



## RETAILCAPITAL LLC PURCHASE AGREEMENT

This Purchase Agreement ("**Agreement**") dated 11/14/201 between **RetailCapital LLC** ("**Company**") and the merchant or other business listed below ("**Merchant**").

### MERCHANT INFORMATION

Business Legal Name: Tiles by Matthew Inc  
D/B/A: Tiles by Matthew State of Incorporation/Organization: FL  
Type of entity: Corporation  
Physical Address: 2001 NW 15th Ave Suite 106 City: Pompano Beach State: FL Zip: 33069  
Mailing Address: 2001 NW 15th Ave Suite 106 City: Pompano Beach State: FL Zip: 33069  
Date Business Started: 03/22/2012 Federal Tax ID or Social Security #: 454829482  
Contact Name: Uzay Tumer Position: President  
Phone: 9546924936 Fax: 7869230936 Email: tilesbymatthew@gmail Website: www.tilesbymatthew.com

### PURCHASE AND SALE OF FUTURE RECEIVABLES

Merchant hereby sells, assigns and transfers to Company (making Company the absolute owner) in consideration of the funds provided ("Purchase Price") specified below, all of Merchant's future accounts, contract rights and other obligations arising from or relating to the payment of monies from Merchant's customers' and/or other third party payors (the "Receipts" defined as all payments made by cash, check, electronic transfer or other form of monetary payment in the ordinary course of the merchant's business), for the payment of Merchant's sale of goods or services until the amount specified below (the "Purchase Amount") has been delivered by Merchant to Company.

The Purchased Amount shall be paid to Company by Merchant's irrevocably authorizing only one depositing account acceptable to Company (the "Account") to remit the percentage specified below (the "Specified Percentage") of the Merchant's settlement amounts due from each transaction, until such time as Company receives payment in full of the Purchased Amount. Merchant hereby authorizes Company to ACH Debit the specified remittances from the merchant's bank account on a daily basis and will provide Company with all required access codes, and monthly bank statements. Merchant understands that it is responsible for ensuring that the specified percentage to be debited by Company remains in the account and will be held responsible for any fees incurred by Company resulting from a rejected ACH attempt or an event of default. (See Fee Section) Company is not responsible for any overdrafts or rejected transactions that may result from Company' ACH debiting the specified amounts under the terms of this agreement. Company will debit the specific daily amount each business day and upon receipt of the merchants monthly bank statements on or about the eighteenth day of each month reconcile the merchant's account by either crediting or debiting the difference from or back to the merchant's bank account so that the amount debited per month equals the specified percentage. Company may, upon Merchant's request, adjust the amount of any payment due under this Agreement at Company's sole discretion and as it deems appropriate. Notwithstanding anything to the contrary in this Agreement or any other agreement between Company and Merchant, upon the violation of any provision contained in Section 1.11 of the MERCHANT AGREEMENT TERMS AND CONDITIONS or the occurrence of an Event of Default under Section 3 of the MERCHANT AGREEMENT TERMS AND CONDITIONS, the Specified Percentage shall equal 100%. A list of all fees applicable under this agreement is contained in Appendix A.

Purchase Price: \$ 45,750.00 Specified Percentage: 13.00 % Specified Daily Amount: \$ 310.00 Purchase Amount: \$ 61,305.00

THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION HEREIN SET FORTH IN THIS AGREEMENT. THE "MERCHANT INFORMATION" FORM AND "SECURITY AGREEMENT AND GUARANTY" HEREOF ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS MERCHANT AGREEMENT.

#### MERCHANT

By: Uzay Tumer **X** \_\_\_\_\_  
(Print Name) (Signature)

By: \_\_\_\_\_  
(Print Name) (Signature)

#### OWNER

By: Uzay Tumer **X** \_\_\_\_\_  
(Print Name) (Signature)

By: \_\_\_\_\_  
(Print Name) (Signature)

RetailCapital  
LLC: \_\_\_\_\_  
(RetailCapital LLC Officer) (Signature)

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 repay this obligation and that the information provided herein and in all of Company 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 Company and Company shall be entitled to all remedies available under law. Company may produce a monthly statement reflecting the delivery of the Specified Percentage of Receivables from Merchant via Processor and/or Operator to Company. An investigative or consumer report may be made in connection with the Agreement. Merchant and each of the above-signed Owners authorizes Company, its agents and representatives and any credit reporting agency engaged by Company, 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) pull credit report at any time now or for so long as Merchant and/or Owners(s) continue to have any obligation owed to Company as a consequence of this Agreement or for Company's ability to determine Merchant's eligibility to enter into any future agreement with Company.

**ANY MISREPRESENTATION MADE BY MERCHANT OR OWNER IN CONNECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL MISREPRESENTATION.**

## ADDITIONAL TERMS OF THE PURCHASE AGREEMENT

### I. TERMS OF ENROLLMENT IN PROGRAM

**1.1 Merchant Deposit Agreement.** Merchant shall execute an agreement (the "Merchant Deposit Agreement") acceptable to Company, with a Bank acceptable to Company, to obtain electronic fund transfer services. Merchant shall provide Company and/or its authorized agent with all of the information, authorizations and passwords necessary for verifying Merchant's receivables, receipts and deposits into the account. Merchant shall authorize Company and/or its agent to deduct the amounts owed to Company for the Receipts as specified herein from settlement amounts which would otherwise be due to Merchant from electronic check transactions and to pay such amounts to Company by permitting Company to withdraw the Specified Percentages/Specified Daily Amount by ACH debiting of the account. The authorization shall be irrevocable without the written consent of Company.

**1.2 Term of Agreement.** This Agreement shall have a term of one year. Upon the expiration of the term, this Agreement shall automatically renew for successive one-year terms, provided, however, that during the renewal term(s) Merchant may terminate this Agreement upon ninety days' prior written notice (effective upon receipt) to Company. The termination of this Agreement shall not affect Merchant's responsibility to satisfy all outstanding obligations to Company at the time of termination.

**1.3 Future Purchases.** Company reserves the right to rescind the offer to make any purchase payments hereunder, in its sole discretion.

**1.4 Financial Condition.** Merchant and Guarantor(s) authorize Company and its agents to investigate their financial responsibility and history, and will provide to Company any bank or financial statements, tax returns, etc., as Company 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. Company is authorized to update such information and financial profiles from time to time as it deems appropriate.

**1.5 Transactional History.** Merchant authorizes their bank to provide Company 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, its officers, directors and shareholders against all losses, damages, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Processor resulting from (a) claims asserted by Company for monies owed to Company from Merchant and (b) actions taken by Processor in reliance upon information or instructions provided by Company.

**1.7 No Liability.** In no event will Company 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, Company 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 Company 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 Company to Merchant. Merchant agrees that the Purchase Price is in exchange for the Receipts pursuant to this Agreement equals the fair market value of such Receipts. Company has purchased and shall own all the Receipts described in this Agreement up to the full Purchased Amount as the Receipts are created. Payments made to Company 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 at law. In the event that a court determines that Company 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 Company shall promptly refund to Merchant any interest received by Company in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that Company not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by Merchant under applicable law.

**1.10 Power of Attorney.** Merchant irrevocably appoints Company 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 Company from Processor, 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 Company; and (v) to file any claims or take any action or institute any proceeding which Company may deem necessary for the collection of any of the unpaid Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Purchased Amount.

**1.11 Protections Against Default.** The following Protections 1 through 8 may be invoked by Company, immediately and without notice to Merchant in the event: (a) Merchant takes any action to discourage the use of electronic check processing that are settled through Processor, or permits any event to occur that could have an adverse effect on the use, acceptance, or authorization of checks for the purchase of Merchant's services and products including but not limited to direct deposit of any checks into a bank account without scanning into the Company electronic check processor; (b) Merchant changes its arrangements with Processor in any way that is adverse to Company; (c) Merchant changes the electronic check processor through which the Receipts are settled from Processor to another electronic check processor, or permits any event to occur that could cause diversion of any of Merchant's check transactions to another processor; (d) Merchant interrupts the operation of this business (other than adverse weather, natural disasters or acts of God) transfers, moves, sells, disposes, transfers or otherwise conveys its business or assets without (i) the express prior written consent of Company, 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 Company; or (e) 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 that are settled through processor or into the Account. These protections are in addition to any other remedies available to Company at law, in equity or otherwise pursuant to this Agreement.

Protection 1. The full uncollected Purchase Amount plus all fees due under this Agreement and the attached Security Agreement become due and payable in full immediately

Protection 2. Company may enforce the provisions of the Personal Guarantee of Performance against the Guarantor.

Protection 3. Merchant shall, upon execution of this Agreement, deliver to Company an executed confession

of judgment in favor of Company in the amount of the Purchase Amount stated in the Agreement. Upon breach of any provision in this paragraph 1.11, Company may enter that confession of judgment as a judgment with the Clerk of the Court and execute thereon.

Protection 4. Company may enforce its security interest in the Collateral identified in Article III hereof.

Protection 5. The entire Purchase Amount shall become immediately refundable to Company from Merchant.

Protection 6. Company may proceed to protect and enforce its rights and remedies by lawsuit. In any such lawsuit, in which Company shall recover judgment against Merchant, Merchant shall be liable for all of Company's costs of lawsuit, including but not limited to all reasonable attorneys' fees and court costs.

Protection 8. Company 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 Company to disclose information concerning Merchant's and each Owner's credit standing (including credit bureau reports that Company 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 Company or any of its affiliates relating to any (i) investigation undertaken by or on behalf of Company 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 Company, including this Agreement and any other Company documentations (collectively, "Confidential Information") are proprietary and confidential information of Company. Accordingly unless disclosure is required by law or court order, Merchant shall not disclose Confidential Information of Company 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 only authorizes Company 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 Company may be using "doing business as" or "d/b/a" names or affiliated entities in connection with various matters relating to the transaction between Company and Merchant, including the filing of UCC-1 financing statements and other notices or filings.

### II. 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 Company, and future statements which will be furnished hereafter at the discretion of Company, fairly represent the financial condition of Merchant at such dates, and since those dates there has been no material adverse changes, financial or otherwise, in such condition, operation or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise Company of any material adverse change in its financial condition, operation or ownership. Company may request statements at any time during the performance of this Agreement and the Merchant shall provide them to Company 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 Company as loss payee and additional insured in amounts and against risks as are satisfactory to Company and shall provide Company proof of such insurance upon request.

**2.5 Electronic Check Processing Agreement.** Merchant will 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 under this Agreement, without Company's prior written consent. Any such change shall be a material breach of this Agreement.

**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 Company 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 Company to Merchant, execute, acknowledge and deliver to Company and/or to any other person, person firm or corporation specified by Company, 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 repaid. **2.9 No Bankruptcy.** As of the date of this Agreement, Merchant does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code 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. In the event that the Merchant files for bankruptcy protection or is placed under an involuntary filing Protections 2 and 3 are immediately invoked.

**2.10 Working Capital Funding.** Merchant shall not enter into any arrangement, agreement or commitment that relates to or involves the Receipts, whether in the form of a purchase of, a loan against, collateral against or the sale or purchase of credits against, Receipts or future check sales with any party other than Company.

**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 Company.

**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.

### III. 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) Merchant shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Merchant seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, or composition of it or its debts; (d) the sending of notice of termination by Guarantor; (e) Merchant shall transport, move, interrupt, suspend, dissolve or terminate its business; (f) Merchant shall transfer or sell all or substantially all of its assets; (h) Merchant shall make or send notice of any intended bulk sale or transfer by Merchant; (i) Merchant shall use multiple depository accounts without the prior written consent of Company; (j) Merchant shall change its depositing account without the prior written consent of Company; (k) Merchant shall perform any act that reduces the value of any Collateral granted under this Agreement; or (l) Merchant shall default under any of the terms, covenants and conditions of any other agreement with Company.

**3.2 Remedies.** In case any Event of Default occurs and is not waived pursuant to Section 4.4.1 hereof, Company 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 Company in connection with this Agreement may be exercised at any time by Company 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 Company all reasonable costs associated with (a) a breach by Merchant of the Covenants in this Agreement and the enforcement thereof, and (b) the enforcement of Company's remedies set forth in Section 4.2 above, including but not limited to court costs and attorneys' fees.

**3.4 Required Notifications.** Merchant is required to give Company written notice within 24 hours of any filing under Title 11 of the United States Code. Merchant is required to give Company seven days' written notice prior to the closing of any sale of all or substantially all of the Merchant's assets or stock.

### IV. 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 Company.

**4.2 Assignment.** Company 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 certified 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 Company 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, Company and their respective successors and assigns, except that Merchant shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of

Company which consent may be withheld in Company's sole discretion. Company 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 Company 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 Company 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 Company 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.

**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

## RetailCapital LLC - SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name: Tiles by Matthew Inc D/B/A: Tiles by Matthew  
Physical Address: 2001 NW 15th Ave Suite 106 City: Pompano Beach State: FL Zip: 33069  
Federal ID# 454829482

### **SECURITY AGREEMENT**

**Security Interest.** To secure Merchant's payment and performance obligations to Company under the Merchant Agreement (the "Factoring Agreement"), Merchant hereby grants to Company 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 Guarantor's payment and performance obligations to Company under this Security Agreement and Guaranty (the "Agreement"), Guarantor hereby grants to Company a security interest in all future receivables, bank accounts, fixtures, real estate, chattel paper, documents, equipment, general intangibles, instruments, inventory wherever located, now or hereafter owned or acquired by the merchant (the "Additional Collateral"). Guarantor understands that Company 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 Company under any other agreement between Merchant or Guarantor and Company (the "Cross-Collateral") will secure the obligations hereunder and under the Merchant Agreement.

Merchant and Guarantor each agrees to execute any documents or take any action in connection with this Agreement as Company deems necessary to perfect or maintain Company'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 Company to file any financing statements deemed necessary by Company to perfect or maintain Company's security interest, which financing statement may contain notification that Merchant and Guarantor have granted a negative pledge to Company with respect to the Collateral, the Additional Collateral and the Cross-Collateral, and that any subsequent lienor may be tortiously interfering with Company's rights. Merchant and Guarantor shall be liable for and Company may charge and collect all costs and expenses, including but not limited to attorney's fees, which may be incurred by Company in protecting, preserving and enforcing Company'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.** Company 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 non-payment of rent or for summary eviction, Company may execute its rights and remedies under the Assignment of Lease. Merchant also agrees that Company may enter into an agreement with Merchant's landlord giving Company 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, Company 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 Company, Merchant's performance of all of the representations, warranties, covenants made by Merchant in this Agreement and the Merchant 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 Merchant Agreement, and (ii) at the time Merchant admits its inability to pay its debts, or makes a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against Merchant seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, or composition of it or its debts.

**Guarantor Waivers.** In the event that Merchant fails to make a payment or perform any obligation when due under the Merchant Agreement, Company may enforce its rights under this Agreement without first seeking to obtain payment from Merchant, any other guarantor, or any Collateral, Additional Collateral or Cross-Collateral. Company may hold pursuant to this Agreement or any other guaranty.

Company does not have to notify Guarantor of any of the following events and Guarantor will not be released from its obligations under this Agreement if it is not notified of: (i) Merchant's failure to pay timely any amount owed under the Merchant Agreement; (ii) any adverse change in Merchant's financial condition or business; (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; (iv) Company's acceptance of this Agreement; and (v) any renewal, extension or other modification of the Merchant Agreement or Merchant's other obligations to Company. In addition, Company may take any of the following actions without releasing Guarantor from any of its obligations under this Agreement: (i) renew, extend or otherwise modify the Merchant Agreement or Merchant's other obligations to Company; (ii) release Merchant from its obligations to Company; (iii) sell, release, impair, waive or otherwise fail to realize upon any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) foreclose on any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations in a manner that impairs or precludes the right of Guarantor to obtain reimbursement for payment under this Agreement. Until the Merchant Amount plus any accrued but unpaid interest and Merchant's other obligations to Company under the Merchant Agreement and this Agreement are paid in full, Guarantor shall not seek reimbursement from Merchant or any other guarantor for any amounts paid by it under this Agreement. Guarantor permanently waives and shall not seek to exercise any of the following rights that it may have against Merchant, any other guarantor, or any collateral provided by Merchant or any other guarantor, for any amounts paid by it, or acts performed by it, under this Agreement: (i) subrogation; (ii) reimbursement; (iii) performance; (iv) indemnification; or (v) contribution. In the event that Company must return any amount paid by Merchant or any other guarantor of the Guaranteed Obligations because that person has become subject to a proceeding under the United States Bankruptcy Code or any similar law, Guarantor's obligations under this Agreement shall include that amount.

**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 its choice or has decided not to avail himself/herself of that opportunity.

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

#### **APPENDIX A: FEES**

**Filing Fee.** Merchant shall be responsible for fees associated with the proper filing of any financing statements in the appropriate jurisdiction. This fee may vary by state or county but is generally accepted to be equal to half of one per cent of the Specified Amount. This fee may be collected directly from the funds being dispersed to purchase receivables if not paid in full before funding. This fee is non-refundable.

**Underwriting Fee.** This fee is paid by the Merchant to RetailCapital to cover the costs of underwriting. These fees include the cost of credit reports, site surveys, and other administrative costs and proper filing of financing statements. This fee will be calculated as follows: Advances with a Specified Amount of \$7,500 or less will be assessed a fee of \$295.00, advances with a Specified Amount from \$7,501-\$50,000 will be assessed a fee of \$395.00; advances with a Specified Amount from \$50,001-\$100,000 will be assessed a fee of \$595.00; advances with a Specified Amount from \$100,001-\$160,000 will be assessed a fee of \$795.00; and advances with a Specified Amount over \$160,001 will be assessed a fee of .5% of the Specified Amount.

**Multiple Site Inspection Fee.** For any Merchant who has multiple locations, a fee of \$100.00 per additional location will be collected. If this is not paid in advance, this fee will be collected from receipts prior to the collection of the Specified Amount purchased by Company. This fee is non-refundable.

**Wire Transfer Fee.** A \$45.00 fee is applied for any wire transfer.

**Bank Account Change Fee.** A \$65.00 fee is applied anytime the Merchant changes bank accounts during the term of the Agreement.

**NSF Fee.** A \$50.00 fee will be applied to the Merchants account for each check or automated debit returned as NSF or otherwise stopped.

**Termination Fee.** A \$100.00 fee is charged at the culmination of every advance purchase. In the event of a renewal, this termination fee shall be waived. For an add-on advance, this termination fee shall still apply at the culmination of every advance purchase.

**Default Waiver Fee.** Upon Merchants request, Company may elect in its sole and absolute discretion to waive to occurrence of an event of default hereunder, provided that Merchant shall pay a default waiver fee for each such waiver in the amount of \$2,500.00 to Company, which shall be due and payable to Company on demand. Such default waiver fee shall be payable for each event of default occurring of an event of default, or as otherwise limiting Company's rights or remedies provided for hereunder or by law or equity.

**Credit/Debit/Bank Card Processor Change Fee.** Merchant shall pay to Company \$5,000.00 in the event that Merchant (i) uses multiple credit/debit/bank card processing terminals without the prior written consent of Company; or (ii) changes its credit/debit/bank card Processor without prior written consent of Company. Such credit/debit/bank card Processor change fee (i) shall be due and payable to Company on demand; (ii) is not exclusive of, and is cumulative with, any other fee or amount paid or payable to Company by Merchant pursuant to this agreement; and (iii) shall not be construed as a waiver of any event of default hereunder or as otherwise operating to reduce or limit Company's rights or remedies provided for hereunder or at law or in equity.



**RetailCapital™**  
Merchant Cash Fast

Date	11/14/2013	Analyst Initials:	_____
Business Name	Tiles by Matthew Inc		
Merchant Contact	Uzay Tumer		

## Permission to Release Information

I, Uzay Tumer, authorize RetailCapital LLC to obtain trade, landlord, bank and tax records from vendors, suppliers, landlord or mortgager, banks, creditors, payroll, companies, accountants, or taxing authorities. This information will be used for the sole purpose of obtaining funding from RetailCapital LLC.

### Permission to Access Merchant Processing

I, Uzay Tumer, give permission to RetailCapital LLC to access my merchant processing accounts on-line. If I do not currently have on-line access, I give RetailCapital LLC permission to set up access on my behalf. My access information is listed below. I understand that I can change my account access information after underwriting is complete to deny further access in the future.

Current Processor: \_\_\_\_\_

Merchant Number: \_\_\_\_\_

Processor Phone #: \_\_\_\_\_

Processor Website: \_\_\_\_\_

Username: \_\_\_\_\_

Password: \_\_\_\_\_

American Express Uername: \_\_\_\_\_

American Express Password: \_\_\_\_\_

Uzay Tumer

Merchant

Signature

Date