furthermore, Merchant acknowledges and agrees that: (i) it has an established business relationship with Purchaser, its managers, employees and agents (collectively, the "Purchaser Parties") and

that Merchant may be contacted by any of the Purchaser Parties from time-to-time regarding Merchant's performance of its obligations under this Agreement or regarding other business transactions; (ii) it will not claim that such communications and contacts are unsolicited or inconvenient; and (iii) that any such contact may be made by any of the Purchaser Parties in person or at any phone number (including mobile phone number), email addresses, or facsimile number belonging to Merchant's office, or its owners, managers, officers, or employees.

- w. **Knowledge and Experience of Decision Makers.** The persons authorized to make management and financial decisions on behalf Merchant with respect to this Agreement have such knowledge, experience and skill in financial and business matters in general and with respect to transactions of a nature similar to the one contemplated by this Agreement so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, Merchant entering into this Agreement.
- x. **Merchant's Due Diligence.** The person authorized to sign this Agreement on behalf of Merchant: (i) has received all information that such person deemed necessary to make an informed decision with respect to a transaction contemplated by this Agreement; and (ii) has had unrestricted opportunity to make such investigation as such person desired pertaining to the transaction contemplated by this Agreement and verify any such information furnished to him or her by Purchaser.
- y. **Arm-Length Transaction.** The person signing this Agreement of behalf of Merchant: (a) has read and fully understands content of this Agreement; (b) has consulted to the extent he/she wished with Merchant's own counsel in connection with the entering into this Agreement; (c) he or she has made sufficient investigation and inquiry to determine whether this Agreement is fair and reasonable to Merchant, and whether this Agreement adequately reflects his or her understanding of its terms.
- z. **No Reliance on Oral Representations.** This Agreement contains the entire agreement between Merchant and Purchaser with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued or acquiesced in, and each oral agreement and representation previously made, by Purchaser or any of the Purchaser Parties with respect thereto (if any), whether or not relied or acted upon. No course of performance or other conduct subsequently pursued or acquiesced in, and no oral agreement or representation subsequently made, by the Purchaser Parties, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, shall amend this Agreement or impair or otherwise affect Merchant's obligations pursuant to this Agreement or any rights and remedies of the parties to this Agreement.

I. PLEDGE OF SECURITY:

3. Acknowledgment of Security Interest and Security Agreement. The Future Receipts sold by Merchant to Purchaser pursuant to this Agreement are "accounts" or "payment intangibles" as those terms are defined in the Uniform Commercial Code as in effect in the state in which the Merchant is located (the "UCC") and such sale shall constitute and shall be construed and treated for all purposes as a true and complete sale, conveying good title to the Future Receipts free and clear of any liens and encumbrances, from Merchant to Purchaser. To the extent the Future Receipts are "accounts" or "payment intangibles" then (i) the sale of the Future Receipts creates a security interest as defined in the UCC; (ii) this Agreement constitutes a "security agreement" under the UCC; and (iii) Purchaser has all the rights of a secured party under the UCC with respect to such Future Receipts. Merchant further agrees that, with or without an Event of Default, Purchaser may notify account debtors, or other persons obligated on the Future Receipts, on holding the Future Receipts of Merchant's sale of the Future Receipts and may instruct them to make payment or otherwise render performance to or for the benefit of Purchaser.

4. Financing Statements. Merchant authorizes Purchaser to file one or more UCC-1 forms consistent with the UCC to give notice that the Sold Amount of Future Receipts is the sole property of Purchaser. The UCC filing may state that such sale is intended to be a sale and not an assignment for security and may state that Merchant is prohibited from obtaining any financing that impairs the value of the Sold Amount of Future Receipts or Purchaser's right to collect same. Merchant authorizes Purchaser to debit the Approved Bank Account for all costs incurred by Purchaser associated with the filing, amendment or termination of any UCC filings.

5. Security. As security for the prompt and complete performance of any and all liabilities, obligations, covenants or agreements of Merchant under this Agreement, now or hereafter arising from, out of or relating to this Agreement, whether direct, indirect, contingent or otherwise (hereinafter referred to collectively as the "**Merchant Obligations**"), Merchant hereby pledges, assigns and hypothecates to Purchaser and grants to Purchaser a continuing, perfected and first priority lien upon and security interest in, to and under all of Merchant's right, title and interest in and to the following (collectively, the "**Collateral**"), whether now existing or hereafter from time to time acquired:

- a. all accounts, including without limitation, all deposit accounts, accounts-receivable, and other receivables, chattel paper, documents, equipment, general intangibles, instruments, and inventory, as those terms are defined by Article 9 of the Uniform Commercial Code (the "**UCC**"), now or hereafter owned or acquired by Merchant; and
- b. all Merchant's proceeds, as that term is defined by Article 9 of the UCC.

6. Termination of Pledge. Upon the performance by Merchant in full of the Merchant Obligations, the security interest in the

Collateral pursuant to this Pledge shall automatically terminate without any further act of either party being required, and all rights to the Collateral shall revert to Merchant. Upon any such termination, Purchaser will execute, acknowledge (where applicable) and deliver such satisfactions, releases and termination statements, as Merchant shall reasonably request.

7. Representations with Respect to Collateral. Merchant hereby represents and warrants to Purchaser that: the execution, delivery and performance by Merchant of this Pledge, and the remedies in respect of the Collateral under this Pledge (i) have been duly authorized; (ii) do not require the approval of any governmental authority or other third party or require any action of, or filing with, any governmental authority or other third party to authorize same (other than the filing of the UCC 1's); (iii) do not and shall not (A) violate or result in the breach of any provision of law or regulation, any order or decree of any court or other governmental authority, (B) violate, result in the breach of or constitute a default under or conflict with any indenture, mortgage, deed of trust, agreement or any other instrument to which Merchant is a party or by which any of Merchant's assets (including, without limitation, the Collateral) are bound.

8. Further Assurances. Upon the request of Purchaser, Merchant, at Merchant's sole cost and expense, shall execute and deliver all such further UCC-1s, continuation statements, assurances and assignments of the Collateral and consents with respect to the pledge of the Collateral and the execution of this Pledge, and shall execute and deliver such further instruments, agreements and other documents and do such further acts and things, as Purchaser may request in order to more fully effectuate the purposes of this Pledge and the assignment of the Collateral and obtain the full benefits of this Pledge and the rights and powers herein created.

9. Attorney-in-fact. Merchant hereby authorizes Purchaser at any time to take any action and to execute any instrument, including without limitation to file one or more financing statements and/or continuation statements, to evidence and perfect the security interest created hereby and irrevocably appoints Purchaser as its true and lawful attorney-in-fact, which power of attorney shall be coupled with an interest, with full authority in the place and stead of Merchant and in the name of Merchant or otherwise, from time to time, in Purchaser's sole and absolute discretion, including without limitation (a) for the purpose of executing such statements in the name of and on behalf of Merchant, and thereafter filing any such financing and/or continuation statements and (b) to receive, endorse and collect all instruments made payable to Merchant.

1. EVENTS OF DEFAULT AND REMEDIES:

3. Events of Default by Merchant. The occurrence of any of the following events shall constitute an "Event of Default" by Merchant:

- a. Merchant shall violate any term, condition or covenant in this Agreement for any reason whatsoever other than as the result of Merchant's business ceases its operations exclusively due to any of the Valid Excuses.
- b. Any representation or warranty by Merchant or Officer made in this Agreement shall prove to have been incorrect, false or misleading in any material respect when made.
- c. Merchant shall default under any of the terms, covenants and conditions of any other agreement with Purchaser (if any).
- d. Merchant uses multiple depository accounts without obtaining prior written consent of Purchaser in each instance.
- e. Merchant fails to deposit any portion of its Future Receipts into the Approved Bank Account;
- f. Merchant changes the Approved Bank Account or Approved Processor without obtaining prior written consent of Purchaser in each instance;
- g. Merchant interferes with Purchaser's collection of Daily Deliveries (or Adjusted Daily Deliveries, as the case may be.)
- h. Merchant fails to provide timely notice to Purchaser such that in any given calendar month there are four or more ACH transactions attempted by Purchaser that are rejected by Merchant's bank.

4. Events of Default by Merchant. The occurrence of any of the following events shall constitute an Event of Default by the Merchant:

- a. Merchant shall violate any term, condition or covenant in this Agreement applicable to the Merchant.
- b. Any representation or warranty by the Merchant made in this Agreement shall prove to have been incorrect, false or misleading in any material respect when made.

5. Default Under this Agreement. In case any Event of Default occurs and is not waived by Purchaser, Purchaser may declare Merchant and/or Officer in default under this Agreement by sending a default notice to Merchant and/or Officer, as the case may be.

6. Merchant's Obligations Upon Default. Upon receipt of such default notice, Merchant shall immediately deliver to Purchaser the portion of the Sold Amount of Future Receipts that remain undelivered at the time of such default notice together with all other Fees (as such term is defined below) that Merchant may owe to Purchaser pursuant to this Agreement (the sum of the then undelivered portion of the Sold Amount of Future Receipts and the Fees hereinafter shall referred to the "Adjusted Sold Amount of Future Receipts.") In addition, Merchant shall also pay to Purchaser, as additional damages, any reasonable expenses incurred by Purchaser in connection with

recovering the monies due to Purchaser from Merchant pursuant to this Agreement, including without limitation the costs of retaining collection firms and reasonable attorneys' fees and disbursements (collectively, "Reasonable Damages"). The parties agree that Purchaser shall not be required to itemize or prove its Reasonable Damages and that the fair value of the Reasonable Damages shall be calculated fifteen percent (15%) of the Adjusted Sold Amount of Future Receipts at the time of default

7. Remedies Upon Default. Upon occurrence of an Event of Default, Purchaser may immediately proceed to protect and enforce its rights under this Agreement against Merchant by:

- a. Enforcing its rights as a secured creditor under the Uniform Commercial Code including, without limitation, notifying any account debtor(s) of Merchant of Purchaser's security interest;
- b. Filing the affidavit of confession of judgment (the "Affidavit") executed by the Officer(s), individually and on Merchant's behalf, in connection with this Agreement in the amount of the undelivered portion of the Sold Amount of Future Receipts, plus the Reasonable Damages, enter the judgment with the Clerk of the Court, without notice, and execute thereon;
- c. Notifying Merchant's credit card processor or customers of Merchant's default under this Agreement and to direct such credit card processor all future receipts and receivables to transfer to Purchaser of all or any portion of the amounts received by such credit card processor or customer on behalf of Merchant.
- d. Commencing a suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein, or to enforce the discharge of Merchant's and Guarantor's obligations hereunder or any other legal or equitable right or remedy including without limitation Purchaser's rights of a secured party under the UCC.

8. Remedies are not Exclusive. All rights, powers and remedies of Purchaser in connection with this Agreement may be exercised at any time after the occurrence of any Event of Default, and are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided to Purchaser by law or equity.

9. Power of Attorney. Each Merchant irrevocably appoints Purchaser and its representatives as their respective agents and attorneys-in-fact with full authority to take any action or execute any instrument or document to do the following: (A) to settle all obligations due to Purchaser from any credit card processor and/or account debtor(s) of Merchant; (B) upon occurrence of an Event of Default under this Agreement, to perform any and all such obligations of Merchant under this Agreement, including without limitation

(i) to obtain and adjust insurance; (ii) to collect monies due or to become due under or in respect of any of the Collateral; (iii) to receive, endorse and collect any checks, notes, drafts, instruments, documents or chattel paper in connection with clause (i) or clause (ii) above; (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to Purchaser; and (v) to file any claims or take any action or institute any proceeding against Merchant and/or Officer which Purchaser may deem necessary for the collection of any portion of the undelivered Sold Amount of Future Receipts from the Collateral, or otherwise to enforce its rights under this Agreement.

I. ADDITIONAL TERMS:

3. Additional Fees. In addition to all other sums due to Purchaser under this Agreement, Merchant shall pay to Purchaser (the sum of all such charges, hereinafter, the "Fee"):

- a. Merchant will pay all Due Diligence & Processing Fees upon entering into this Agreement as reimbursement of Purchaser's costs associated with entering into this Agreement (the cost of due diligence on the Merchant's business, financial and legal due diligence, etc.)
- b. \$35 in each and every instance when delivery of the Daily Delivery to Purchaser has failed due to the insufficient funds in the Merchant's Approved Account.
- c. \$100 in each and every instance when Merchant blocks Purchaser's access (or otherwise prevents Purchaser from accessing) Merchant's bank accounts.
- d. \$2,500 in each and every instance when, upon occurrence of an Event of Default, Purchaser shall have agreed to waive Merchant's default.

4. Merchant Deposit Agreement. Merchant shall execute an agreement with Purchaser that would authorize Purchaser to arrange for electronic fund transfer services and/or "ACH" payments of Daily Delivery from the Approved Bank Account. Merchant shall provide Purchaser and/or its authorized agent with all information, authorizations and passwords necessary to verify Merchant's receivables, receipts and deposits into the Approved Bank Account. Merchant shall authorize Purchaser and/or its agent to deduct daily the amounts of Daily Delivery to Purchaser from settlement amounts which would otherwise be due to Merchant from electronic check transactions and to pay such amounts to Purchaser by permitting Purchaser to withdraw the Daily Delivery from such account. The authorization shall be irrevocable.

5. Financial Condition. Merchant and its Officer(s) authorize Purchaser and its agents to investigate their financial responsibility and history, and will provide to Purchaser any bank or financial statements, tax returns, etc., as deems necessary prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed as acceptable for release of financial information. is authorized to update such information and financial profiles from time to time as it deems appropriate.

6. Transactional History. Merchant shall execute written authorization(s) to their bank(s) to provide Purchaser with Merchant's banking and/or credit-card processing history.

7. Indemnification. Merchant hereby does indemnify and hold harmless Approved Processor, its officers, directors and shareholders against all losses, damages, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Approved Processor resulting from (a) claims asserted by Purchaser for monies owed to Purchaser from Merchant and (b) actions taken by Approved Processor in reliance upon information or instructions provided by Purchaser.

8. No Liability. In no event shall Purchaser be liable for any claims asserted by Merchant or its Officer under any legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is waived by Merchant and Officer(s).

9. Right to Cancel.

I. Notwithstanding anything to the contrary set forth in this Agreement, Purchaser shall have the right to cancel this agreement any time prior to its delivery of the Purchase Price to Merchant and, upon such cancellation, this Agreement shall become null and void and the parties shall have no obligation to, or rights against, each other, except that all sums delivered by Merchant to Purchaser on account of entering into this Agreement shall be promptly returned to Merchant.

II. Notwithstanding anything to the contrary set forth in this Agreement, in the event Merchant has not been in default under this Agreement, Merchant shall have the right to cancel this Agreement any time until the midnight of the fifth (5th) Business Day following the date of its receipt of the Purchase Price by notifying Purchaser of such cancellation by notice sent in accordance with this Agreement. Upon timely delivering such cancellation notice to Purchaser, and further provided that Merchant has otherwise complied with the provisions of this Agreement, Merchant shall refund the entire amount of the Purchase Price back to Purchaser within five (5) Business Days following the date of Merchant's receipt of the Purchase Price. Upon such refund of the Purchase Price back to Purchaser, this Agreement shall become null and void and the parties shall have no remaining obligations to or rights against each other except that Purchaser shall have the right to keep, as fair and adequate compensation for its costs of entering into this Agreement with Merchant, the entire amount of Daily Deliveries as well as the origination fee (as set forth above) received by Purchaser prior to the date when this Agreement is terminated.

IX. GUARANTY OF PERFORMANCE OF MERCHANT'S OBLIGATIONS:

3. Merchant Representations. Merchant represents and warrants to Purchaser that:

- a. Officer, or manager of Merchant and will directly benefit from Purchaser and Merchant entering into the Agreement.
- b. It understands and acknowledges that Purchaser is not willing to enter into the Agreement unless Merchant irrevocably, absolutely and unconditionally guarantees prompt and complete performance of any and all liabilities, obligations, covenants or agreements of Merchant under this Agreement, now or hereafter arising from, out of or relating to this Agreement, whether direct, indirect, contingent or otherwise (hereinafter referred to collectively as the "Merchant Obligations").

4. Guaranty of Merchant's Obligations. Merchant does hereby irrevocably, absolutely and unconditionally guarantees to Purchaser prompt, full, faithful and complete performance and observance of all of Merchant's Obligations; Merchant unconditionally covenants to Purchaser that if default or breach shall at any time be made by Merchant in the Merchant's Obligations, Merchant shall or perform (or cause to be performed) the Merchant's Obligations and pay all damages and other amounts stipulated in this Agreement with respect to the non-performance of the Merchant's Obligations, or any of them.

5. Merchants's Other Agreements. Merchant will not dispose, convey, sell or otherwise transfer, or cause Merchant to dispose, convey, sell or otherwise transfer, any material business assets of Merchant without the prior written consent of Purchaser, which consent may be withheld for any reason, until Purchaser's receipt of the entire Sold Amount of Future Receipts. Merchant shall pay to Purchaser upon demand all expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred as the result of, or incidental to, or relating to, the enforcement or protection of Purchaser's rights against Merchant under the Agreement.. The obligation of the Merchant shall be unconditional and absolute, regardless of the unenforceability of any provision of any agreement between Merchant and Purchaser, or the existence of any defense, setoff or counterclaim, which Merchant may assert. Purchaser is hereby authorized, without notice or demand and without affecting the liability of Merchant hereunder, to at any time renew or extend Merchant's obligations under the Agreement or otherwise modify, amend or change the terms of the Agreement.

6. Waiver; Remedies. No failure on the part of Purchaser to exercise, and no delay in exercising, any right under this Guaranty shall operate as a waiver, nor shall any single or partial exercise of any right under this Guaranty preclude any other or further exercise of any other right. The remedies provided in this Guaranty are cumulative and not exclusive of any remedies provided by law or equity. In the event that Merchant fails to perform any obligation under the Agreement, Purchaser may enforce its rights under this Guaranty without first seeking to obtain performance for such default from Merchant.

7. Acknowledgment of Purchase. Officer acknowledges and agrees that the Purchase Price paid by Purchaser to Merchant in exchange for the Sold Amount of Future Receipts is a payment of an adequate consideration and is not intended to be treated as a loan or financial accommodation from Purchaser to Merchant. Officer specifically acknowledges Purchaser is not a lender, bank or credit card processor, and that Purchaser has not offered any loans to Merchant, and Officer waives any claims or defenses of usury in any action arising out of this Agreement. Officer acknowledges the Purchase Price paid to Merchant is good and valuable consideration for the sale of the Sold Amount of Future Receipts.

8. Severability. If for any reason any court of competent jurisdiction finds any provisions of this Agreement applicable to the Merchant to be void or voidable, the parties agree that the court may reform such provision(s) to render the provision(s) enforceable ensuring that the restrictions and prohibitions contained in those provisions shall be effective to the fullest extent allowed under applicable law.

9. Opportunity for Attorney Review. Merchant represents that he/she has carefully read this Agreement and has, or had an opportunity to, consult with his or her attorney. Merchant understands the contents of this Agreement, signs it as his or her free act and deed, and agrees to be bound by the provisions hereof.

IX. MISCELLANEOUS:

47. Modifications; Agreements. No modification, amendment, waiver or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all parties.

48. Assignment. Purchaser may assign, transfer or sell its rights or delegate its duties hereunder, either in whole or in part without prior notice to the Merchant or the Officer. Neither Merchant nor Officer shall have the right to assign their respective rights or obligations under this Agreement without first obtaining Purchaser's written consent.

49. Notices. All notices, requests, consent, demands and other communications hereunder shall be delivered by certified mail, return receipt requested, to the respective parties to this Agreement at the addresses set forth in this Agreement and shall become effective as of the date of receipt or declined receipt.

50. Waiver Remedies. No failure on the part of any party to exercise, and no delay in exercising, any right under this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

51. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

52. Governing Law, Venue and Jurisdiction. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of New York, without regards to any applicable principles of conflicts of law. Any lawsuit, action or proceeding arising out of or in connection with this Agreement shall be instituted exclusively in any court sitting in New York State, (the "Acceptable Forums"). Each party signing this Agreement agrees that the Acceptable Forums are convenient, and irrevocably submits to the jurisdiction of the Acceptable Forums and waives any and all objections to inconvenience of the jurisdiction or venue. Should a proceeding be initiated in any other forum, the parties waive any right to oppose any motion or application made by either party to transfer such proceeding to an Acceptable Forum.

53. Survival of Representation, etc. All representations, warranties and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been complied with and satisfied in

full and this Agreement shall have terminated.

54. Severability. In case any of the provisions in this Agreement is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein shall not in any way be affected or impaired.

55. Entire Agreement. Any provision hereof prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions hereof. This Agreement and all amendments, riders and exhibits thereon (if any) embody the entire agreement between Merchant, Officer and Purchaser and supersede all prior agreements and understandings relating to the subject matter hereof.

56. JURY TRIAL WAIVER. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART OR THE ENFORCEMENT HEREOF. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.

57. CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY TO THIS AGREEMENT, AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW AGAINST PUBLIC POLICY. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES HEREBY AGREE THAT: (1) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT TO THE CONTRARY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

58. ARBITRATION. THE PARTIES ACKNOWLEDGE AND AGREE THAT EACH PURCHASER, MERCHANT, AND ANY Officer SHALL HAVE THE RIGHT TO REQUEST THAT ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT ARE SUBMITTED TO ARBITRATION. THE PARTY SEEKING ARBITRATION SHALL FIRST SEND A WRITTEN NOTICE OF INTENT TO ARBITRATE TO ALL OTHER PARTIES, BY CERTIFIED MAIL. UPON SENDING OF SUCH NOTICE, A PARTY REQUESTING ARBITRATION MAY COMMENCE AN ARBITRATION PROCEEDING WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") OR NATIONAL ARBITRATION FORUM ("NAF"). EACH MERCHANT, Officer AND PURCHASER SHALL PAY THEIR OWN ATTORNEYS' FEES INCURRED DURING THE ARBITRATION PROCEEDING. THE PARTY INITIATING THE ARBITRATION SHALL PAY ANY ARBITRATION FILING FEE, ADMINISTRATION FEE AND ARBITRATOR'S FEE.

59. RIGHT TO OPT OUT OF ARBITRATION. SELLER AND Officer(S) MAY OPT OUT OF THE ARBITRATION PROVISION ABOVE. TO OPT OUT OF THE ARBITRATION CLAUSE, SELLER AND EACH Officer MUST SEND BUYER A NOTICE THAT THE SELLER AND EACH Officer DOES NOT WANT THE CLAUSE TO APPLY TO THIS AGREEMENT. FOR ANY OPT OUT TO BE EFFECTIVE, SELLER AND EACH Officer MUST SEND AN OPT OUT NOTICE TO THE FOLLOWING ADDRESS BY REGISTERED MAIL, WITHIN 14 DAYS AFTER THE DATE OF THIS AGREEMENT: Libertas Funding LLC. – ARBITRATION OPT OUT, 382 Greenwich Avenue Suite 2 Second Floor Greenwich CT 06830, ATTENTION: [Customer Service].

60. Captions. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

61. Counterparts and Facsimile Signatures. This Agreement can be signed in one or more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same agreement. Signatures delivered via facsimile and/or via Portable Digital Format (PDF) shall be deemed acceptable for all purposes, including without limitation the evidential purposes.

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MERCHANT: SHARING SERVICES, INC., Four Oceans Holdings, Inc, Elepreneur, LLC, Elevacity Global LLC, Elenergy, LLC, Imagine University, LLC, Legacy Direct Global, LLC, Total Travel Media, Inc

Officer #1:

By: _____

Name: John Thatch
Title: CEO
SSN:

Name: John Thatch
FEIN:

Libertas Funding LLC.

Officer #2:

By: _____

Name: Randy Saluck
Title: CEO, Libertas Funding LLC.

Name: Frank Walters
SSN:





eMerchant Advance LLC

Contract ID #11486

Agreement for the Purchase and Sale of Future Receipts

Seller's Legal Name: SHARING SERVICES INC. D/B/A: ELEPRENEURS - ELEVACITY
Form of Business Entity Corporation
Street Address: 1700 Coit Rd, City: Plano, State: TX, Zip: 75075
Mailing Address: 11109 NEW ORLEANS DR, City: FRISCO, State: TX, Zip: 75035
Primary Contact Name: Frank Walters & John Thatch Title:
Time in Business: 1.4 Years Federal Tax ID Number: 30-0869786
Purchase Price: \$500,000.00 Purchased Amount: \$635,000.00 Average Monthly Sales: \$
Specified Percentage: 4.00 %

Origination Fee: \$15,000.00 [x] deducted from the Purchase Price deliveries of Future Receipts

Initial Daily Amount: \$4,320.00

Effective, 11/27/2018, Seller, identified above, hereby sells, assigns and transfers to eMerchant Advance LLC located at 1393 Veterans Memorial Highway, Suite 202 S, Hauppauge, New York 11788 ("Buyer"), without recourse, the Purchased Amount and will deliver the Specified Percentage of the proceeds of each future sale made by Seller (collectively "Future Receipts") in accordance with this Agreement.

The obligation of Buyer under this Agreement will not be effective unless and until Buyer has completed its review of the Seller and has accepted this Agreement by delivering the Purchase Price, minus any Origination Fee, if the Origination Fee is deducted from the Purchased Amount.

The Personal Guaranty of Performance by Guarantor(s) is attached hereto as Exhibit "A".

Agreement of Seller: By signing below Seller agrees to the terms and conditions contained in this Agreement, including those terms and conditions on the following pages, and further agrees that this transaction is for business purposes and not for personal, family, or household purposes.

Seller: SHARING SERVICES INC.

Agreed to by: Frank Walters & John Thatch (Signature), its CFO (Title)

Agreement of Each Officer: Each Officer of the Company signing below agrees to the terms of the Credit Report Authorization below.

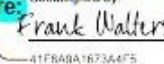
Handwritten signatures of Frank Walters and John Thatch with corresponding signature lines.

HC# 4852-1274-1738

Initial Here boxes with handwritten initials FW and JTH.

more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same agreement.

For individual Officer Guarantor -
Officer Guarantor: John Thatch (Print Name)
Signature: 
DocuSigned by:
03267F0CA98B453

For individual Officer Guarantor -
Officer Guarantor: Frank Walters (Print Name)
Signature: 
DocuSigned by:
41F8A0A1673A4F5

For Corporate Guarantors (or other entities) -
Guarantor: _____
By: _____
Print Name of Signer: _____
Its: _____ (Official Position)

HC# 4823-0019-5936

3

DocuSign Envelope ID: B1C768B7-AFF2-4DA1-B96D-AF01DD182D84

AUTHORIZATION AGREEMENT FOR AUTOMATED CLEARING HOUSE TRANSACTIONS

[SHARING SERVICES INC.] ("Seller") hereby authorizes eMerchant Advance LLC ("Buyer") to present automated clearing house (ACH) debits to the following checking account in the amount of fees and other payments due to Buyer from Seller under the terms of that Agreement for the Purchase and Sale of Future Receipts (the "Agreement") entered into between Seller and Buyer, as it may be amended, supplemented or replaced from time to time. Seller also authorizes Buyer to initiate additional entries (debits and credits) to correct any erroneous transfers. In addition, if an Event of Default (as defined in the Agreement) occurs, Seller authorizes Buyer to debit any and all accounts controlled by Seller or controlled by any entity with the same Federal Tax Identification Number as Seller up to the total amount, including but not limited to, all fees and charges, due to Buyer from Seller under the terms of the Agreement.

Seller agrees to be bound by the Rules and Operating Guidelines of NACHA and represents and warrants that the designated account is established and used primarily for commercial/business purposes, and not for consumer, family or household purposes. Seller authorizes Buyer to contact Seller's financial institution to obtain available funds information and/or to verify any information Seller has provided about the designated checking account and to correct any missing, erroneous or out-of-date information. Seller understands and agrees that any revocation or attempted revocation of this Authorization will constitute

understands and agrees that any revocation or attempted revocation of this Authorization will constitute an event of default under the Agreement for the Purchase and Sale of Future Receipts. In the event that Seller closes the designated checking account, or the designated checking account has insufficient funds for any ACH transaction under this Authorization, Seller authorizes Buyer to contact Seller's financial institution and obtain information (including account number, routing number and available balance) concerning any other deposit account(s) maintained by Seller with Seller's financial institution, and to initiate ACH transactions under this Authorization to such additional account(s). To the extent necessary, Seller grants Buyer a limited Power of Attorney to take action in Seller's name to facilitate this authorization.

Transfer Funds To/From: Name of Bank: WELLS FARGO BANK
ABA Transit/Routing #: 111900659
Checking Account #: 5616228556

This authorization is to remain in full force and effect until Buyer has received all amounts due or that may become due to Buyer under the Agreement.

Seller Information: Seller's Name: SHARING SERVICES INC.

Signature of Authorized Representative Frank Walters

Print Name: Frank Walters

Title: CFO

Seller's Tax ID: 30-0869786

Date: 11/30/2018 9:14:18 AM PST

Signature of Authorized Representative John Thatch

Print Name: John Thatch

Title: CEO

HC# 4852-1274-1738

[Voided Check is Required]

OS
FW
Initial Here

OS
JThatch
Initial Here

DocuSign Envelope ID: B1C788B7-AFF2-4DA1-B98D-AF01DD182D84



eMerchant Advance LLC

ADDENDUM TO MERCHANT AGREEMENT

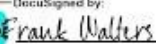
In association with the eMerchant Advance LLC Merchant Agreement #11466 dated **November 27, 2018** and all future agreements, I/we, **Frank Walters & John Thatch**, a principal of **SHARING SERVICES INC. DBA ELEPRENEURS - ELEVACITY** located at **1700 COIT RD, PLANO, TX 75075** do hereby attest and agree to the following terms and conditions:

- I represent that in the event if there are any ACH debit rejections from the **Wells Fargo** account #**5616228556**, eMerchant Advance LLC has the authorization to ACH debit the secondary bank account with **Wells Fargo** #**5616228564** or third bank account with **Wells Fargo** #**5616228580**.

I hereby represent this statement to be true and accurate:

AGREED AND ACKNOWLEDGED:

11/30/2018 9:14:18 AM PST

Signature:  **Date:** / /
DocuSigned by:
41FB60A1673A4F5 **Guarantor**

Print Name: Frank Walters

11/30/2018 9:17:47 AM PST

Signature:  **Date:** / /
DocuSigned by:
03287E0CA8BB44 **Guarantor**

Print Name: JOHN THATCH

eMerchant Advance LLC
1393 Veterans Memorial Hwy Suite 202S, Hauppauge, NY 11788 - 888-221-4545